CSA Global
Mining Industry Consultants

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Fyre Lake Property
Yukon Territory, Canada

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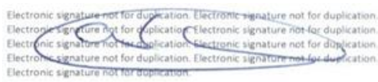
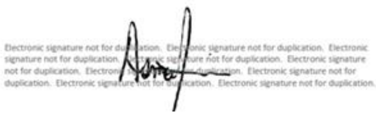
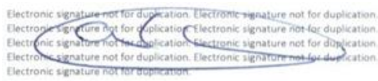
Coordinating Author	Aaron Green BSc (Hons), GradDipAppFin, MAIG.	Signature:	
Peer Reviewer	Aaron Meakin BSc (Hons), GradDipAppFin, MAppFin, MAusIMM (CP Geo).	Signature:	
CSA Global Authorisation	Aaron Green Director	Signature:	

Date and Signature Page

Certificate of Qualified Person – Aaron Green

As a Qualified Person of this Technical Report covering the Property named as the Fyre Lake Project, Yukon Territory, Canada, of BMC Minerals (No. 1) LTD, I, Aaron Green do hereby certify that:

1. I am a Principal Resource Geologist with CSA Global Pty Ltd at its head office at Level 2, 3 Ord Street, West Perth, WA 6005, Australia.
2. I am a professional geologist having graduated with a BSc (Hons) in Geology from La Trobe University, Melbourne (1993) and a Graduate Diploma in Applied Finance and Investment (2003).
3. I am a Member of the Australian Institute of Geoscientists.
4. I have practised my profession as a geologist for the past 23 years in the mineral resources sector and engaged in the assessment, development and operation of mineral projects both within Australia and overseas.
5. I have read the definition of "qualified person" set out in National Instrument 43-101 ("**NI 43-101**") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfil the requirements to be a "qualified person" for the purposes of NI 43-101.
6. I am responsible for the Technical Report.
7. I personally visited the property that is the subject of the Technical Report on 26th July 2017.
8. I am independent of the issuer as described in Section 1.5 of NI 43-101.
9. I have had no prior involvement with the property that is the subject of the Report.
10. I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101.
11. As of the date of this certificate, the Technical Report, to the best of my knowledge, information, and belief, contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 25th February 2018.

Aaron Green BSc (Hons), MAIG, GradDipAppFin

Director and Principal Resource Geologist

CSA Global Pty Ltd

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1 Summary

1.1 Introduction

BMC Minerals (No. 1) Ltd (BMC) commissioned CSA Global Pty Ltd (CSA Global) to compile a Technical Report on the Fyre Lake Property (the "Fyre Lake Project" or the "Fyre Lake Property") in Yukon, Canada. This report is to comply with disclosure and reporting requirements set forth in National Instrument 43-101 – Standards of Disclosure for Mineral Projects (NI 43-101), Companion Policy 43-101CP, and Form 43-101F1.

This Technical Report discloses material changes to the Property including:

- An updated Mineral Resource estimate (MRE) for the Kona polymetallic deposit.

1.2 Property Description and Location

The Fyre Lake Property is located ~20 km south of BMC's 100% owned Kudz Ze Kayah Project (KZK or "the KZK Project") and east of Whitehorse in Yukon, Canada. The Property comprises 161 Mineral Claims.

BMC has an option arrangement over a 100% interest in the Fyre Lake Property, currently held by TSX-V listed Pacific Ridge Exploration Ltd (PEX).

1.3 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Property is readily accessible year-round with fixed wing aircraft, or helicopter support. The nearest road access is approximately 30 km northeast of the KZK Project. Fire Lake is 8 km long with excellent approaches that can be utilised by a variety of float- or ski-mounted fixed wing aircraft throughout the year.

The Property is situated regionally within the Yukon Plateau physiographic region in the Simpson Range of the eastern Pelly Mountains, approximately 5 km northeast of the Tintina Trench. The Fire Lake area has linear open valleys and high rolling to craggy ridges and mountains. Topographic relief is moderate to locally high with elevations ranging from 1,100 m (3,609 ft) at Fire Lake to 1,900 m (6,234 ft) A.M.S.L. along the eastern ridge crests. A 2,351 m high peak situated 6 km north of the property is the highest mountain in the area. The various mineral showings are situated between elevations of 1,450 and 1,700 m A.M.S.L.

The annual mean daily temperature for the eastern Pelly Mountains is -5° C ranging from approximately -40° C during the winter months to 25° C during the summer months. Snow cover is minimal, averaging about 60 cm by late winter. Permafrost is discontinuous but widespread. Bedrock exposures are generally absent in areas of low to even moderate relief; often limited to stream canyons, ridges and cliffs due to an extensive glacial till cover.

Near Fire Lake, spruce forest extends to the tree-line at an elevation of 1,500 m. To the north, the vegetation becomes more open with buckbrush (dwarf birch) and eventually disappears to a caribou moss cover. Kona and Outfitters Creek drainages have sufficient flows of water for diamond drilling purposes until mid-October or later.

The nearest settlement to the Fyre Lake Property is the town of Ross River (population 300), which lies 140 km to the northwest and provides services including groceries, bulk fuel, some heavy equipment, accommodation and meals. The city of Whitehorse (population 25,000) is located 205 km west-southwest of the Property and offers a full range of services and supplies for mineral exploration and mining, including skilled labour, bulk fuel, freight, heavy equipment, groceries, hardware and daily jet service to Vancouver.

The Yukon electrical grid supplies 138 kV electrical power to the town of Faro, located ~200 km northwest of the Property, but only 25 kV electricity to Ross River.

The nearest year-round deep-water ports for concentrate shipment are 870 km by road to the southwest at Skagway (Alaska) and 911 km by road to the south at Stewart (BC) from BMC's KZK Project located approximately 20 km north of the Fyre Lake Property.

1.4 Project History

The Pelly Mountains were originally mapped by the Geological Survey of Canada in 1958 and 1959 and the results of this work were published as the 'Finlayson Lake' map-sheet in 1960 (Wheeler, Green and Roddick, 1960). In September 1960, prospectors employed by Cassiar Asbestos Corporation discovered a 2.5 by 2.0 m massive sulphide float boulder on a glacial esker near a guide/outfitter's cabin at the south end of Fire Lake. Shortly after, prospectors discovered massive pyrite mineralization exposed in Kona Creek; they called this showing the 'E' zone.

During the fall and winter of 1960, Cassiar staked the 'TOP' mineral claims covering the southwesterly facing slopes of Fire Lake. In 1961, Cassiar explored their claim holdings with prospecting, geological mapping, geophysical surveys (electromagnetics and magnetics), trenching and drilling. The drilling comprised 23 shallow packsack drill holes, totalling 224 m, and 12 AX-core diamond drill holes, totalling 582 m. Most of their efforts were concentrated on assessing the 'E' and 'K' mineral showings where they reportedly encountered mineralization with an average grade of 1.0% Cu, 0.95% Zn, 4.80 g/t Ag and 0.72 g/t Au (Crawford, 1981).

In December 1965, Atlas Copper Ltd. (later 'Atlas Explorations Ltd.') optioned the 'DUB' mineral claims and in June 1966, additional claims were staked to cover the Fyre Lake mineral showings. An airborne electromagnetic and magnetometer survey was conducted over the Kona Creek cirque and along the eastern slopes of Fire Lake and North River. This survey identified two target areas, called 'DUB I' and 'DUB II', for ground surveying. Six diamond drill holes (66-001 to -005A), totalling 593.44 m, tested and extended the Cu-bearing pyritic formation at 'I' and 'K' mineral showings which had been identified by earlier Cassiar drilling. Intercepts of massive sulphide mineralization up to 12.2 m thick were reported from this drilling (Sadlier-Brown, 1966).

In 1967, Atlas explored the southern DUB I target area near the original massive sulphide float boulder discovery site. Diamond drilling (three AX-core holes totalling 252.68 m) intersected disseminated pyrite and pyrrhotite mineralization but no significant base or precious metal mineralization (Sadlier-Brown, 1967).

In late August and early September 1980, Welcome North Mines Ltd. (Welcome North) staked 68 'KONA' mineral claims covering the Fyre Lake massive sulphide showings, after they discovered disseminated copper mineralization in metamorphosed volcanic rocks approximately 2 km north of the known mineral showings. This work was carried out as part of the Basin Joint Venture with Esperanza Explorations Ltd. (a predecessor corporation to Columbia Gold Mines Ltd.) Unfortunately, an early snowfall and other work priorities prevented further exploration that year. The Basin Joint Venture was terminated in 1981.

Placer Dome Inc. (Placer Dome) optioned the KONA mineral claims from Welcome North on November 30, 1990 and undertook a helicopter-supported airborne survey of a 36-square km area (308 flight line-km) centred on the Fyre Lake mineral showings within the Kona Creek drainage. In 1991, a surface exploration program was completed, including geological mapping, geophysical surveying and soil, silt and rock geochemical sampling, based upon the 1990 airborne geophysical survey results. Placer Dome terminated the property option agreement in 1992.

In November 1995, Columbia Gold Mines Ltd. (Columbia) negotiated an agreement with Welcome Opportunities Ltd. (formerly Welcome North Mines Ltd.) to acquire the 'KONA' and 'FIRE' mineral claims, and in 1996 Columbia staked additional mineral claims west and south of the joint venture claim holdings. During the 1996 and 1997 field seasons, Columbia undertook a significant exploration program resulting in the discovery of the Kona Cu-Au VMS deposit. The program included construction of 36-person field camp and core logging facilities, land surveying, line cutting, prospecting, geological mapping, geochemical sampling (soil, silt, rock), geophysical surveys (ground magnetics, electromagnetics), diamond core drilling, petrographic studies, water and baseline environmental studies, preliminary metallurgical testwork and a mining scoping study.

Columbia did not proceed with exploration work in 1998 due to insufficient exploration funding, and in 1999 the company decided to remove all drilling and exploration equipment and supplies from the property until sufficient funds were available to continue exploration.

In August 2002, Rock Resources Inc. (Rock), a Vancouver-based junior mining company, negotiated an option agreement with Pacific Ridge Exploration (PEX) (formerly Columbia) to earn a 60% interest in the subject property. Rock retained J. D. Blanchflower to prepare a report on the Property documenting all exploration work and to undertake a NI 43-101 compliant Mineral Resource study estimating the individual Indicated and Inferred resources of the known Kona deposit ("Report on the Fyre Lake Property", dated August 31, 2002).

Rock did not undertake any exploration work on the Property; thus, terminating their option agreement with PEX. No significant exploration work was undertaken on the Fyre Lake Property by PEX after completion of the 1997 exploration program (Blanchflower, 2006).

In July 2014, PEX optioned out the Fyre Lake Property to Merah Resources Limited (Merah) (ASX: MEH) who were later renamed as MinQuest Limited (MinQuest). Merah completed a Versatile Time Domain Electromagnetic (VTEM) and magnetic survey, and drill core verification resampling and assaying. An updated MRE was also commissioned and completed by IMC Mining Pty Ltd (IMC). MinQuest withdrew from the Project in 2016.

On 23 January 2017, BMC announced the signing of an option arrangement over a 100% interest in the Fyre Lake Property from PEX.

1.5 Geology and Mineralization

The Fyre Lake Property is located with the Finlayson Lake District, a crescent-shaped area approximately 300 km long and 50 km wide that extends from Ross River in the north to Watson Lake in the south. The Finlayson Lake District comprises Devonian to Lower Carboniferous (Mississippian) volcanic, intrusive, and sedimentary rocks separated from the Proterozoic and Palaeozoic strata of the ancient North American continental margin to the southwest by the Tintina Fault.

The Finlayson Lake District hosts numerous base metal sulphide deposits that collectively contain in excess of 45 Mt of base and precious-metal rich sulphide mineralization (Green, 2016a; Traynor, 2005; Tucker, 1997). The Besshi-type Fyre Lake (Kona) massive sulphide deposit is stratigraphically lowest and occurs in mafic volcanic rocks of the Devonian to Mississippian Grass Lakes succession. Kona is situated at the transition from mafic volcanic rocks to overlying turbiditic sedimentary rocks emplaced in a fore-arc setting (Hunt, 2002; Peter et al., 2007).

The Kona deposit is hosted by the Fire Lake metavolcanic unit (~365 Ma). Two parallel zones of volcanogenic massive sulphide mineralization, East Kona and West Kona, comprise the Kona deposit; separated by an inferred reverse or growth fault.

The East Kona zone mineralization is 100 to 150 m wide and consists of two massive to banded sulphide-bearing horizons (i.e. Upper and Lower East Kona) separated by 40 to 70 m of chlorite schist. The Lower East Kona horizon has been divided into north and south portions separated by an apparent gap in the horizon. The northern portion is 3 to 16 m thick and the southern portion is 2 to 11 m thick. The Upper East

Kona horizon averages thicknesses of 8 to 12 m. These horizons consist mainly of pyrite with lesser pyrrhotite and chalcopyrite, local lenses of massive magnetite, and minor sphalerite plus cobalt, gold and silver values.

The West Kona zone mineralization is inferred to be 75 to 125 m wide. The thickness of the mineralized horizon varies across this width from about 44 m in the east to less than 1 m at the western margin; the thickness also varies along strike. It includes mineralization that changes laterally from magnetite, pyrite and chalcopyrite in a siliceous matrix, through massive pyrite and lesser chalcopyrite, to massive pyrrhotite with minor pyrite and chalcopyrite. This mineralization occurs close to a stratigraphic contact between chlorite schist and overlying carbonaceous phyllite.

1.6 Exploration

Exploration at the Property has been undertaken by Cassiar (1960 – 1961), Atlas (1965 – 1967), Amax (1976 – 1977), the Basin Joint Venture (between Welcome north and Esperanza Explorations) (1980 – 1981), Welcome North (1981), Placer Dome (1990 – 1991), Columbia (1995 – 1997), Rock (2002) and MinQuest (2014).

Previous exploration has included construction of 36-person field camp and core logging facilities, land/topographic surveying, line cutting, general prospecting, geological mapping, geochemical sampling (soil, silt, rock), extensive geophysical surveys, shallow packsack drilling (23 holes for 224 m) and diamond core drilling (126 holes for 23,248.69 m), petrographic studies, water and baseline environmental studies, preliminary metallurgical testwork and a mining scoping study.

1.7 Data Verification, Sampling Preparation, Analysis and Security

The Qualified Person has verified the data disclosed, which underpins the disclosure of the MRE contained in this Technical Report and is of the opinion that data collection and verification procedures adequately support the integrity of the database.

1.8 Mineral Resource Estimates

BMC commissioned CSA Global to undertake an independent, updated MRE for the Kona deposit based on historical datasets and more recent interpretations undertaken since acquiring the option over the property.

The Kona deposit MRE is reported in Table 1 (open pittable) and Table 2 (underground).

Table 1: Kona deposit MRE – open pittable (at NSR cut-off grade of C$25)

Category	Tonnes (Mt)	NSR (C$/t)	Cu (%)	Au (g/t)	Ag (g/t)	Cu metal (kt)	Au (koz)	Ag (koz)
Indicated	1.8	121	1.4	0.6	3	25	32	186
Inferred	0.3	103	1.3	0.3	3	4	3	30

Table 2: Kona deposit MRE – underground (fresh material only, at NSR cut-off grade of C$95)

Category	Tonnes (Mt)	NSR (C$/t)	Cu (%)	Au (g/t)	Ag (g/t)	Cu metal (kt)	Au (koz)	Ag (koz)
Indicated	1.2	138	1.5	0.9	5	17	34	187
Inferred	7.2	147	1.7	0.6	4	126	149	822

Notes:
- *The Mineral Resources in this disclosure were estimated by Aaron Green, MAIG.*
- *The effective date of this Mineral Resource is 25 February 2018.*
- *Numbers have been rounded to reflect the precision of an Indicated and Inferred MRE.*
- *The Mineral Resources were estimated using current CIM standards, definitions and guidelines.*

- *The optimal transition from open pit to underground for the Kona deposit has not been considered when reporting the Mineral Resource.*

Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.

A total of 114 diamond drill holes define the Kona deposit for 22,666.69 m of drilling. 73 assayed drill holes intersect the interpreted mineralization zones with holes spaced 25-200 m apart along a 1,500 m plunge extent. Holes were oriented in various directions due to physical access restrictions (000°, 072°, 162°-177° and 212°-252°) at various dip angles (-45° to -90°).

Geological modelling was undertaken by CSA Global based on information provided by BMC. Separate wireframes were generated for massive sulphide mineralization and a cross-cutting fault. Six grade domains were used to define the mineralization based on logged massive sulphide and continuous intervals of significant Cu, Zn, Au and Ag mineralization.

A rotated Surpac block model constrained by the interpreted mineralized envelopes and geological boundary surfaces were constructed. A parent cell size of 20 m E by 10 m N by 5 m RL was adopted with standard sub-celling to 5 m E by 2.5 m N by 1.25 m RL to maintain the resolution of the mineralized lenses whilst restricting the overall size of the model. Samples composited to 1 m length were used to interpolate Cu, Zn, Au and Ag grades into the block model using ordinary kriging (OK) interpolation. Block grades were validated both visually and statistically. All modelling was completed using Surpac V6.6.2 software.

Fixed density values based on 3,828 'water immersion' measurements were assigned to the block model for each lithological unit, setting overburden to 2.0 t/m^3, oxide to 2.4 t/m^3, mixed volcanic sediments ('Vseds') to 2.79 t/m^3, siltstone to 2.82 t/m^3 and mafic to 2.88 t/m^3. The massive sulphide density was estimated using OK interpolation resulting in an average bulk density of 3.57 t/m^3 across the deposit.

The Kona deposit Mineral Resource is contained within an area extending from 418,605 m E to 420,045 m E (1,440 m) and 6,788,330 m N to 6,789,280 m N (950 m). The reported Mineral Resource lies within 530 m of surface (1,540 m RL to 1,010 m RL).

In-ground net smelter return (NSR) values were calculated using assumed metal prices, metallurgical recoveries, smelter terms (including payable factors, concentrate costs and refining charges) and government royalties. No penalties were included. Metal price assumptions were: US$3.50/lb copper, and US$1,300/oz gold, and an exchange rate of US$0.75 = C$1.00. Metal recovery assumptions 92% for copper and 70% for gold. Based on these assumptions the formula for the NSR on each block was calculated as:

NSR US$/t = (53.54*cu_cut) + (26.30*au_cut)

The US dollar NSR was converted to Canadian dollars using the formula:

NSR C$/t = (NSR US$/t)/0.75

Based on an assessment of similar deposits in the region, potential open pittable resources were reported above a cut-off NSR of C$25/t and potential underground resources reported above C$95/t.

To determine the reporting of Kona deposit Mineral Resources as either "open pit" or "underground", firstly a Whittle™ pit optimisation was undertaken. Parameters used for the pit optimisation included:

- Base case metal price assumptions were: US$3.50/lb copper, US$1,300/oz gold and US$20/oz silver
- An exchange rate of US$0.75 = C$1.00
- Mining recovery of 95%
- Mining dilution of 10%
- Minimum mining width of 25 m

- Overall slope angle of 50°
- Total processing costs (fresh) of C$28.10/t
- Plant throughput of 2 million tonnes per annum (Mt/a).

Following the pit optimisation, an underground optimisation was undertaken using Datamine's Mineable Shape Optimiser (MSO) software. Only material reporting inside the selected pit shell (Revenue Factor = 1.00) has been reported above the NSR cut-off of C$25/t. The remainder of the 'fresh' material inside the MSO wireframes has been designated as "underground" resource and reported above a cut-off NSR of C$95/t (Figure 26).

The Kona Mineral Resource has been classified as Indicated and Inferred and is reported in accordance with the terms set out by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by the CIM council, as amended. The classification level is based upon an assessment of geological understanding of the deposit, geological and grade continuity, drillhole spacing, quality control results, search and interpolation parameters, and an analysis of available density information.

1.9 Conclusions

The Fyre Lake Property is located in a region known to contain significant VMS deposits. The project comprises a number of base metal exploration targets including drill ready targets based on existing geophysical data (particularly the NW Extension and Western targets) and advanced stage targets consisting of Indicated and Inferred Mineral Resources (Kona) where additional drilling is required to fully define the extents of mineralization. Good potential exists on the Property to identify new mineralized zones.

A total of 114 diamond drill holes define the Kona deposit for 22,666.69 m of drilling in the drill hole database. 73 assayed drill holes intersect the interpreted mineralization zones with holes spaced 25-200 m apart along a 1,500 m plunge extent. Based on the historical information available, the drill data is considered acceptable for use in the MRE.

The modelling was based on cross sectional interpretations and wireframes provided by BMC, which were digitised and 'snapped' to drill holes based on logged lithologies and chemical assays. Wireframes were generated for the polymetallic massive sulphide mineralization, lithological and weathering boundaries, and interpreted faults.

A 3-dimensional block model representing the mineralization has been created using Surpac software. High-quality diamond core samples were used interpolate grades into blocks using OK techniques. The block model was validated visually and statistically.

CSA Global considers that data collection techniques are consistent with industry good practice and suitable for use in the preparation of the Kona MRE to be reported in accordance with CIM Definition Standards for Mineral Resources and Mineral Reserves. QC data supports the integrity of the analytical data which has been utilised.

1.10 Recommendations

CSA Global recommends the following actions are completed to support the ongoing exploration and evaluation effort at the Fyre Lake Property:

- Additional resource definition drilling (infill and extension) is required to upgrade the resource classification and extend the known deposit area, which presently remains open down plunge.
- A rigorous program of quality assurance / quality control (QA/QC) involving resampling (1/4 or 1/2 core) historical core and twin drilling should be undertaken to confirm historical results.

- Assessment of existing geophysical data and drill testing of known anomalies, particularly the NW Extension and Western targets, which may represent faulted offset blocks to the known Kona mineralization.
- Detailed structural and geochemical analysis is undertaken to understand the timing of mineralization, stratigraphy and geological controls. Improved understanding of the deposit controls will aid in more regional exploration efforts across the tenement package.
- Detailed metallurgical testwork is recommended as part of the next round of drilling for the Kona deposit. It is essential that this testwork is undertaken using 'representative' samples from across the deposit (including the various zones) and assesses all potentially economic elements including copper, zinc, cobalt, gold and silver.
- Preliminary mining studies should be undertaken to determine the options available for profitable exploitation of the Kona deposit.

BMC intends to undertake a systematic exploration approach with progressive work programs. Surface exploration would be scheduled to fit in with the exploration field season. The proposed strategy builds on available data and geological interpretation and should prove to be effective.

Future work should proceed in two phases with Phase I focussed on increasing the understanding of the Fyre Lake mineralization and lithologies to assist in targeting diamond drilling in Phase II. A budget of CAD $210,000 and $2,200,000 is proposed for Phase I and Phase II respectively.

2 Introduction

2.1 Issuer

BMC Minerals (No. 1) Limited (BMC) commissioned CSA Global Pty Ltd (CSA Global) to compile a Technical Report on the Fyre Lake Property (the “Fyre Lake Project” or the “Fyre Lake Property”) in the Yukon Territory, Canada. This report is to comply with disclosure and reporting requirements set forth in National Instrument 43 101 – Standards of Disclosure for Mineral Projects (NI 43-101), Companion Policy 43-101CP, and Form 43-101F1.

BMC is a private company with its headquarters located in Vancouver, British Columbia. CSA Global is a privately-owned consulting company that has been operating from Perth, Western Australia for more than 30 years.

The principal author of this report is Aaron Green, CSA Global Director – Australasian Operations and Principal Resource Geologist. Mr Green has more than 5 years’ experience in the field of Mineral Resource estimation and is a Qualified Person according to NI 43-101 standards.

2.2 Terms of Reference

This Technical Report discloses material changes to the Property including:

- An updated Mineral Resource estimate (MRE) for the Kona polymetallic deposit.

2.2.1 Independence

Neither CSA Global, nor the authors of this report, has any material present or contingent interest in the outcome of this report, nor do they have any pecuniary or other interest that could be reasonably regarded as being capable of affecting their independence in the preparation of this report. The report has been prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report. No member or employee of CSA Global is, or is intended to be, a director, officer or other direct employee of the Client. No member or employee of CSA Global has, or has had, any shareholding in the Client.

2.2.2 Notice to Third Parties

CSA Global has prepared this report having regard to the particular needs and interests of our client, and in accordance with their instructions and in compliance with NI 43-101 technical reporting. This report is not designed for any other person’s particular needs or interests. Third party needs, and interests may be distinctly different to the Client’s needs and interests, and the report may not be sufficient, fit or appropriate for the purpose of the Third Party, other than its prescription in relation to NI 43-101.

2.2.3 Results are estimates and subject to change

The ability of any person to achieve forward-looking production and economic targets is dependent on numerous factors that are beyond CSA Global’s control and that CSA Global cannot anticipate. These factors include, but are not limited to, site-specific mining and geological conditions, management and personnel capabilities, availability of funding to properly operate and capitalize the operation, variations in cost elements and market conditions, developing and operating the mine in an efficient manner, unforeseen changes in legislation and new industry developments. Any of these factors may substantially alter the performance of any mining operation.

2.2.4 Element of Risk

The interpretations and conclusions reached in this report are based on current geological understanding and the best evidence available to the author at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty. Any economic decisions which might be taken based on interpretations or conclusions contained in this report will therefore carry an element of risk.

2.3 Sources of Information

CSA Global has completed the scope of work largely based on information provided by the Issuer (BMC).

Based on the database provided by BMC, CSA Global prepared a MRE for the Kona deposit. CSA Global has made all reasonable endeavours to confirm the authenticity and completeness of the technical data on which this report is based, however CSA Global cannot guarantee the authenticity or completeness of such third-party information.

CSA Global has undertaken its own review of the technical aspects contained in his report. The author of this Technical Report does not disclaim responsibility for the technical information contained herein.

2.4 Qualified Person Site Inspection

A site visit was conducted by Aaron Green (Qualified Person), Neil Martin (BMC (UK) Limited – Technical Director) and Robin Black (BMC Minerals (No.1) Ltd – VP Exploration) on 26th July 2017. The purpose of the site visit was to:

- Inspect the principal assets within the Fyre Lake project, and complete initial ground verification with associated outcropping geology and mineralisation
- Review site layout and access
- Review the geology
- Inspect historical drilling locations
- Review sample storage facilities including historical core storage farm.

There were no negative outcomes from the above site inspection.

3 Reliance on Other Experts

CSA Global has not reviewed the status of BMC's tenure agreements pertaining to the Property and has relied on information provided by BMC with regard to the legal title to the mineral concessions.

Neither CSA Global, nor the author of this report, is qualified to provide comment on any legal issues associated with the Fyre Lake Project. Assessment and reporting of these aspects relies on information provided by BMC and has not been independently verified by CSA Global.

No warranty or guarantee, be it express or implied, is made by CSA Global or the author with respect to the completeness or accuracy of the legal aspects of the Fyre Lake Project. Neither CSA Global nor the author accepts any responsibility or liability in any way whatsoever to any person or entity in respect to these parts of this document, or any errors in or omissions from it, whether arising from negligence or any other basis in law whatsoever.

4 Property Description and Location

4.1 Project Location

The Fyre Lake Property is located ~20 km south of BMC's 100% owned KZK project, approximately 140 km southeast of Ross River, and 250 km east of Whitehorse (Figure 1). It is centred at latitude 61° 14' North by longitude 130° 30' West on NTS map sheets 105G/01 and 02, within the Watson Lake Mining District.

Figure 1: Location of the KZK Project

4.2 Mineral Tenure and Surface Rights

The Fyre Lake Project comprises 161 Quartz Claims (Figure 2). BMC has an option arrangement for 100% interest in the Fyre Lake Property comprising the Kona, Fire, Ember, Spark and Straw claim groups. These claims are currently held by Pacific Ridge Exploration Ltd. (TSX-V: PEX).. In order to exercise the option BMC must make an initial $375,000 payment (complete), $300,000 on the first anniversary (complete), $1.2 million on the second anniversary and $1.22 million on the third anniversary. In addition to the option payments a bonus payment of $1 million is payable to PEX if the option is exercised and when BMC's Kudz Ze Kayah property has reached commercial production for one year.

A full list of the tenements is provided in Table 3.

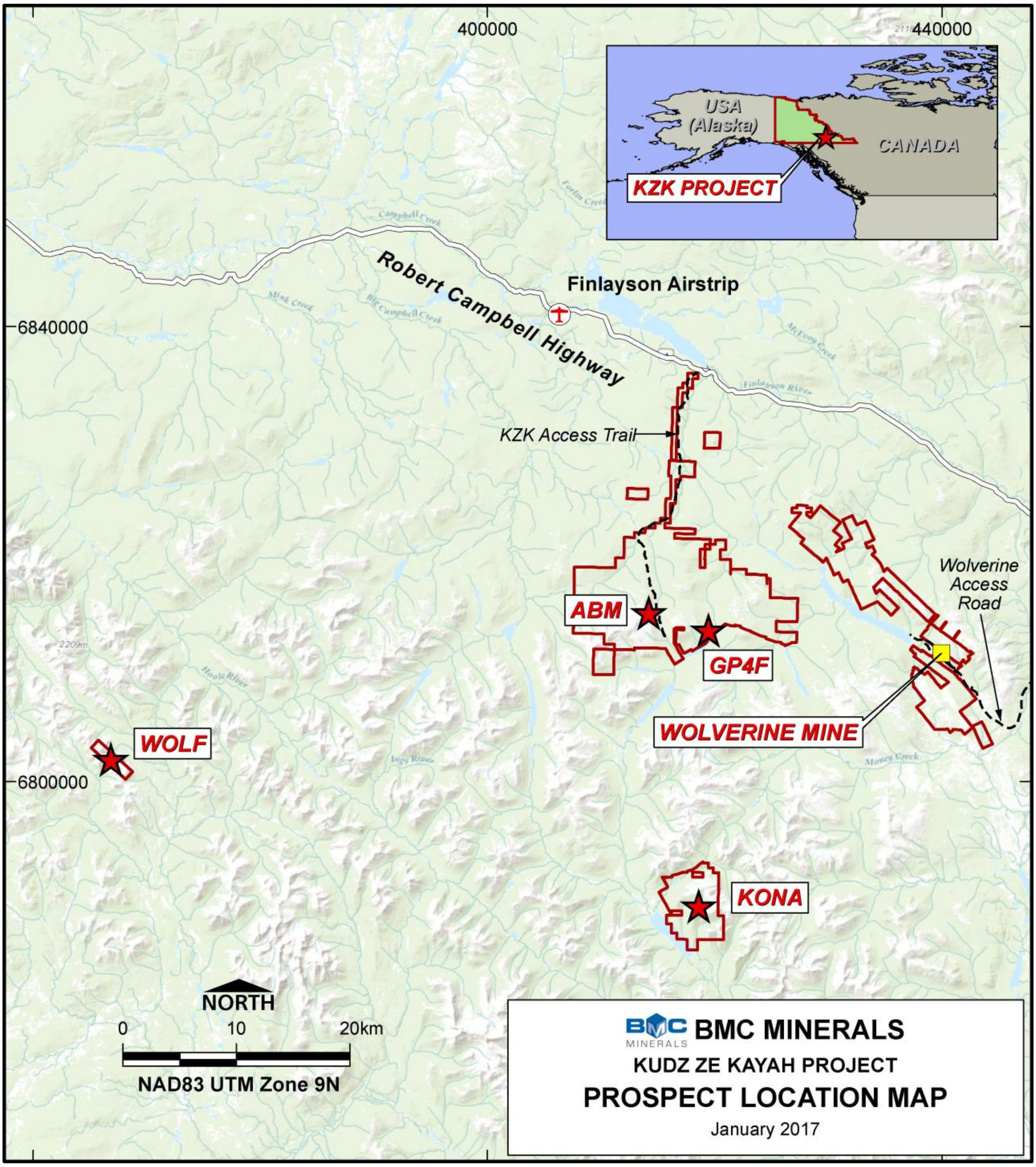

Figure 2: Location of the Kona deposit (within the Fyre Lake Property) and BMC tenements

Table 3: BMC Fyre Lake Project Tenements

District	Grant Number	Claim Name	Claim Nbr	Claim Owner	Operation Recording Date	Staking Date	Claim Expiry Date	Status	NTS Map Number	Ops Number
Watson Lake	YA56602	KONA	43	PACIFIC RIDGE EXPLORATION LTD. - 100%	9/09/1980	25/08/1980	9/09/2022	Active	105G02	1000115677
Watson Lake	YA56603	KONA	44	PACIFIC RIDGE EXPLORATION LTD. - 100%	9/09/1980	25/08/1980	9/09/2022	Active	105G02	1000115678
Watson Lake	YA56604	KONA	45	PACIFIC RIDGE EXPLORATION LTD. - 100%	9/09/1980	25/08/1980	9/09/2022	Active	105G02	1000115679
Watson Lake	YA56605	KONA	46	PACIFIC RIDGE EXPLORATION LTD. - 100%	9/09/1980	25/08/1980	9/09/2022	Active	105G02	1000115680
Watson Lake	YB33749	FIRE	2	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	17/12/1990	31/12/2022	Active	105G02	1000128154
Watson Lake	YB33751	FIRE	4	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	17/12/1990	31/12/2022	Active	105G02	1000128156
Watson Lake	YB33753	FIRE	6	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	17/12/1990	31/12/2022	Active	105G02	1000128158
Watson Lake	YB33759	FIRE	12	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	17/12/1990	31/12/2022	Active	105G02	1000128164
Watson Lake	YB33761	FIRE	14	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	17/12/1990	31/12/2022	Active	105G02	1000128166
Watson Lake	YB33766	FIRE	19	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	17/12/1990	31/12/2022	Active	105G02	1000128171
Watson Lake	YB33767	FIRE	20	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	17/12/1990	31/12/2022	Active	105G02	1000128172
Watson Lake	YB33768	FIRE	21	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	17/12/1990	31/12/2022	Active	105G02	1000128173
Watson Lake	YB33770	FIRE	23	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	17/12/1990	31/12/2022	Active	105G02	1000128175
Watson Lake	YB33773	FIRE	26	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	17/12/1990	31/12/2022	Active	105G02	1000128178
Watson Lake	YB33775	FIRE	28	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	17/12/1990	31/12/2022	Active	105G02	1000128180
Watson Lake	YB33776	FIRE	29	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	17/12/1990	31/12/2022	Active	105G02	1000128181
Watson Lake	YB33778	FIRE	31	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	17/12/1990	31/12/2022	Active	105G02	1000128183
Watson Lake	YB33795	FIRE	48	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	15/12/1990	31/12/2022	Active	105G02	1000128200
Watson Lake	YB33796	FIRE	49	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	15/12/1990	31/12/2022	Active	105G02	1000128201
Watson Lake	YB33797	FIRE	50	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	15/12/1990	31/12/2022	Active	105G02	1000128202
Watson Lake	YB33798	FIRE	51	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	15/12/1990	31/12/2022	Active	105G02	1000128203
Watson Lake	YB33799	FIRE	52	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	15/12/1990	31/12/2022	Active	105G02	1000128204
Watson Lake	YB33800	FIRE	53	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	15/12/1990	31/12/2022	Active	105G02	1000128205
Watson Lake	YB33801	FIRE	54	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	15/12/1990	31/12/2022	Active	105G02	1000128206
Watson Lake	YB33802	FIRE	55	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	15/12/1990	31/12/2022	Active	105G02	1000128207
Watson Lake	YB33803	FIRE	56	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	15/12/1990	31/12/2022	Active	105G02	1000128208
Watson Lake	YB33804	FIRE	57	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	15/12/1990	31/12/2022	Active	105G02	1000128209
Watson Lake	YB33805	FIRE	58	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	15/12/1990	31/12/2022	Active	105G02	1000128210
Watson Lake	YB33806	FIRE	59	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	15/12/1990	31/12/2022	Active	105G02	1000128211
Watson Lake	YB33807	FIRE	60	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	15/12/1990	31/12/2022	Active	105G02	1000128212
Watson Lake	YB33820	FIRE	73	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	14/12/1990	31/12/2022	Active	105G01	1000128225
Watson Lake	YB33821	FIRE	74	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	14/12/1990	31/12/2022	Active	105G01	1000128226

Watson Lake	YB33822	FIRE	75	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	14/12/1990	31/12/2022	Active	105G01	1000128227
Watson Lake	YB33823	FIRE	76	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	14/12/1990	31/12/2022	Active	105G01	1000128228
Watson Lake	YB33824	FIRE	77	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	14/12/1990	31/12/2022	Active	105G01	1000128229
Watson Lake	YB33826	FIRE	79	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	14/12/1990	31/12/2022	Active	105G01	1000128231
Watson Lake	YB33828	FIRE	81	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	14/12/1990	31/12/2022	Active	105G01	1000128233
Watson Lake	YB33878	FIRE	131	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	16/12/1990	31/12/2022	Active	105G02	1000128283
Watson Lake	YB33879	FIRE	132	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	16/12/1990	31/12/2022	Active	105G02	1000128284
Watson Lake	YB33880	FIRE	133	PACIFIC RIDGE EXPLORATION LTD. - 100%	31/12/1990	16/12/1990	31/12/2022	Active	105G02	1000128285
Watson Lake	YB86834	FIRE	195	PACIFIC RIDGE EXPLORATION LTD. - 100%	14/08/1996	25/07/1996	14/08/2023	Active	105G02	1000158284
Watson Lake	YB88869	EMBER	62	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	25/11/1996	3/12/2022	Active	105G02	1000159319
Watson Lake	YB88870	EMBER	63	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	25/11/1996	3/12/2022	Active	105G02	1000159320
Watson Lake	YB88871	EMBER	64	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	25/11/1996	3/12/2022	Active	105G02	1000159321
Watson Lake	YB88872	EMBER	65	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	25/11/1996	3/12/2022	Active	105G02	1000159322
Watson Lake	YB88873	EMBER	66	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	25/11/1996	3/12/2022	Active	105G02	1000159323
Watson Lake	YB88874	EMBER	67	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	25/11/1996	3/12/2022	Active	105G02	1000159324
Watson Lake	YB88875	EMBER	68	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	25/11/1996	3/12/2022	Active	105G02	1000159325
Watson Lake	YB88876	EMBER	69	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	25/11/1996	3/12/2022	Active	105G02	1000159326
Watson Lake	YB88877	EMBER	70	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	25/11/1996	3/12/2022	Active	105G02	1000159327
Watson Lake	YB88878	EMBER	71	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	25/11/1996	3/12/2022	Active	105G02	1000159328
Watson Lake	YB88879	EMBER	72	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	25/11/1996	3/12/2022	Active	105G02	1000159329
Watson Lake	YB88880	EMBER	73	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	25/11/1996	3/12/2022	Active	105G02	1000159330
Watson Lake	YB88881	EMBER	74	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	25/11/1996	3/12/2022	Active	105G02	1000159331
Watson Lake	YB88882	EMBER	75	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	25/11/1996	3/12/2022	Active	105G02	1000159332
Watson Lake	YB88883	EMBER	76	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	25/11/1996	3/12/2022	Active	105G02	1000159333
Watson Lake	YB88884	EMBER	77	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	26/11/1996	3/12/2022	Active	105G02	1000159334
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Watson Lake	YB88886	EMBER	79	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	26/11/1996	3/12/2022	Active	105G02	1000159336
Watson Lake	YB88887	EMBER	80	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	26/11/1996	3/12/2022	Active	105G02	1000159337
Watson Lake	YB88888	EMBER	81	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	26/11/1996	3/12/2022	Active	105G02	1000159338
Watson Lake	YB88889	EMBER	82	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	26/11/1996	3/12/2022	Active	105G02	1000159339
Watson Lake	YB88890	EMBER	83	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	26/11/1996	3/12/2022	Active	105G02	1000159340
Watson Lake	YB88891	EMBER	84	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	26/11/1996	3/12/2022	Active	105G02	1000159341
Watson Lake	YB88892	EMBER	85	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	26/11/1996	3/12/2022	Active	105G02	1000159342
Watson Lake	YB88893	EMBER	86	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	26/11/1996	3/12/2022	Active	105G02	1000159343

Watson Lake	YB88894	EMBER	87	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	26/11/1996	3/12/2022	Active	105G02	1000159344
Watson Lake	YB88895	EMBER	88	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	26/11/1996	3/12/2022	Active	105G02	1000159345
Watson Lake	YB88896	EMBER	89	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	26/11/1996	3/12/2022	Active	105G02	1000159346
Watson Lake	YB88897	EMBER	90	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	26/11/1996	3/12/2022	Active	105G02	1000159347
Watson Lake	YB88898	EMBER	91	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	26/11/1996	3/12/2022	Active	105G02	1000159348
Watson Lake	YB88899	EMBER	92	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	26/11/1996	3/12/2022	Active	105G02	1000159349
Watson Lake	YB88900	EMBER	93	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	25/11/1996	3/12/2022	Active	105G02	1000159350
Watson Lake	YB88901	EMBER	94	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	25/11/1996	3/12/2022	Active	105G02	1000159351
Watson Lake	YB88902	EMBER	95	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	25/11/1996	3/12/2022	Active	105G02	1000159352
Watson Lake	YB88903	EMBER	96	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	25/11/1996	3/12/2022	Active	105G02	1000159353
Watson Lake	YB88904	EMBER	97	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	25/11/1996	3/12/2022	Active	105G02	1000159354
Watson Lake	YB88905	EMBER	98	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	25/11/1996	3/12/2022	Active	105G02	1000159355
Watson Lake	YB88906	EMBER	99	PACIFIC RIDGE EXPLORATION LTD. - 100%	3/12/1996	25/11/1996	3/12/2022	Active	105G02	1000159356
Watson Lake	YB93671	STRAW	1	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174682
Watson Lake	YB93672	STRAW	2	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174683
Watson Lake	YB93673	STRAW	3	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174684
Watson Lake	YB93674	STRAW	4	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174685
Watson Lake	YB93675	STRAW	5	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174686
Watson Lake	YB93676	STRAW	6	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174687
Watson Lake	YB93677	STRAW	7	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174688
Watson Lake	YB93678	STRAW	8	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174689
Watson Lake	YB93679	STRAW	9	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174690
Watson Lake	YB93680	STRAW	10	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174691
Watson Lake	YB93681	STRAW	11	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174692
Watson Lake	YB93682	STRAW	12	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G07	1000174693
Watson Lake	YB93683	STRAW	13	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174694
Watson Lake	YB93684	STRAW	14	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174695
Watson Lake	YB93685	STRAW	15	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174696
Watson Lake	YB93686	STRAW	16	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174697
Watson Lake	YB93687	STRAW	17	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174698
Watson Lake	YB93688	STRAW	18	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174699
Watson Lake	YB93689	STRAW	19	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174700
Watson Lake	YB93690	STRAW	20	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174701
Watson Lake	YB93691	STRAW	21	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174702

Watson Lake	YB93692	STRAW	22	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174703
Watson Lake	YB93693	STRAW	23	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174704
Watson Lake	YB93694	STRAW	24	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G07	1000174705
Watson Lake	YB93695	STRAW	25	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G07	1000174706
Watson Lake	YB93696	STRAW	26	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G07	1000174707
Watson Lake	YB93697	STRAW	27	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G07	1000174708
Watson Lake	YB93698	STRAW	28	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G07	1000174709
Watson Lake	YB93699	STRAW	29	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174710
Watson Lake	YB93700	STRAW	30	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174711
Watson Lake	YB93701	STRAW	31	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174712
Watson Lake	YB93702	STRAW	32	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174713
Watson Lake	YB93703	STRAW	33	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174714
Watson Lake	YB93704	STRAW	34	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G02	1000174715
Watson Lake	YB93705	STRAW	35	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G07	1000174716
Watson Lake	YB93706	STRAW	36	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G07	1000174717
Watson Lake	YB93707	STRAW	37	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G07	1000174718
Watson Lake	YB93708	STRAW	38	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2021	Active	105G01	1000174719
Watson Lake	YB93709	STRAW	39	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2021	Active	105G01	1000174720
Watson Lake	YB93710	STRAW	40	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2021	Active	105G01	1000174721
Watson Lake	YB93711	STRAW	41	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G01	1000174722
Watson Lake	YB93712	STRAW	42	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G01	1000174723
Watson Lake	YB93713	STRAW	43	PACIFIC RIDGE EXPLORATION LTD. - 100%	8/07/2002	20/06/2002	8/01/2023	Active	105G01	1000174725
Watson Lake	YB94275	FIRE	301	PACIFIC RIDGE EXPLORATION LTD. - 100%	12/11/2002	11/11/2002	12/11/2022	Active	105G02	1000176209
Watson Lake	YB94276	FIRE	302	PACIFIC RIDGE EXPLORATION LTD. - 100%	12/11/2002	11/11/2002	12/11/2022	Active	105G02	1000176210
Watson Lake	YB94277	FIRE	303	PACIFIC RIDGE EXPLORATION LTD. - 100%	12/11/2002	11/11/2002	12/11/2022	Active	105G02	1000176211
Watson Lake	YB94278	FIRE	304	PACIFIC RIDGE EXPLORATION LTD. - 100%	12/11/2002	11/11/2002	12/11/2022	Active	105G02	1000176212
Watson Lake	YB94279	FIRE	305	PACIFIC RIDGE EXPLORATION LTD. - 100%	12/11/2002	11/11/2002	12/11/2022	Active	105G02	1000176213
Watson Lake	YB94280	FIRE	306	PACIFIC RIDGE EXPLORATION LTD. - 100%	12/11/2002	11/11/2002	12/11/2022	Active	105G02	1000176214
Watson Lake	YB94281	FIRE	312	PACIFIC RIDGE EXPLORATION LTD. - 100%	12/11/2002	11/11/2002	12/11/2022	Active	105G02	1000176215
Watson Lake	YB94282	FIRE	313	PACIFIC RIDGE EXPLORATION LTD. - 100%	12/11/2002	11/11/2002	12/11/2022	Active	105G02	1000176216
Watson Lake	YB94283	FIRE	314	PACIFIC RIDGE EXPLORATION LTD. - 100%	12/11/2002	11/11/2002	12/11/2022	Active	105G02	1000176217
Watson Lake	YB94284	FIRE	315	PACIFIC RIDGE EXPLORATION LTD. - 100%	12/11/2002	11/11/2002	12/11/2022	Active	105G02	1000176218
Watson Lake	YB94285	FIRE	316	PACIFIC RIDGE EXPLORATION LTD. - 100%	12/11/2002	11/11/2002	12/11/2022	Active	105G02	1000176219
Watson Lake	YB94286	FIRE	317	PACIFIC RIDGE EXPLORATION LTD. - 100%	12/11/2002	11/11/2002	12/11/2022	Active	105G02	1000176220

Watson Lake	YB94287	FIRE	318	PACIFIC RIDGE EXPLORATION LTD. - 100%	12/11/2002	11/11/2002	12/11/2022	Active	105G02	1000176221
Watson Lake	YB94288	FIRE	319	PACIFIC RIDGE EXPLORATION LTD. - 100%	12/11/2002	11/11/2002	12/11/2022	Active	105G02	1000176222
Watson Lake	YB94289	FIRE	320	PACIFIC RIDGE EXPLORATION LTD. - 100%	12/11/2002	11/11/2002	12/11/2022	Active	105G02	1000176223
Watson Lake	YB94290	FIRE	321	PACIFIC RIDGE EXPLORATION LTD. - 100%	12/11/2002	11/11/2002	12/11/2022	Active	105G02	1000176224
Watson Lake	YB94291	FIRE	322	PACIFIC RIDGE EXPLORATION LTD. - 100%	12/11/2002	11/11/2002	12/11/2022	Active	105G02	1000176225
Watson Lake	YB94292	FIRE	323	PACIFIC RIDGE EXPLORATION LTD. - 100%	12/11/2002	11/11/2002	12/11/2022	Active	105G01	1000176226
Watson Lake	YB94293	FIRE	324	PACIFIC RIDGE EXPLORATION LTD. - 100%	12/11/2002	11/11/2002	12/11/2022	Active	105G01	1000176227
Watson Lake	YB94294	FIRE	325	PACIFIC RIDGE EXPLORATION LTD. - 100%	12/11/2002	11/11/2002	12/11/2022	Active	105G01	1000176228
Watson Lake	YB94295	FIRE	326	PACIFIC RIDGE EXPLORATION LTD. - 100%	12/11/2002	11/11/2002	12/11/2022	Active	105G01	1000176229
Watson Lake	YB94296	FIRE	327	PACIFIC RIDGE EXPLORATION LTD. - 100%	12/11/2002	11/11/2002	12/11/2022	Active	105G01	1000176230
Watson Lake	YB94297	FIRE	328	PACIFIC RIDGE EXPLORATION LTD. - 100%	12/11/2002	11/11/2002	12/11/2022	Active	105G01	1000176231
Watson Lake	YC22651	FIRE	307	PACIFIC RIDGE EXPLORATION LTD. - 100%	9/12/2002	8/12/2002	9/12/2022	Active	105G02	1000176794
Watson Lake	YC22652	FIRE	308	PACIFIC RIDGE EXPLORATION LTD. - 100%	9/12/2002	8/12/2002	9/12/2022	Active	105G02	1000176795
Watson Lake	YC22653	FIRE	309	PACIFIC RIDGE EXPLORATION LTD. - 100%	9/12/2002	8/12/2002	9/12/2022	Active	105G02	1000176796
Watson Lake	YC22654	FIRE	310	PACIFIC RIDGE EXPLORATION LTD. - 100%	9/12/2002	8/12/2002	9/12/2022	Active	105G02	1000176797
Watson Lake	YC22655	FIRE	311	PACIFIC RIDGE EXPLORATION LTD. - 100%	9/12/2002	8/12/2002	9/12/2022	Active	105G02	1000176798
Watson Lake	YC31894	FIRE	185	PACIFIC RIDGE EXPLORATION LTD. - 100%	25/08/2006	12/08/2006	25/08/2023	Active	105G02	1000191940
Watson Lake	YC31895	FIRE	193	PACIFIC RIDGE EXPLORATION LTD. - 100%	25/08/2006	12/08/2006	25/08/2023	Active	105G02	1000192119
Watson Lake	YC91767	SPARK	1	PACIFIC RIDGE EXPLORATION LTD. - 100%	14/12/2010	22/11/2010	14/12/2022	Active	105G02	1000223320
Watson Lake	YC91768	SPARK	2	PACIFIC RIDGE EXPLORATION LTD. - 100%	14/12/2010	22/11/2010	14/12/2022	Active	105G02	1000223321
Watson Lake	YC91769	SPARK	3	PACIFIC RIDGE EXPLORATION LTD. - 100%	14/12/2010	22/11/2010	14/12/2022	Active	105G02	1000223322
Watson Lake	YC91770	SPARK	4	PACIFIC RIDGE EXPLORATION LTD. - 100%	14/12/2010	22/11/2010	14/12/2022	Active	105G02	1000223323
Watson Lake	YC91771	SPARK	5	PACIFIC RIDGE EXPLORATION LTD. - 100%	14/12/2010	22/11/2010	14/12/2022	Active	105G02	1000223324
Watson Lake	YC91772	SPARK	6	PACIFIC RIDGE EXPLORATION LTD. - 100%	14/12/2010	22/11/2010	14/12/2022	Active	105G02	1000223325
Watson Lake	YC91773	SPARK	7	PACIFIC RIDGE EXPLORATION LTD. - 100%	14/12/2010	22/11/2010	14/12/2022	Active	105G02	1000223326
Watson Lake	YC91774	SPARK	8	PACIFIC RIDGE EXPLORATION LTD. - 100%	14/12/2010	22/11/2010	14/12/2022	Active	105G02	1000223327
Watson Lake	YC91775	SPARK	9	PACIFIC RIDGE EXPLORATION LTD. - 100%	14/12/2010	22/11/2010	14/12/2022	Active	105G02	1000223328

In Yukon Quartz Claims confer title to hard rock mineral tenure only. Surface rights are held by the Crown, as administered by the Yukon Territory. Trapping rights over most of the Fyre Lake Property are held under Single Holder Trapline #249 whereas the eastern part of the Property falls under Single Holder traplines #250 and #251. The Property falls entirely within Outfitter Concession #20, held by Yukon Big Game Outfitters. There are several parcels of land near the Fyre Lake Property that have been reserved for a future land claim settlement with the Liard First Nation (LFN), including LFN R-113A along the western shoreline of Fire Lake immediately southwest of the Property.

The Yukon Government placed a staking moratorium across Kaska Traditional Territory in December 2013, which includes the KZK Project area. This was subsequent to a decision by the Yukon Court of Appeal in 2012 supporting the Ross River Dena Council's contention that existing free-entry staking rules may conflict with the Governments constitutional duty to consult aboriginal groups with land claims outstanding. In January 2018 the moratorium was extended until July 31, 2019, however this does not affect current mineral claims or exploration and development activities on current mineral claims.

4.3 Datum and Projection

Initial drill hole collar surveying was carried out using the Universal Transverse Mercator System Projection (UTM) NAD27 coordinate system and was converted to UTM NAD 83 after the airborne photogrammetry survey was completed (Horton et al, 2015).

4.4 Royalties

No residual royalties or joint ventures remain on the Property.

4.5 Permitting

Exploration programs in Yukon are divided into Class 1 (grassroots) through Class 4 (advanced), depending on threshold levels of camp man-days, fuel storage and extent of exploration activities. In the Fyre Lake project area, Class 1 and 2 programs require notifying the EMR whereas Class 3 and 4 programs involve submittal of an operation plan that, if approved by the EMR, will provide a Quartz Mining Land Use Permit that is necessary to undertake exploration activities.

The Current permit for the Fyre Lake project that allows for exploration activities is a Class 3 Mining Land Use Approval LQ00425c, which is valid from 28 April 2015 to 28 April 2020. Under this permit allowable activities include camp construction, diamond drilling, airborne geophysics, ground geophysics, surface geochemistry, geological mapping and sampling and any other non- mechanical investigations.

CSA Global is not aware of any permitting issues associated with the Project that would hinder future permitting for exploration or development.

BMC is not aware of any environmental liabilities associated with the Fyre Lake property.

5 Accessibility, Climate, Local Resources, Infrastructure and Physiography

5.1 Accessibility

The Fyre Lake Property is readily accessible year-round with fixed wing aircraft or helicopter support. The nearest road access is approximately 30 km northeast at the KZK Property (Figure 2). Fire Lake is 8 km long with excellent approaches that can be utilised by a variety of float- or ski-mounted fixed wing aircraft throughout the year (Figure 3).

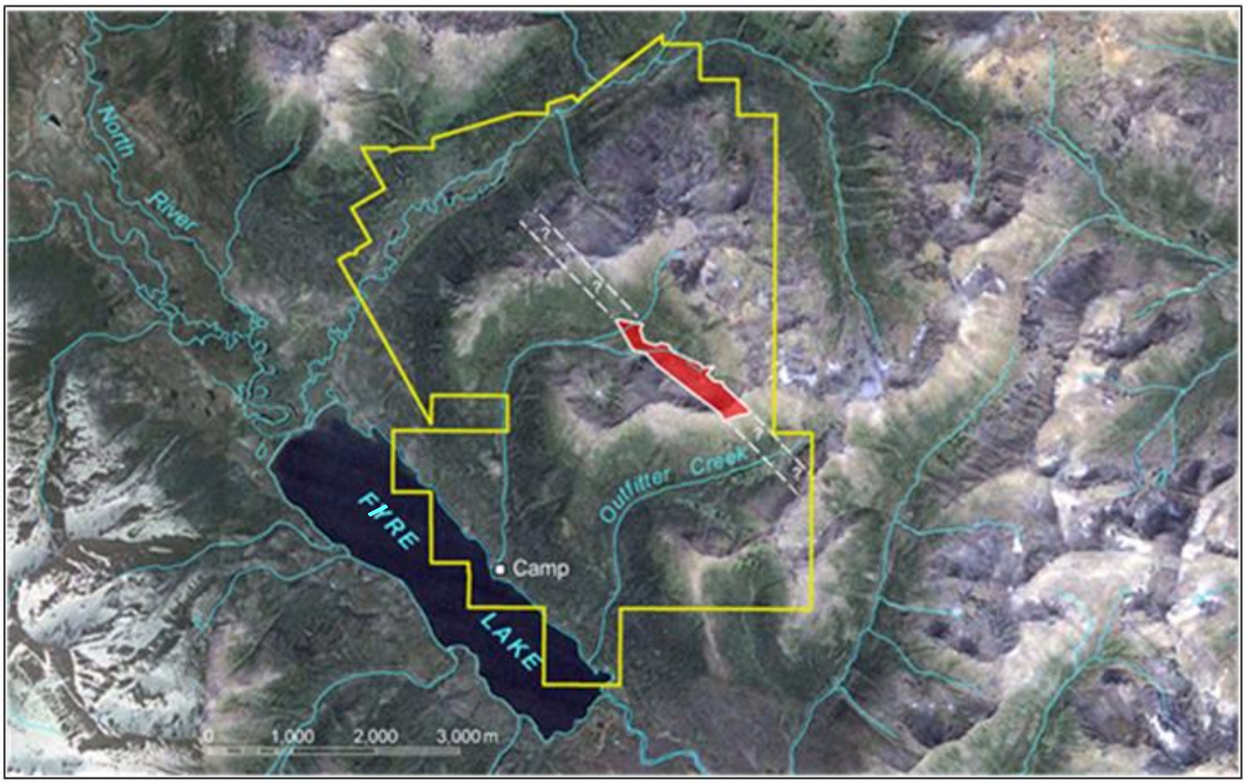


Figure 3: Fyre Lake Mineral Claims and location of the Kona deposit

Source: Horton et al, 2015

5.2 Climate and Physiography

The Fyre Lake Property is situated regionally within the Yukon Plateau physiographic region in the Simpson Range of the eastern Pelly Mountains, approximately 5 km northeast of the Tintina Trench. The Fire Lake area has linear open valleys and high rolling to craggy ridges and mountains. Topographic relief is moderate to locally high with elevations ranging from 1,100 m (3,609 ft) at Fire Lake to 1,900 m (6,234 ft) A.M.S.L. along the eastern ridge crests. A 2,351 m high peak situated 6 km north of the property is the highest mountain in the area. The various mineral showings are situated between elevations of 1,450 and 1,700 m A.M.S.L.

Fire Lake is situated midway along the south-easterly-flowing North River. To the northeast, there are two easterly trending hanging valleys and broad open cirques. The drainage from the northern hanging valley, within which most of the known mineral showings are situated, is called 'Kona Creek' and the central valley is drained by 'Outfitters Creek'. The southern drainage which joins North River south of Fire Lake is not named.

The annual mean daily temperature for the eastern Pelly Mountains is -5° C ranging from approximately -40° C during the winter months to 25° C during the summer months. Snow cover is minimal, averaging about 60 cm by late winter. Permafrost is discontinuous but widespread. Bedrock exposures are generally absent in areas of low to even moderate relief; often limited to stream canyons, ridges and cliffs due to an extensive glacial till cover.

Near Fire Lake, a spruce forest extends to the tree-line at an elevation of 1,500 m (Figure 4). To the north, the vegetation becomes more open with buckbrush (dwarf birch) and eventually disappears to a caribou moss cover. Kona and Outfitters Creek drainages have sufficient flows of water for diamond drilling purposes until mid-October or later.

Figure 4: View of the Fyre Lake camp on the shores of Fire Lake – centre (looking northwest).

The Kona deposit is situated up the valley above the camp to the right.
Source: A. Green, 2017

5.3 Local Resources and Infrastructure

The nearest settlement to the Fyre Lake Property is the town of Ross River (population 300), which lies 140 km to the northwest and provides services including groceries, bulk fuel, some heavy equipment, accommodation and meals. The city of Whitehorse (population 25,000) is located 205 km west-southwest of the property and offers a full range of services and supplies for mineral exploration and mining, including skilled labour, bulk fuel, freight, heavy equipment, groceries, hardware and daily jet service to Vancouver.

The Yukon electrical grid supplies 138 kV electrical power to the town of Faro, located ~200 km northwest of the Fyre Lake Property, but only 25 kV electricity to Ross River.

The nearest year-round deep-water ports for concentrate shipment are 870 km by road to the southwest at Skagway (Alaska) and 911 km by road to the south at Stewart (BC) from the KZK Project (Figure 1).

6 History

6.1 Project and Exploration History

The following information is summarised from Blanchflower (2006).

The Pelly Mountains were originally mapped by the Geological Survey of Canada in 1958 and 1959 and the results of this work were published as the 'Finlayson Lake' map-sheet in 1960 (Wheeler, Green and Roddick, 1960). In September 1960, prospectors employed by Cassiar Asbestos Corporation (Cassiar) discovered a 2.5 by 2.0 m massive sulphide float boulder on a glacial esker near a guide/outfitter's cabin at the south end of Fyre Lake. Shortly after, prospectors discovered massive pyrite mineralization exposed in Kona Creek; they called this the 'E' zone.

During the fall and winter of 1960, Cassiar staked the 'TOP' mineral claims covering the southwesterly facing slopes of Fyre Lake. In 1961, Cassiar explored their claim holdings with prospecting, geological mapping, geophysical surveys (electromagnetics and magnetics), trenching and drilling. The drilling comprised 23 shallow packsack drill holes, totalling 224 m, and 12 AX-core diamond drill holes, totalling 582 m. Most of their efforts were concentrated on assessing the 'E' and 'K' mineral showings where they reportedly encountered mineralization with an average grade of 1.0% Cu, 0.95% Zn, 4.80 g/t Ag and 0.72 g/t Au (Crawford, 1981).

In December 1965, Atlas Copper Ltd. (later 'Atlas Explorations Ltd.') (Atlas) optioned the 'DUB' mineral claims and in June 1966, additional claims were staked to cover the Fyre Lake mineral showings. An airborne electromagnetic and magnetometer survey was conducted over the Kona Creek cirque and along the eastern slopes of Fire Lake and North River. This survey identified two target areas, called 'DUB I' and 'DUB II', for ground surveying. A cut survey control grid, totalling 31.5 line-km, was established over the northern 'DUB II' area, and electromagnetics (horizontal loop electromagnetic (HLEM)) and magnetometer surveying with concurrent soil geochemical sampling for Cu, Pb and Zn were undertaken. Six diamond drill holes (66-001 to -005A), totalling 593.44 m, tested and extended the Cu-bearing pyritic formation at 'I' and 'K' mineral showings which had been identified by earlier Cassiar drilling. Intercepts of massive sulphide mineralization up to 12.2 m thick were reported from this drilling (Sadlier-Brown, 1966). Selected drill core from three of the drill holes is stored at the Hugh Bostock Core Library in Whitehorse, Y.T. (Stroshein, 1991).

In 1967, Atlas explored the southern DUB I target area near the original massive sulphide float boulder discovery site. A 15.5 line-km survey control grid was established, and the grid area was explored with HLEM and magnetometer surveying, soil geochemical sampling for Cu, Pb and Zn, and diamond drilling (3 AX-core holes totalling 252.68 m). The diamond drilling intersected disseminated pyrite and pyrrhotite mineralization but no significant base or precious metal mineralization (Sadlier-Brown, 1967).

Between 1974 and 1977, D. J. Tempelman-Kluit of the Geological Survey of Canada remapped and revised the regional geology of the Pelly Mountains (GSC Open File 486). As a consequence of this work, Amax Potash Limited (Amax) re-staked the Fyre Lake massive sulphide showings in 1976 and conducted a limited geological mapping and rock geochemical sampling program. Due to a lack of funding for the project the claims were allowed to lapse in 1977 (Crawford, 1981).

In late August and early September 1980, Welcome North Mines Ltd. (Welcome North) staked 68 'KONA' mineral claims covering the Fyre Lake massive sulphide showings, after they discovered disseminated copper mineralization in metamorphosed volcanic rocks approximately 2 km north of the known mineral showings. This work was carried out as part of the Basin Joint Venture with Esperanza Explorations Ltd. (a predecessor corporation to Columbia Gold Mines Ltd.) Unfortunately, an early snowfall and other work priorities prevented further exploration that year. The Basin Joint Venture was terminated in 1981.

In 1981, Welcome North extended the soil sampling coverage from the Kona cirque area (16.9 line-km survey grid, 255 soil samples for Cu, Pb and Zn) and completed a geological study of the mineral showings without additional geological mapping. According to Crawford (1981), the results of the Welcome North exploration work identified mineralization in intermittent outcrops for 2.5 km in a northwesterly direction. The mineralization is dominantly hosted by a cupriferous iron formation facies and varies in character from laminated massive pyrite (± chalcopyrite, sphalerite, quartz), through banded cupriferous iron formation (quartz, magnetite, chlorite, chalcopyrite, and/or sphalerite), to disseminated chalcopyrite and pyrite in greenschists. The mineralization occurs within the Nisutlin Allochthon, in a dark green chlorite schist unit approximately 100 m beneath its contact with an overlying quartz-sericite schist unit.

Placer Dome Inc. (Placer Dome) optioned the KONA mineral claims from Welcome North on November 30, 1990 and, within the provisions of their agreement, staked the 'FIRE 1' to 'FIRE 184' mineral claims in December 1990. Placer Dome contracted Dighem Surveys and Processing Inc. (Dighem) to carry out a helicopter-supported airborne survey of a 36-square km area (308 flight line-km) centred on the Fyre Lake mineral showings within the Kona Creek drainage. Dighem prepared a report with electromagnetics, total field magnetics, calculated vertical gradient, resistivity and Very Low Frequency electromagnetics interpretations and maps (Smith, 1990).

In 1991, Placer Dome conducted a surface exploration program, including geological mapping, geophysical surveying (Apex MaxMin EM) and soil, silt and rock geochemical sampling, based upon the 1990 airborne geophysical survey results.

The results of the 1991 exploration program by Placer Dome determined that the Fyre Lake mineral showings are VMS deposits hosted by metamorphosed and highly deformed Late Devonian volcanic rocks. Furthermore, the iron formations hosting the mineralization can be traced by airborne and ground geophysics and soil geochemistry for 1 km southeast of the Kona Creek cirque. Placer Dome terminated the property option agreement in 1992, thereby relinquishing all property rights to Welcome North.

In November 1995, Columbia Gold Mines Ltd. (Columbia) negotiated an agreement with Welcome Opportunities Ltd. (formerly Welcome North Mines Ltd.) to acquire the 'KONA' and 'FIRE' mineral claims, and in 1996 Columbia staked additional mineral claims west and south of the joint venture claim holdings.

According to an 'Annual Information Form' filed by Columbia (1998, p. 14-19):

"The 1996 and 1997 exploration programs evaluated three zones of known and inferred iron formation-related mineralization along a 13-kilometre strike length, and diamond drilling discovered volcanogenic copper-cobalt-gold mineralization within one of the zones, known as the Kona deposit.

A comprehensive helicopter-supported two-stage exploration program to evaluate the exploration potential of the Fyre Lake Property was financed and operated by Company during the 1996 field season (i.e. from June 15 to October 9). Total project expenditures for 1996 were $3,018,907."

This exploration work included:

- staking 121 Yukon Quartz claims (i.e. 'FIRE 193' to FIRE 214' and 'EMBER 1' to 'EMBER 99');
- preparation of topographic plans at scales of 1:1000 and 1:2500;
- land surveying using a Global Positioning System (GPS);
- establish topographic control within the property for subsequent line cutting and diamond drilling;
- establishing three metric survey control grids (totalling 150.80 line-km) over the 'KONA', 'LAKE' and 'DUB' exploration target areas;
- construction of 36-person field camp and core logging facilities;
- prospecting within and adjacent to the three survey control grids;
- detailed geological mapping at a scale of 1:1000 within the Kona and Dub survey control grids;

- collecting and analysing 2,256 soil geochemical samples for 31-elements by I.C.P. methods;
- collecting and analysing 17 rock geochemical samples (8 samples for gold (F.A./A.A.) plus 31-element I.C.P. analysis and 9 samples for copper, cobalt, zinc, silver and gold assays);
- conducting 142.70 line-km of combined ground magnetics and horizontal loop (MaxMin II) electromagnetics geophysical surveying;
- completing 72 NQ2- and/or BQTK-core diamond drill holes (totalling 9,667.93 m or 31,716 ft);
- assaying and/or analyses of 1,210 drill core samples, check-assaying of 67 drill core samples, analyses of 1,293 drill core samples for various litho-geochemical studies, analyses of 19 magnetite-rich drill core samples for platinum group elements, whole- rock analyses of 20 drill core samples;
- preparing petrographic study of 8 thin sections from various host-rock lithologies; and
- subsequent collation, compilation and documentation of the program results.

In summary, the 1996 soil geochemical sampling results from the Kona grid area delineated a series of Cu- and Co-in-soil anomalies with elevated Zn-in-soil values along and immediately west (i.e. downslope) of the trend of ground magnetic and HLEM (MaxMin II) geophysical anomalies from the VMS showings at the headwaters of Kona Creek north-northwesterly to the northern ridge of the cirque. Soil geochemical values appear to decrease northward from the north fork of Kona Creek; possibly reflecting alpine glacial transport, more chert-hosted mineralization, and/or deeper overburden. Other coincident Cu-, Co-, and/or Zn-in-soil geochemical anomalies occur east and west of the main geochemical-geophysical trend indicating other possible mineralized horizons.

The 1996 ground magnetic and HLEM geophysical surveys within the Kona grid delineated an extensive 1,800 m long, northwest-southeast trending structure the southeastern portion of which is interpreted to be the subsurface strike extensions of the central Kona zone mineralization. The geophysical signature of the mineralization consists of a magnetic response with the electromagnetic conductor being proximal to the magnetic highs. In the northwestern portion of the surveyed area, the electromagnetic conductor is coincident with magnetic highs scattered along the same trend from grid coordinates 112900 N by 14700 E to 112250 N by 15150 E. South of grid line 112250 N, the magnetic response is more intense, indicative of a near-surface source along the axis of the structure. From 111700 N by 15500 E to 111400 N by 15650 E, in the vicinity of the known mineralization, the HLEM conductor shows a strong response coinciding with a sharp increase in the magnetic signature from about 6500 nT on the northeast side of the conductor to over 9000 nT southwest of the conductor.

Detailed diamond drilling undertaken during the 1996 exploration program discovered three horizons of massive to semi-massive sulphide and magnetite mineralization hosting significant Cu-Co-Au (± Zn, Ag values) over a combined thickness of 70 to 80 m, a continuous strike length of more than 800 m and widths in excess of 100 m. The mineralization is dominantly hosted within the upper section of a chlorite-actinolite-quartz schist (i.e. metavolcanic) unit, called the ‘Lower’ horizon, and immediately beneath the chlorite-actinolite-quartz schist and phyllite (i.e. metasedimentary) stratigraphic contact, called the ‘Upper’ horizon.

The 1997 exploration program was designed to expand previously defined mineralization comprising the open-ended Kona deposit and to explore for additional VMS mineralization related to several coincident soil geochemical and geophysical anomalies outlined in the Kona and Lake grid areas during the 1996 field program. Field work was conducted from April 4 through October 9. Total project expenditures for 1997 were $3,648,213. The work included the following:

- 44 NQ2 and/or BQTK core diamond drill holes totalling 13,598.98 m or 44,616 feet;
- cut-line grid extensions to the west, east and south of the Kona grid, totalling 53.85 km of cut-line;
- 58.6 line-km of ground magnetics and 59.275 line-km of HLEM (Max-Min II) geophysical surveying;

- GPS survey of the Kona, Lake and Dub grids in order to establish a tight control for plotting data collected in 1996 and 1997 and to aid in the control for geological mapping as well as establishing the positions of claim posts;
- detailed geological mapping at a scale of 1:2,000 within the Kona cirque and 1:5,000 scale for the area surrounding the Kona cirque;
- a large loop time domain electromagnetic (UTEM-3) test survey of 4 drill holes and 7 surface grid lines;
- 1,009 soil geochemical samples and analysing 757 samples for 31 elements by ICP methods;
- 181 silt geochemical samples and analysing for 31 elements by ICP methods;
- 39 rock geochemical samples (and analysing) 21 samples for Cu, Co, Zn, Au (F.A./A.A.) plus 31 element ICP analysis, 16 samples for Cu, Co, Zn, Au assays plus 31 element ICP analysis and 2 samples for lithogeochemical studies;
- assaying and analysis of 767 drill core samples, check assaying 53 drill core samples, analysis of 969 drill core samples for lithogeochemical studies;
- initiating a water and baseline environmental study of the claims and surrounding area;
- surveying of collar locations of all diamond drill holes;
- prospecting in and immediately around the claim area;
- staking 4 Yukon Quartz claims (FIRE 55F, 56F, 215F and 216F);
- constructing an additional four sleeping accommodation tents and doubling the size of the core logging facilities;
- preparing a photo mosaic and various scale topographic maps of the claim and surrounding area;
- a preliminary scoping study of the Kona deposit by Kilborn Engineering Pacific Ltd. (Kilborn);
- a resource study of the Kona deposit prepared by J. D. Blanchflower of Minorex Consulting Ltd (Minorex). and the Company;
- preliminary metallurgical testwork of the Kona mineralization; and
- compiling and interpreting all the combined 1997 and 1996 data and the subsequent documentation of the results.

Columbia did not proceed with exploration work in 1998 due to insufficient exploration funding, and in 1999 the company decided to remove all drilling and exploration equipment and supplies from the property until sufficient funds were available to continue exploration.

In August 2002, Rock Resources Inc. (Rock), a Vancouver-based junior mining company, negotiated an option agreement with PEX (formerly Columbia) to earn a 60% interest in the subject property. Rock retained J. D. Blanchflower to prepare a report on the property documenting all exploration work and to undertake a NI 43-101 compliant Mineral Resource study estimating the individual Indicated and Inferred resources of the known Kona deposit ("Report on the Fyre Lake Property", dated August 31, 2002).

Rock did not undertake any exploration work on the Property; thus, terminating their option agreement with PEX. No significant exploration work was undertaken on the Fyre Lake Property by PEX after completion of the 1997 exploration program (Blanchflower, 2006).

In July 2014, PEX optioned out the Fyre Lake Property to Merah Resources Limited (Merah) (ASX: MEH) who were later renamed as MinQuest Limited (MinQuest). Merah completed a Versatile Time Domain Electromagnetic (VTEM) and magnetic survey, and drill core verification resampling and assaying. An updated MRE was also commissioned and completed by IMC Mining Pty Ltd (IMC). MinQuest withdrew from the Project in 2016.

On 23 January 2017, BMC announced the signing of an option arrangement over a 100% interest in the Fyre Lake Property from PEX.

6.2 Previous Mineral Resource Estimates

CSA Global and the Company (BMC) are not treating these historical resources as current Mineral Resources as the Qualified Person has not done sufficient work to classify the historical resources, or comment on the reliability of the estimates. The current MRE for the Kona deposit presented in this report supersedes all past estimates and benefits from the additional information summarised in Section 14.

A resource study of the Kona deposit was prepared by J. D. Blanchflower of Minorex for Columbia, however the technical report was never released (to CSA Global's knowledge).

In 2002, Rock commissioned Minorex to compile all historical work on the Fyre Lake Property and report a MRE in accordance with NI 43-101 guidelines. The report was never publicly released.

Blanchflower reviewed the 2002 MRE in 2006 for PEX, and the resource and technical detail was included in the 2006 NI 43-101 report (Blanchflower, 2006).

In 2014, IMC was contracted by MinQuest to review and update the NI 43-101 report and MRE for the Kona deposit. The resource was based on diamond core drilling undertaken in 1996 and 1997.

Following the option agreement signed between BMC and PEX, BMC commissioned CSA Global to undertake an updated MRE for the Kona deposit based on the validated historical data. The database provided to CSA Global included 114 diamond drill holes for 22,666.69 m of drilling.

Table 4 shows the previously reported resources for the Kona deposit. A detailed comparison of the previous resources with the current CSA Global MRE is provided in Section 14.17.3.

Table 4: Summary of previous Kona MREs (1% Cu cut-off)

Company	Year	Method	Classification	Tonnes Mt	Cu %	Zn %	Co %	Au g/t
Minorex (PEX)	2006*	OK	Indicated	3.571	1.57	-	0.10	0.61
			Inferred	5.361	1.48	-	0.08	0.53
IMC (MinQuest)	2014	OK	Indicated	3.5	1.55	0.31	0.10	0.63
			Inferred	9.1	1.56	0.30	0.09	0.63

*Note: the 2006 Minorex MRE is an updated version of the 2002 NI 43-101 report for Rock Resources (never publicly released).

6.3 Historical Production

No mining has occurred at the Kona deposit or the Fyre Lake Property.

7 Geological Setting and Mineralization

7.1 Regional Geology

The greater KZK Project, containing the Fyre Lake Property, is located with the Finlayson Lake District; a crescent-shaped area approximately 300 km long and 50 km wide that extends from Ross River in the north to Watson Lake in the south (Figure 5).

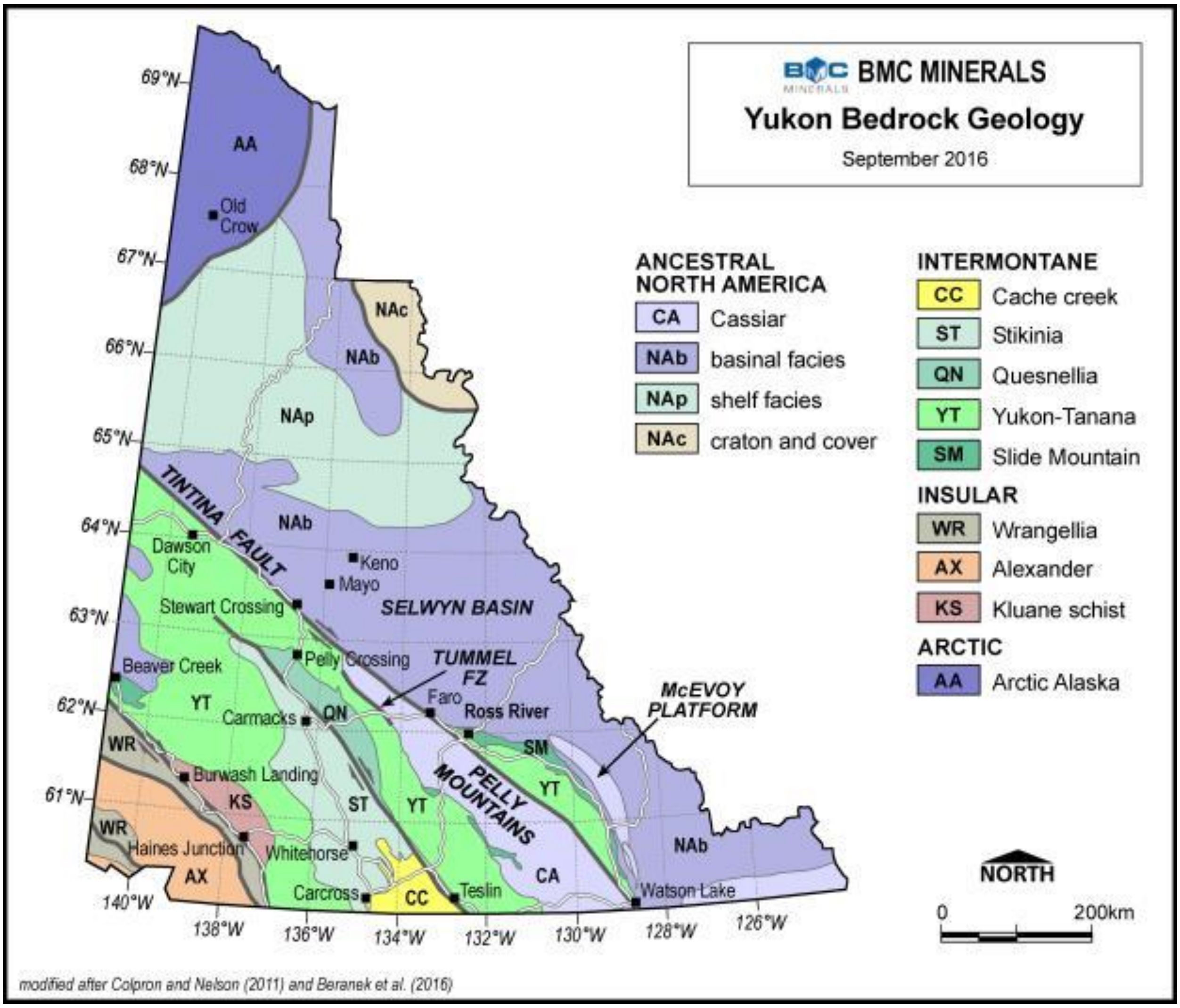


Figure 5: Yukon bedrock geology and terrane map

Source: Modified after Colpron and Nelson (2011) and Beranek et al. (2016)

The Finlayson Lake District comprises Devonian to Lower Carboniferous (Mississippian) volcanic, intrusive, and sedimentary rocks separated from the Proterozoic and Palaeozoic strata of the ancient North American continental margin to the southwest by the Tintina Fault. The combined Yukon-Tanana and Slide Mountain terranes are separated from the ancient continental strata to the northeast by the Inconnu Thrust (Mortensen and Jilson, 1985; Plint and Gordon, 1996; Tempelman-Kluit, 1977; Figure 6). Within the Finlayson Lake District, the Jules Creek Fault separates the Yukon-Tanana Terrane from the Slide Mountain Terrane. The Yukon-Tanana Terrane of the Finlayson Lake District is contiguous with the main part of the Yukon-Tanana Terrane, which underlies most of west central Yukon, after restoration of approximately 425 km of Late Cretaceous right-lateral, strike-slip movement along the Tintina Fault (e.g. Mortensen, 1982; Peter et al., 2007).

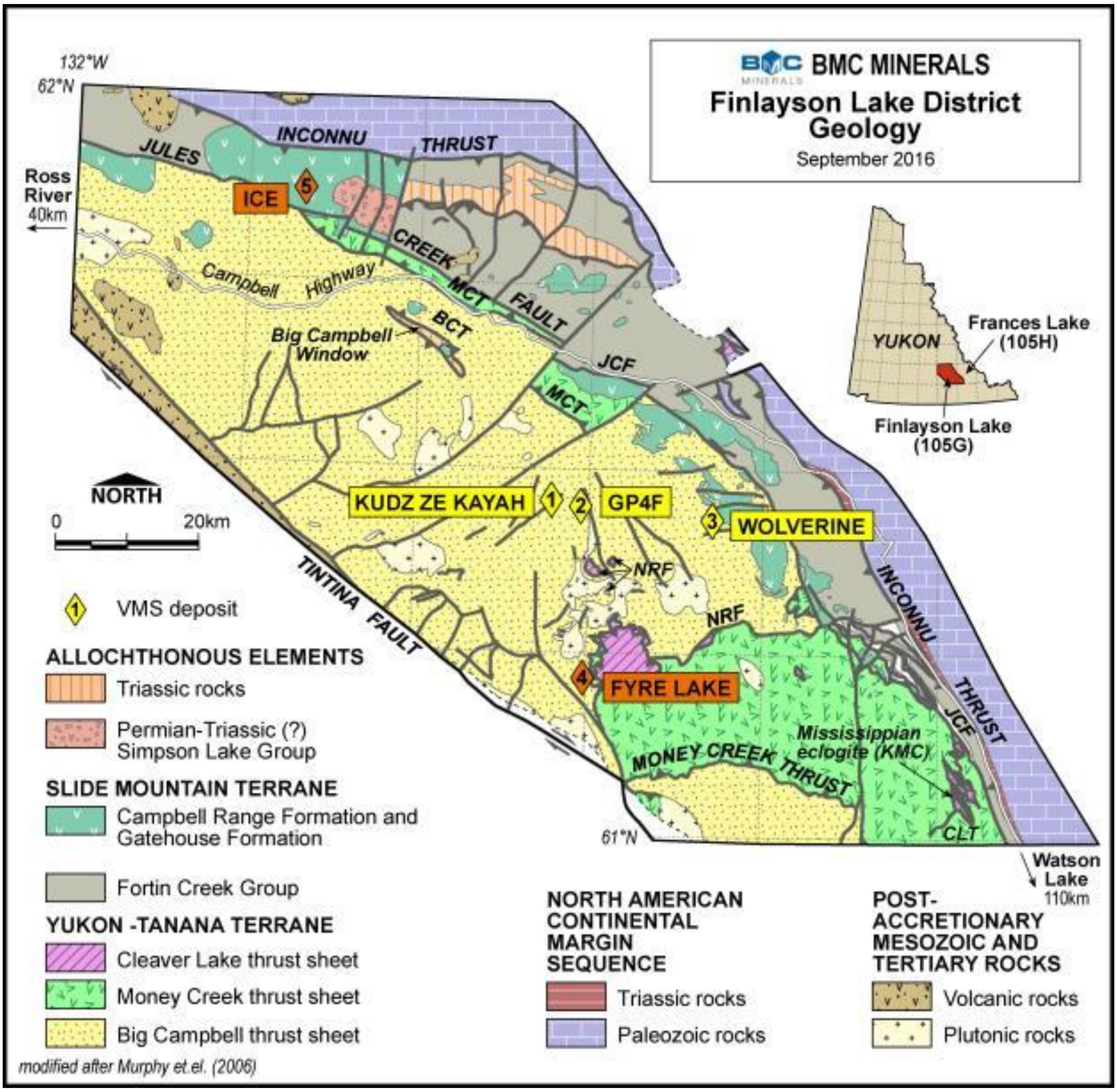


Figure 6: Tectonostratigraphic subdivisions of the Finlayson Lake district

Source: Murphy et al. (2006)

Rocks of the Finlayson Lake District comprise several fault- and unconformity-bound groups and formations of early Mississippian to Early Permian age (Murphy et al., 2006) (Figure 6 and Figure 7). Massive sulphide deposits have been identified primarily within the Big Campbell thrust sheet (Figure 6 and Figure 7), with the exception of the Ice deposit which is hosted by basalts of the Campbell Range Formation within the Slide Mountain Terrane.

Rocks of the Big Campbell thrust sheet include Pre-Late Devonian quartz-rich sedimentary rocks of the North River Formation; mafic and felsic volcanic, and carbonaceous clastic rocks of the Upper Devonian Grass Lakes Group; Late Devonian to Early Mississippian granitic rocks of the Grass Lakes plutonic suite; carbonaceous clastic and mafic and felsic volcanic rocks of the Lower Mississippian Wolverine Lake Group; and carbonaceous clastic rocks and chert of the Lower Permian Money Creek Formation (Murphy et al., 2006) (Figure 7).

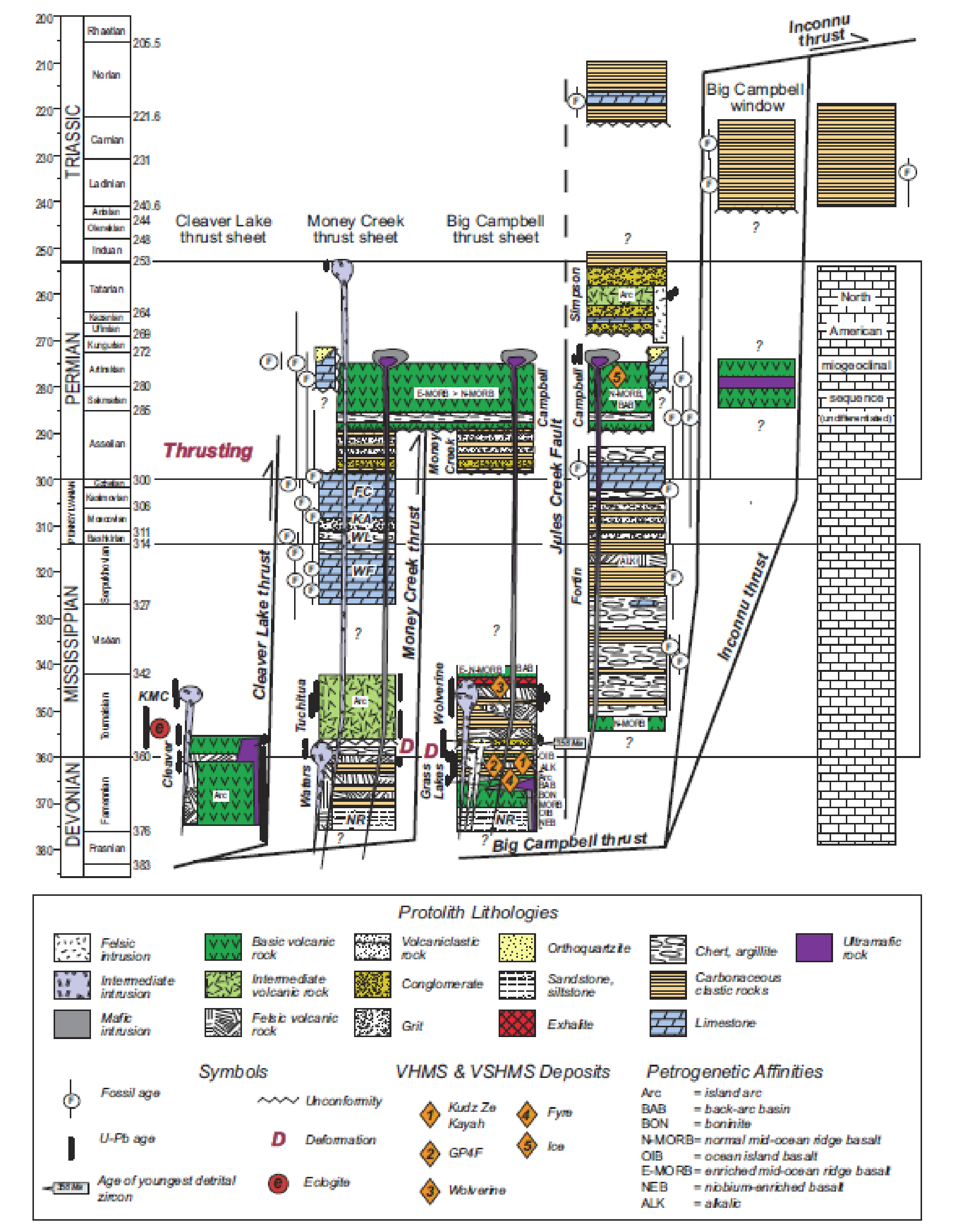


Figure 7: Structural and stratigraphic relationships in the Finlayson Lake District

Abbreviations are as follows: FC=Finlayson Creek limestone; KA=King Arctic Formation; KMC=Klatsa metamorphic complex; NR=North River Formation; WF=Whitefish limestone; WL=White Lake Formation.

Source: Peter et al. (2007) modified after Murphy et al. (2006)

The Grass Lakes Group comprises strongly foliated and lineated layered sedimentary and volcanic rocks positioned in a roof setting above and between bodies of Early Mississippian granitic orthogneiss and weakly foliated mid-Cretaceous granite (Murphy, 1998). The Grass Lakes Group has been subdivided into three formations which, from oldest to youngest, are the Fire Lake Formation, Kudz Ze Kayah Formation, and the Wind Lake Formation (Peter et al., 2007). Each formation is briefly described below:

- The Upper Devonian (ca. 365 Ma) Fire Lake Formation is a mafic volcanic sequence comprising mainly chloritic phyllite with some carbonaceous phyllite and rare muscovite-quartz phyllite of probable felsic volcanic protolith. Intrusions and sills of mafic and serpentinized ultramafic plutonic rocks occur within the Fire Lake Formation (Peter et al., 2007).

- Stratigraphically overlying the Fire Lake Formation is the Kudz Ze Kayah Formation, a Late Devonian (ca. 360–356 Ma) sequence dominated by felsic volcanic and volcaniclastic and sedimentary rocks. It predominantly comprises feldspar-muscovite-quartz phyllite and augen phyllite of probable felsic volcanic and volcaniclastic origin, and lesser fine-grained carbonaceous and siliciclastic sedimentary rocks (Peter et al., 2007).
- The Wind Lake Formation forms the uppermost unit of the Grass Lakes Group and comprises carbonaceous phyllite, quartzite, and chloritic phyllite of probable alkalic mafic volcanic and intrusive protolith (Peter et al., 2007).

Coeval with the Kudz Ze Kayah and Wind Lake formations are peraluminous plutonic granitoids of the Grass Lakes Suite which are interpreted as the subvolcanic intrusive equivalents to the felsic volcanic host rocks of the Kudz Ze Kayah deposit and are as old as 363 ± 3.3 Ma (Mortensen, 1992). These rocks are deformed and were intruded by younger, late-kinematic plutonic rocks prior to deposition of the Wolverine Lake Group (Peter et al., 2007).

The Grass Lakes Group is unconformably overlain by rocks of the Wolverine Lake Group (Figure 7), and comprises a basal unit of conglomerate, grit, sandstone, and carbonaceous argillite, a middle unit of quartz-feldspar phyric felsic volcanic rocks, rare chert and sandstone, and an upper unit of aphyric rhyolite, argillite, magnetite iron formation, and mafic volcanic and intrusive rocks (Murphy et al., 2006; Peter et al., 2007).

A second unconformity separates the Wolverine Lake Group from the overlying carbonaceous clastic rocks (carbonaceous phyllite, chert-pebble conglomerate, quartzofeldspathic sandstone to pebble conglomerate, and locally, matrix-supported diamictite) and dark grey to black chert of the Lower Permian Money Creek Formation (Peter et al., 2007).

Both the Grass Lakes Group and Wolverine Lake Group occur in the footwall of the Money Creek thrust and record two cycles in the evolution of a Late Devonian to early Mississippian ensialic back-arc (Murphy and Piercey, 2000a; Piercey et al., 2001a, 2006). The unconformity separating these groups marks a period of deformation, uplift, and erosion (Peter et al., 2007).

Uranium-Lead geochronology places an upper age limit of 356.9 ± 0.5 Ma for the host rocks to the Wolverine deposit (Mortensen, 1992b; Piercey et al., in press), and the immediate stratigraphic hanging wall is dated at 346 ± 2.2 Ma (Piercey, 2001), indicating that Wolverine is younger than Kudz Ze Kayah (Peter et al., 2007).

The Campbell Range Formation is a mafic-dominated sequence comprising basalt, chert, and argillite which unconformably overlies rocks of the Wolverine Lake Group. Radiolarians and ca. 273 to 274 Ma U-Pb ages on gabbros and plagiogranites indicate a Pennsylvanian to Permian age (Murphy et al., 2006; Peter et al., 2007).

The rocks of the Finlayson Lake District indicate formation and emplacement in a variety of tectonic settings, including rifted frontal arc, continental back-arc, and oceanic back-arc that range in age from 365 to 275 Ma (Peter et al; 2007).

7.1.1 Regional Mineralization

The Finlayson Lake District hosts numerous base metal sulphide deposits that collectively contain in excess of 45 Mt of base and precious-metal rich sulphide mineralization (Green, 2016; Traynor, 2005; Tucker, 1997). The main deposits and their tectonic setting (Figure 8) are summarised below:

- The Besshi-type Fyre Lake (Kona) massive sulphide deposit is stratigraphically lowest and occurs in mafic volcanic rocks of the Devonian to Mississippian Grass Lakes succession. Fyre Lake is situated at the transition from mafic volcanic rocks to overlying turbiditic sedimentary rocks emplaced in a fore-arc setting (Hunt, 2002; Peter *et al*., 2007).

- The Kuroko-type ABM and GP4F massive sulphide deposits both occur within the Devonian to Mississippian succession stratigraphically above the Kona (Fyre Lake) deposit, hosted within felsic and to a lesser extent mafic volcanic rocks.
- The Bathurst-type Wolverine massive sulphide deposit is hosted by Carboniferous rhyolitic volcanic rocks and carbonaceous argillite of the Wolverine succession at a position stratigraphically higher than both the ABM and GP4F deposits (Hunt, 2002; Tucker *et al*., 1997). As the deposit is hosted by graphitic shales and felsic volcanic and volcaniclastic rocks, it may be classified as a volcanic-sediment-hosted massive sulphide (VSHMS) deposit (Peter *et al*., 2007).
- The Cyprus-type Ice massive sulphide deposit occurs highest in the stratigraphy and is hosted within late Palaeozoic mafic volcanic and associated sedimentary rocks of the Campbell Range succession (Hunt, 2002; Peter *et al*., 2007).

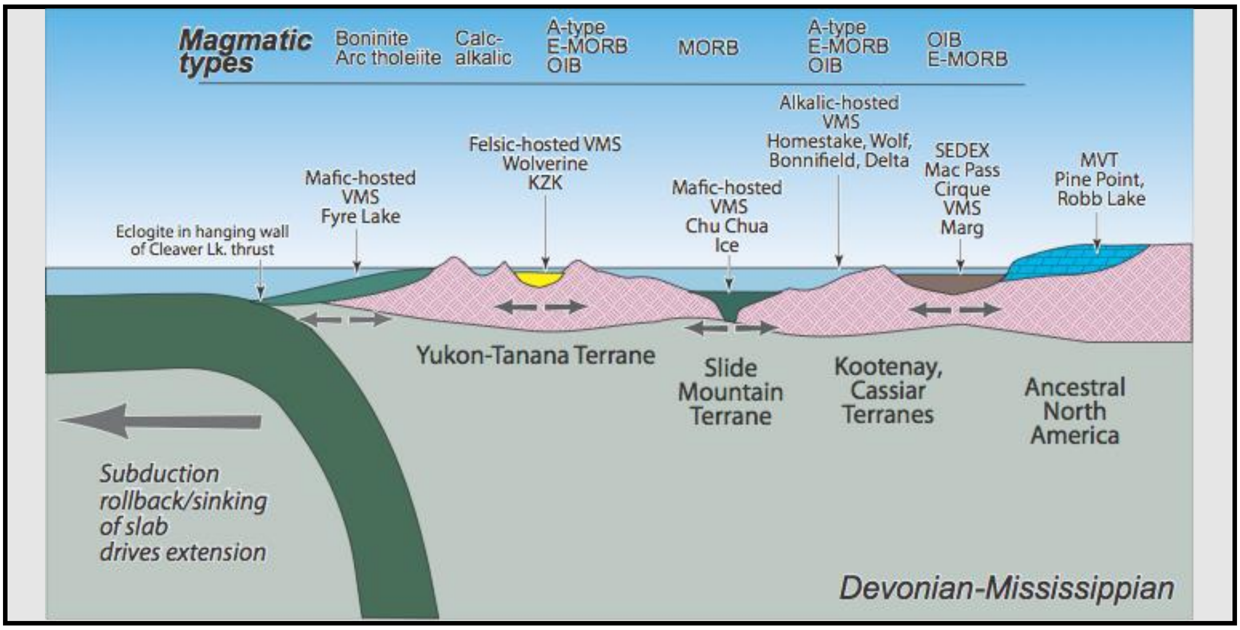


Figure 8: Interpreted tectonic setting of Devonian-Mississippian ore deposits in the Yukon-Tanana and adjacent terranes

Source: Piercey, 2015

7.1 Local Geology

The following information is summarised from Blanchflower (2006).

The Fire Lake mafic metavolcanic unit (unit DMF/Unit 2) which hosts the Kona deposit (Figure 9), was subdivided by Piercey et al (1999) into three lithogeochemical suites (2a, 2b and 2c) based upon trace and major element contents:

- Suite 2a ranges from subalkalic basalt to andesite and has a boninitic to low-Ti tholeiite affinity,
- Suite 2b has transitional subalkalic basalt/andesite affinities, and
- Suite 2c is made up of basaltic andesite and has chemical affinities intermediate between those of suites 2a and 2b (Hunt, 2002).

The Kona deposit is hosted by boninitic rocks of suite 2a (Sebert and Hunt, 1999) which generally occur in fore-arc and/or back-arc settings (Hunt, 2002).

Two phases of deformation with regional metamorphism are recognised in the region (Mortensen, 1985). The earliest and most pervasive episode affected the Early Paleozoic volcano-sedimentary assemblage and Paleozoic metaplutonic rocks which resulted in a well-developed, shallow dipping foliation (S_1)

accompanied by regional middle greenschist to middle amphibolite metamorphism. The S_1 foliation typically parallels compositional layering and in coarse-grained rocks is accompanied by a stretching lineation. The second phase of deformation involved a locally strong crenulation cleavage accompanied by middle greenschist facies metamorphism. Mortensen (1985) and earlier workers identified six major thrust faults in the region. The faults are cut by mid-Cretaceous intrusions and postdate Late Triassic strata (Stroshein, 1991).

The structural setting within the Fyre Lake area is very complex and complicated by syn-depositional, normal faulting and post-depositional thrust faulting (Hunt, 2002; Tempelman-Kluit, 1977). Normal faults have been mapped along and perpendicular to the headwaters of Kona Creek. The inferred traces of these faults are reflected by both Kona and Outfitter's drainages.

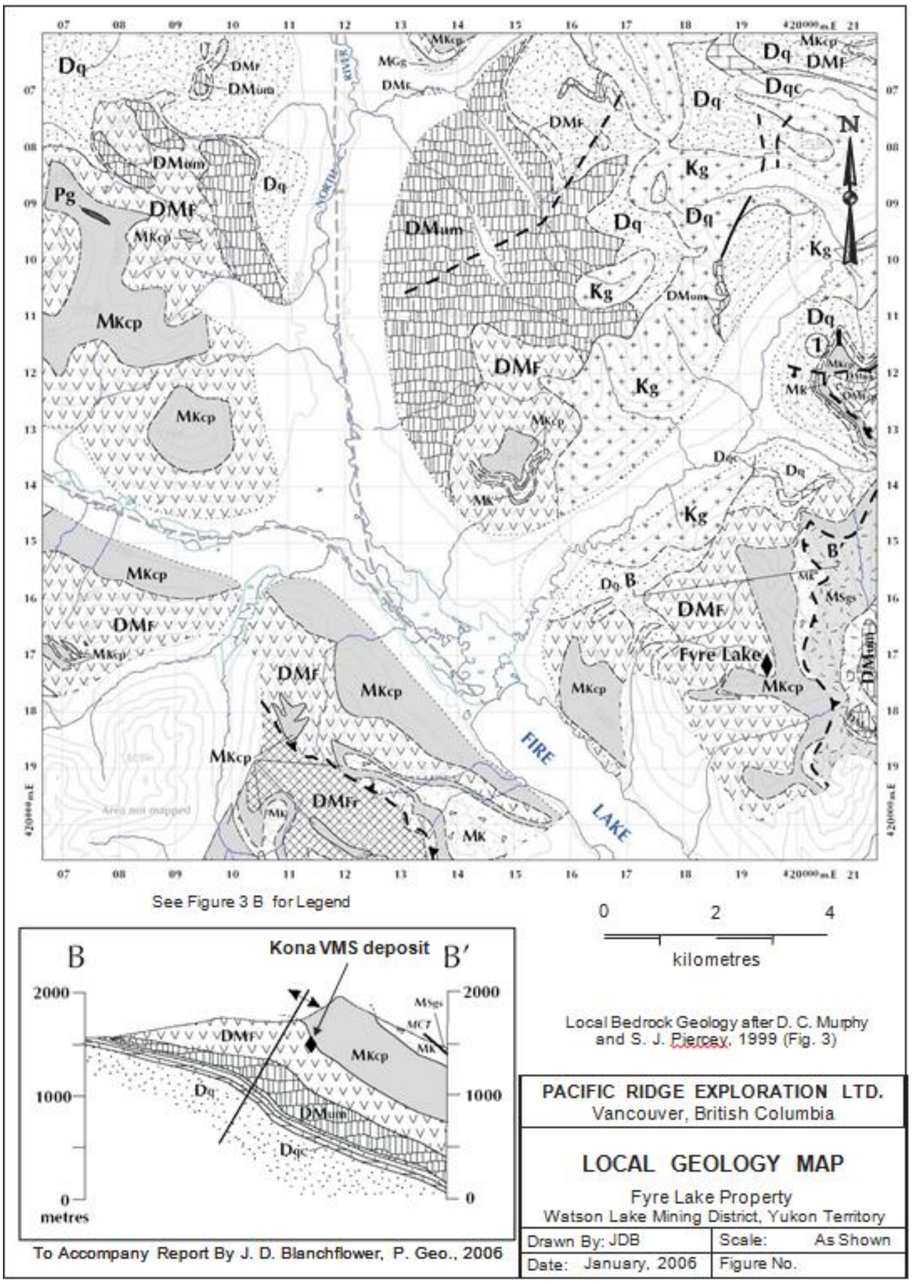


Figure 9: Local geology map of the Fyre Lake property

Source: Blanchflower (2006) and D. C. Murphy & S. J. Piercey (1999)

7.2 Property Geology

The following discussion of the Fyre Lake Property geology is adapted from Blanchflower (2006).

The property is underlain primarily by the Fire Lake mafic metavolcanic unit (unit DMF/Unit 2: Figure 9). The majority of this unit, which hosts the Kona deposit, is made up of a dark green, fine-grained chlorite-quartz and chlorite-actinolite- quartz schist and phyllite package. The chloritic schist and phyllite package is underlain by at least 50 m of carbonaceous phyllite, and overlain by a sequence, at least 700 m thick, of fine- grained, finely laminated, well foliated, grey to black carbonaceous phyllite, lesser metasiltstone and metasandstone, and minor limestone (unit MKcp/Unit 3). The under- and overlying carbonaceous phyllites are indistinguishable from one another except by stratigraphic position. Locally, felsic metavolcanic rocks overlie the upper carbonaceous phyllite (unit MK/Unit 3). The dominant foliation is parallel to compositional layering and dips shallowly eastward; lineations plunge shallowly to the southeast, parallel to the trend of mineralization at about 130° (Deighton and Foreman, 1997).

Schistose host rocks to the mineralization are interpreted as a succession of mafic to intermediate flows and tuffs with intercalated volcaniclastic and volcanically derived fine-grained sedimentary rocks (Deighton and Foreman, 1997; Foreman, 1998). The strata are part of a regionally persistent chlorite schist and phyllite unit (unit DMF/Unit 2), spatially associated with voluminous mafic and ultramafic intrusive rocks (Murphy, 1998; Murphy and Piercey, 1999b). Murphy (1998) interprets the ultramafic rocks as sills, fed by dykes which intruded along a syn-sedimentary fault (not preserved). This fault is inferred to have formed the northeast side of the basin in which the Kona massive sulphide deposit formed.

The underlying carbonaceous phyllite outcrops in Kona creek and was intersected in drilling in the Kona Zone in drill hole 97-97 which terminated in metasedimentary rocks beneath mafic schists (Foreman, 1998). It is not clear if the carbonaceous phyllite is structurally juxtaposed or if it represents a separate unit. Its presence as a separate stratigraphic unit would suggest that local faulting likely controlled sedimentation. Such a fault may also have acted as a conduit for mineralising hydrothermal solutions (Hunt and Murphy, 1998; Murphy, 1998).

Early descriptions of the Fyre Lake Property (cf. Stroshein, 1991) show the overlying metasedimentary rocks in thrust fault contact with the underlying mafic metavolcanic rocks, however, later mapping found no evidence for a thrust fault contact (Blanchflower, 2006). The contact between the two successions appears to be transitional and is marked by an interval of intercalated quartz- biotite ± chlorite and chlorite ± biotite ± quartz schist 6 to 200 m thick, which thickens to the west (included within unit DMF). This interval is described by Foreman (1998) as a zone of inter-fingering terrigenous sediments and volcanically derived sediments and/or flows.

The affiliation of felsic rocks that overlie the upper carbonaceous phyllite is not clear (unit MK). They are lithologically similar to felsic metavolcanic rocks in the Kudz Ze Kayah felsic metavolcanic unit (unit Mk/Unit 3). However, they also show similarities to metamorphosed felsic rocks of the Simpson Range Plutonic Suite which is exposed to the east and south of the deposit (units MSgs, MSg).

Figure 10 and Figure 11 (after Hunt, 2002) illustrate the bedrock geology of the Kona Zone and central portion of the Fyre Lake Property.

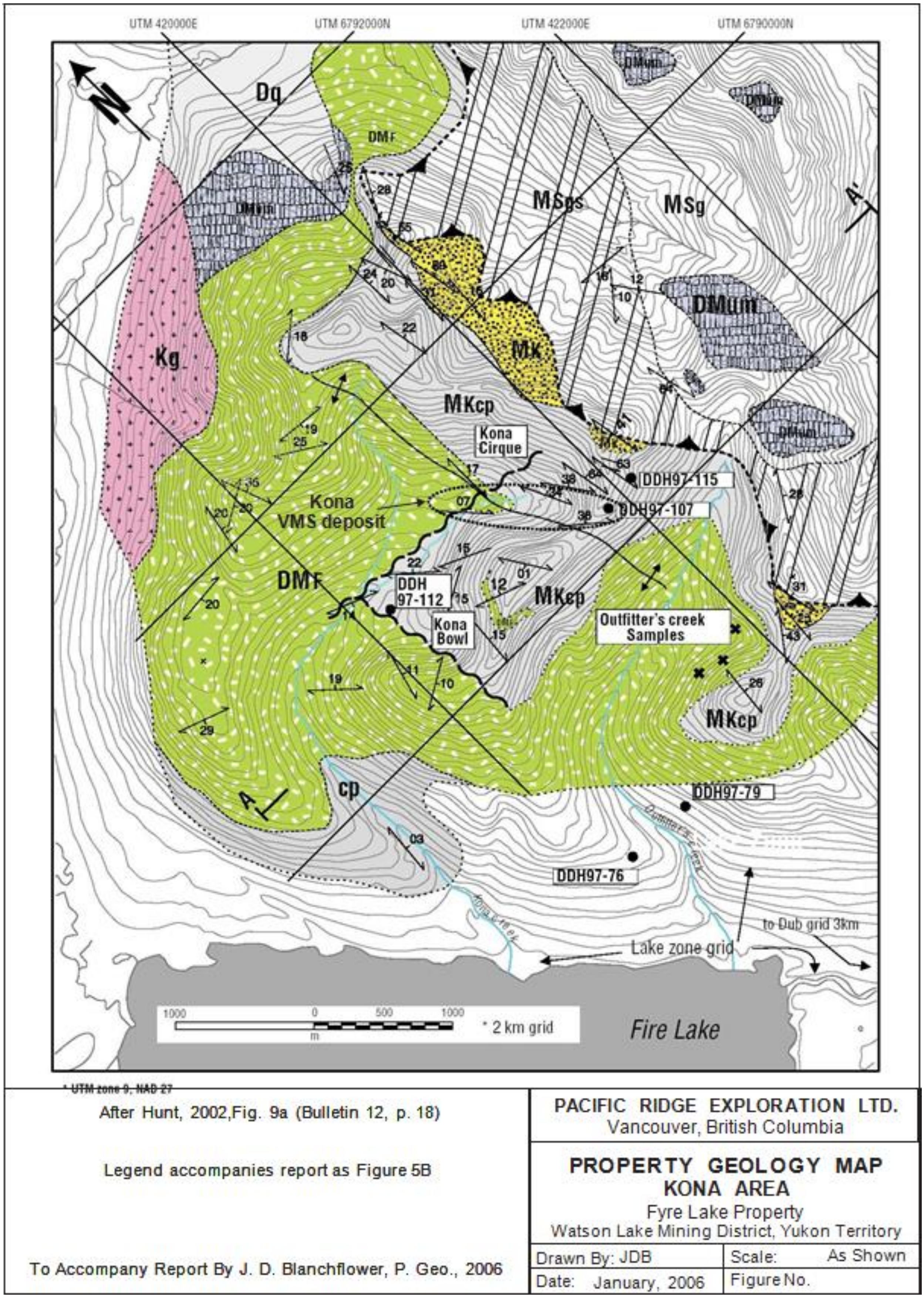


Figure 10: Property geology map of the Kona deposit area

Source: Hunt, 2002

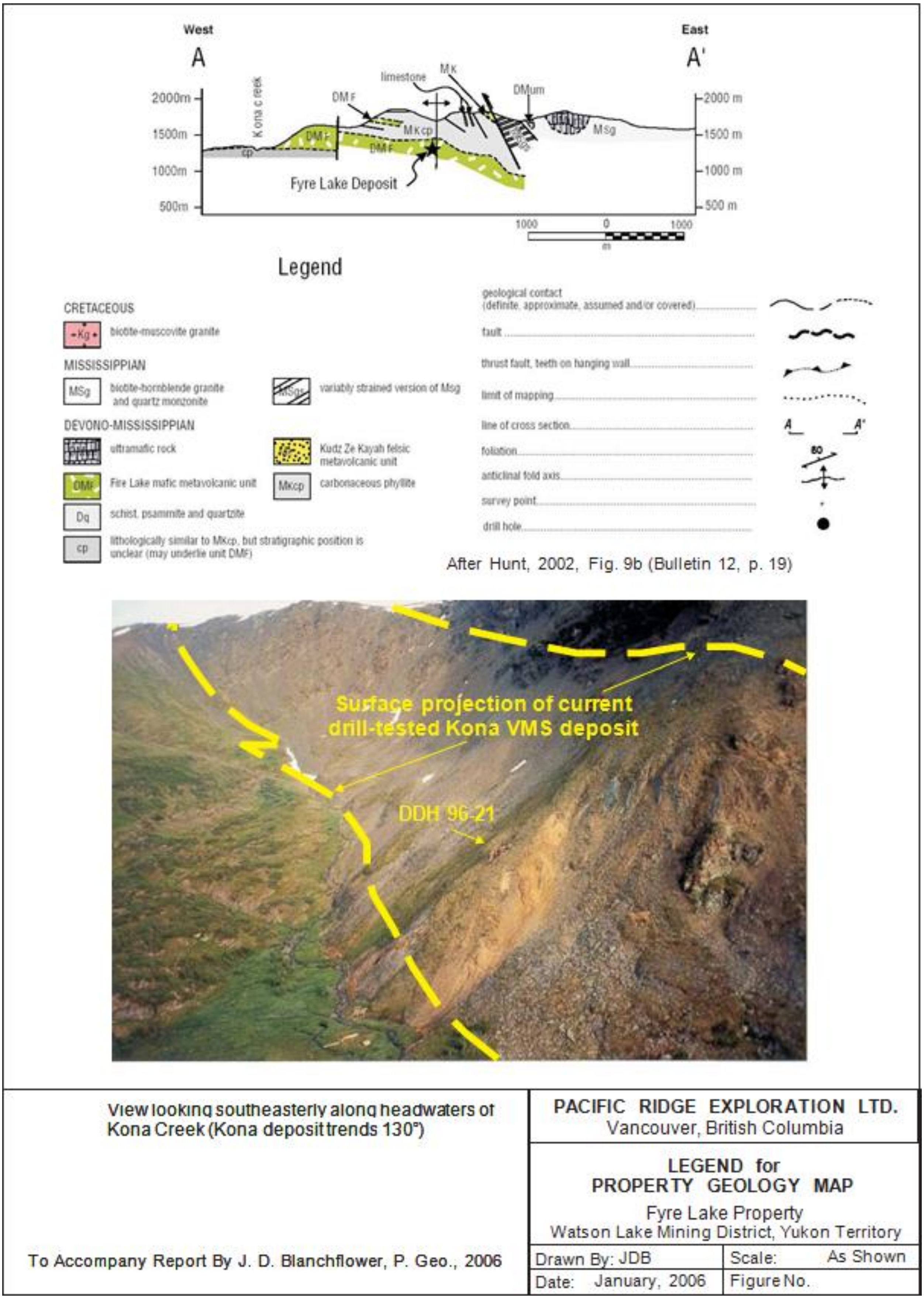


Figure 11: Legend for property geology map (Figure 10) of the Kona deposit area

Source: Hunt, 2002

7.3 Deposit Geology

7.3.1 Summary

The stratiform Kona VMS deposit is hosted by the Fire Lake metavolcanic unit (~365 Ma) belonging to the Devonian to Mississippian Grass Lake succession. Two parallel zones of volcanogenic massive sulphide mineralization, East Kona and West Kona, comprise the Kona deposit; separated by an inferred reverse or growth fault (Figure 12).

The East Kona zone mineralization is 100 to 150 m wide and consists of two massive to banded sulphide-bearing horizons (i.e. Upper and Lower East Kona) separated by 40 to 70 m of chlorite schist. The Lower East Kona horizon has been divided into north and south portions separated by an apparent gap in the horizon. The northern portion is 3 to 16 m thick and the southern portion is 2 to 11 m thick. The Upper East Kona horizon averages thicknesses of 8 to 12 m. These horizons consist mainly of pyrite with lesser pyrrhotite and chalcopyrite, local lenses of massive magnetite, and minor sphalerite plus cobalt, gold and silver values.

The West Kona zone mineralization is inferred to be 75 to 125 m wide. The thickness of the mineralized horizon varies across this width from about 44 m in the east to less than 1 m at the western margin; the thickness also varies along strike. It includes mineralization that changes laterally from magnetite, pyrite and chalcopyrite in a siliceous matrix, through massive pyrite and lesser chalcopyrite, to massive pyrrhotite with minor pyrite and chalcopyrite. This mineralization occurs close to a stratigraphic contact between chlorite schist and overlying carbonaceous phyllite.

7.3.2 Mineralization

The following section is modified from Blanchflower (2006).

East Kona Zone – Lower Horizon

The East Kona zone lower horizon occurs over a strike length of at least 870 m and is between 100 and 150 m wide. Composition of the northern portion varies from bottom to top (Foreman, 1998). The lower part is made up of 65 to 75% massive sulphide with 25 to 35% discontinuous, thin (average 1 m thick) massive magnetite layers. The sulphide mineralization is dominantly made up of layers of fine- to medium-grained pyrite with 3 m to 6 m thick local concentrations of chalcopyrite and pyrrhotite which occur as 2-10 cm thick bands. The upper 0.5-1.5 m of the sulphide mineralization is predominantly made up of pyrite with 2 to 6% sphalerite, locally concentrated into 1-2 cm thick bands. The core consists of massive, fine-grained, magnetite-rich layers with about 5% pyrite + chalcopyrite, in a carbonate and/or quartz groundmass. The upper part is predominantly massive, fine- to medium-grained pyrite with 3 to 5% chalcopyrite (Blanchflower, 2006).

The southern portion of the East Kona zone lower horizon also varies in composition from top to bottom. It is similar in appearance to the northern portion, except that locally the lower sulphide portion contains 0.5-3 m thick layers of banded semi-massive (rather than massive) sulphide mineralization, and disseminated to semi-massive banded magnetite, rather than massive magnetite, overlies the sulphide mineralization (Foreman, 1998).

East Kona Zone – Upper Horizon

East Kona zone upper horizon mineralization occurs above the lower horizon and is separated from it by approximately 40 to 70 m of chlorite schist. The upper horizon occurs immediately below the contact between overlying metasedimentary (unit MKcp/Unit 3) and underlying metavolcanic (unit DMF/Unit 2) strata. The base of the upper horizon is evident in Kona Creek as boxwork-textured, siliceous grey to white boulders/subcrop. This horizon has a strike length of at least 630 m, is between 100 and 150 m wide (Foreman, 1998), and has average thicknesses of 8 to 12 m (Deighton and Foreman, 1997). The central portion is the thickest part (Foreman, 1998). The upper horizon is fairly consistent throughout and has been divided into lower, middle and upper layers as below (Foreman, 1998).

The lower layer is an average of 7 m thick (maximum 17 m) and is made up dominantly of metavolcanic rocks and magnetite; the sulphide content is below 10%. Throughout the lower layer finer-grained (< 1 mm) magnetite is concentrated into 1-10 mm thick bands and occurs within 2-20 mm thick grey siliceous bands. The sulphides in the lower layer occur predominantly as < 1-4 mm long irregular wisps and blebs. The lower layer is overlain by a 3-8 m thick middle layer made up of 1-25 cm thick bands of sulphides and quartz within foliated dark green metavolcanic strata. The middle layer contains 30 to 60% sulphides, dominantly made up of chalcopyrite, with lesser pyrite and pyrrhotite occurring as irregular wisps and blebs. Subhedral to euhedral magnetite porphyroblasts occur throughout the surrounding metavolcanic rocks. The middle layer is overlain by a 1-4 m thick upper layer made up primarily of massive, fine- to medium-grained pyrite, with 2 to 7% very fine-grained chalcopyrite and minor pyrrhotite and sphalerite.

Mineralization of the upper horizon changes to the southeast (down-plunge) where it is dominated by bands of pyrrhotite with 1 to 10% chalcopyrite in chlorite-quartz schist. In addition, the banded magnetite that underlies the upper horizon thickens locally to the southeast to a maximum of 24 m.

West Kona Zone

West Kona zone mineralization occurs immediately below the metasediment-metavolcanic contact at the same stratigraphic level as East Kona zone upper horizon mineralization but is separated from it by a reverse fault (Figure 12). The West Kona zone has a strike length of at least 1,420 m and an inferred width of 75 to 125 m (Foreman, 1998). The thickness of the mineralization varies across this width from about 44 m in the east to less than 1 m at the western margin; the thickness also varies along strike.

West Kona zone mineralization is markedly different from that of the East Kona zone in that it has dominantly siliceous gangue minerals. Greater than 80% of the West Kona zone is made up of siliceous, dominantly fine-grained, disseminated to banded magnetite, with lesser pyrite, chalcopyrite and pyrrhotite mineralization. However, it does change laterally to the west to become true massive sulphide mineralization (Foreman, 1998). In the western part of the West Kona zone, the percentage of sulphides within the zone increases to >80% and the mineralization is dominantly made up of fine- to medium-grained pyrite, with lesser fine-grained interstitial chalcopyrite and minor sphalerite, and a noticeable lack of pyrrhotite. The massive sulphides contain 1-10% quartz as blebs. At its western margin, the West Kona zone is less than 1 m thick and is composed dominantly of massive pyrrhotite with about 5% blebs and fracture fillings of pyrite and chalcopyrite.

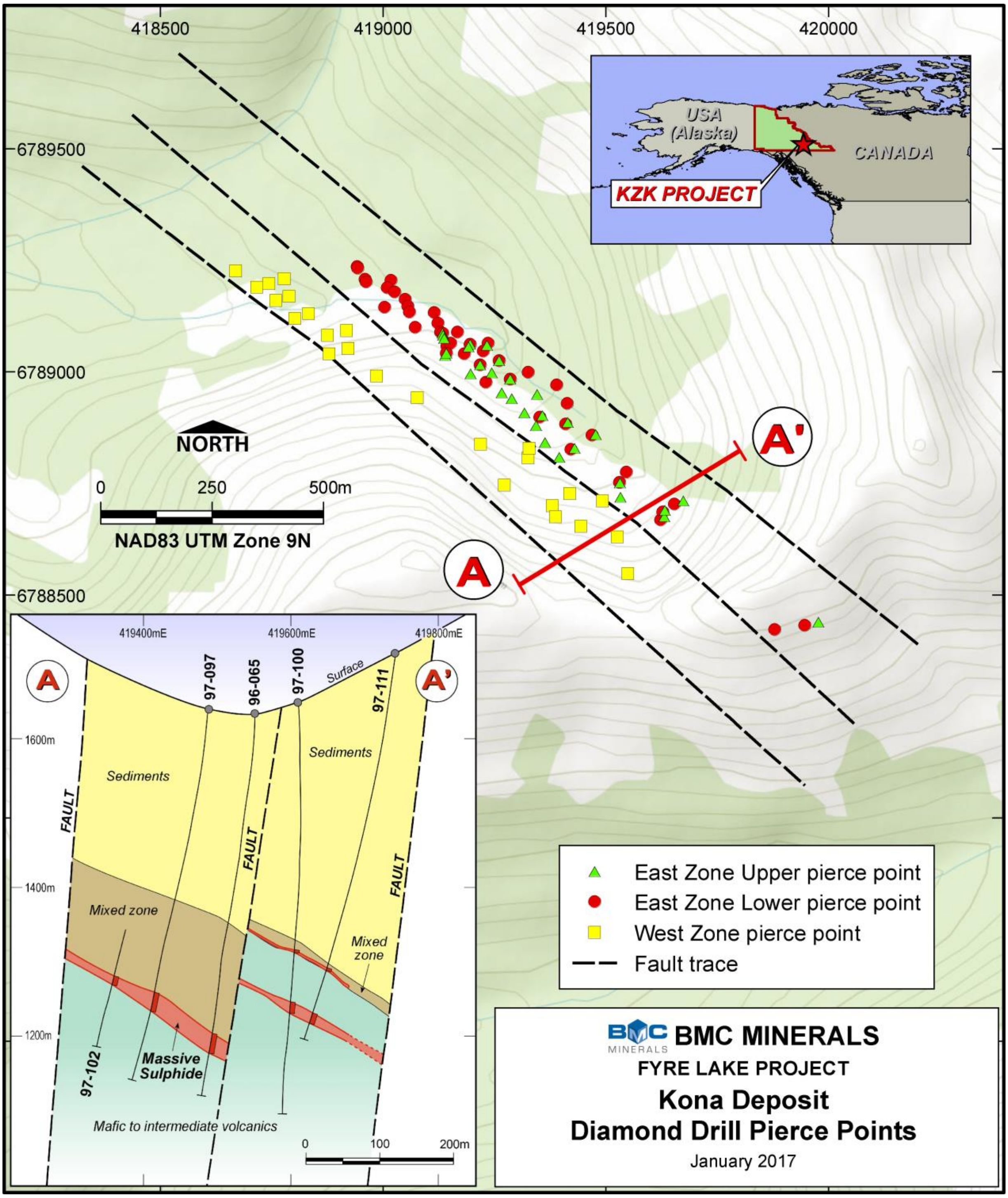


Figure 12: Plan and cross section view of the Kona deposit

8 Deposit Types

8.1 Deposit Style

The Kona VMS deposit is hosted by a thick sequence of Devonian-Mississippian metavolcanic rocks. The region is known to host numerous other VMS deposits including KZK (ABM and GP4F), Wolverine and Ice.

VMS deposits are a type of metal sulphide ore deposit, comprising mainly Cu, Zn and Pb (+/- Au, Ag). They are associated with and created by volcanic-associated hydrothermal events in submarine environments. VMS deposits are both ancient and modern deposits; they are still forming today on the seafloor around undersea volcanoes along many ocean ridges, and within back-arc basins and forearc rifts (Ruijter *et al.*, 2012).

VMS deposits are predominantly layered accumulations of sulphide minerals that precipitate from hydrothermal fluids on or beneath the seafloor. In modern oceans they are synonymous with sulfurous plumes called ‘black smokers’ (Figure 13). Other distinct deposit features include widespread alteration in rocks adjacent and often contemporaneous to chloritisation, silicification and pyritisation. Deposit specific features can be found such as sulphide-rich sediments adjacent to the deposit, accumulations of sulphate minerals such as barite and anhydrite, or collapsed areas containing silicious sinter cones (Ruijter *et al*., 2012).

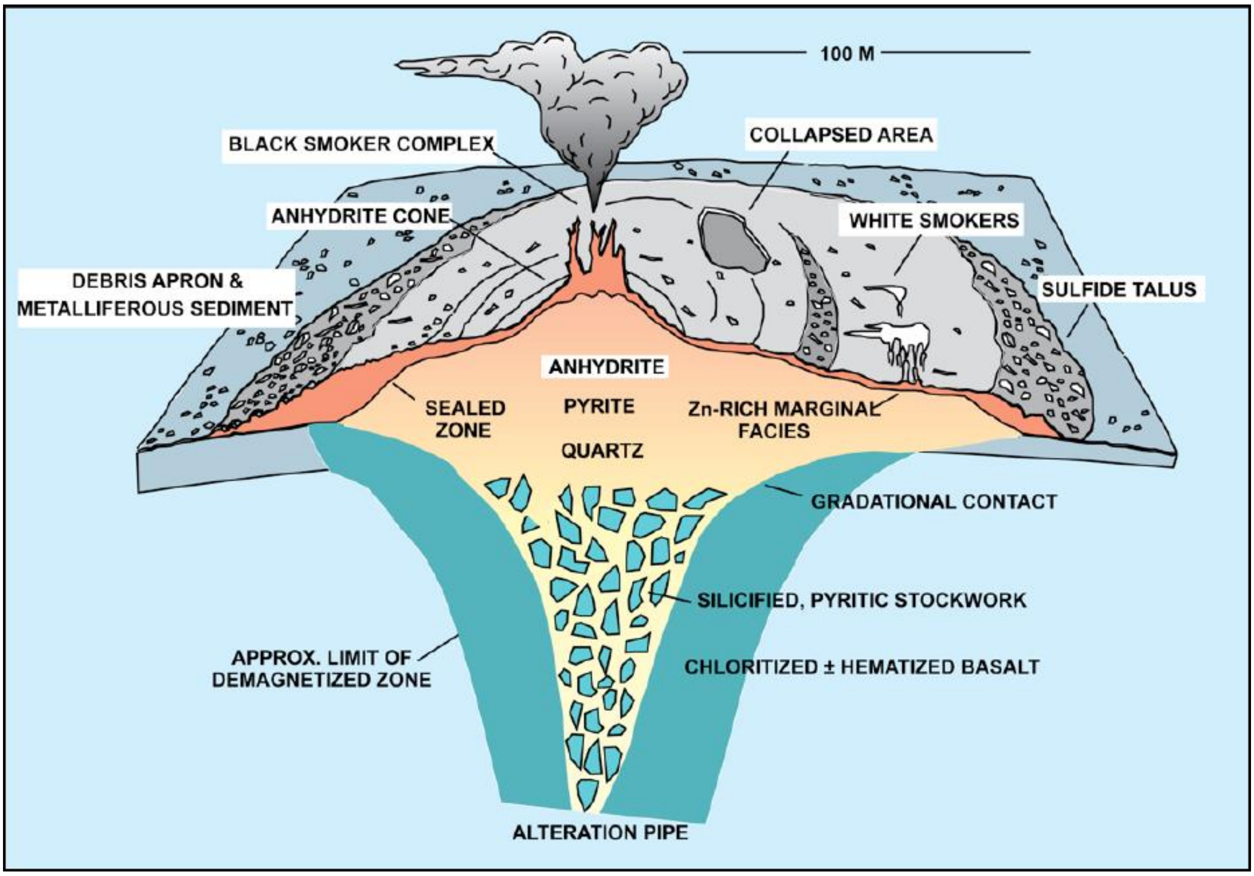


Figure 13: Generalised section showing the volcanic components of a VMS deposit

Source: Ruijter et al., 2012

8.2 Concepts Underpinning Exploration

Exploration to date has primarily included geological mapping, soil geochemical surveys, magnetic and electromagnetic geophysical surveys and drilling.

Geochemical and geophysical surveys have been used to generate targets for drill testing, with all drilling completed using diamond methods.

Additional analysis should be undertaken on the exisiting Kona data to try and delineate underlying syn-mineralization structural controls which may have acted as hydrothermal fluid conduits during ore depostion. Targeting along these trends outside of the exisiting resource envelope may identify additional ore lenses down-dip/down-plunge out of the range of surface and airborne geophysics. It may also identify transgressive mineralized "feeder zones" which may not have been intersected with drilling due to drill hole orientation.

Drilling to date has been focused on delineating the known, subcropping mineralization. Very little drilling to date has tested potential for blind or down-thrown mineralization to the west or east of the Kona deposit. Additional drilling to track and model the transition zone coupled with down hole electromagnetic surveys should be used to track the propsective timehorizon or additional mineralization. There is also a limited understanding of the cause and controls behind the higher copper grade parts of the Kona deposit, and additional work is required to understand this with a view to targeting higher grade zones within the Kona deposit for possible economic extraction studies.

9 Exploration

As outlined in Section 6.1, exploration at the Property has been undertaken by Cassiar (1960 – 1961), Atlas (1965 – 1967), Amax (1976 – 1977), the Basin Joint Venture (between Welcome north and Esperanza Explorations) (1980 – 1981), Welcome North (1981), Placer Dome (1990 – 1991), Columbia (1995 – 1997), Rock (2002) and MinQuest (2014).

Previous exploration has included construction of 36-person field camp and core logging facilities, land/topographic surveying, line cutting, general prospecting, geological mapping, geochemical sampling (soil, silt, rock), extensive geophysical surveys, shallow packsack drilling (23 holes for 224 m) and diamond core drilling (126 holes for 23,248.69 m), petrographic studies, water and baseline environmental studies, preliminary metallurgical testwork and a mining scoping study.

As of the effective date of this report, BMC has not completed any exploration work on the Fyre Lake property.

10 Drilling

10.1 Drilling Summary

Drilling described in this section is a compilation of work completed by previous operators. As of the effective date of this report BMC has not conducted any drilling activities on the Fyre Lake property.

The Fyre Lake Property has been sampled using diamond drilling, spaced 25-200 m apart along a 1,500 m plunge extent. The Kona deposit has been sampled using diamond drill (DD) core only. Holes were oriented in various directions due to physical access restrictions (000°, 072°, 162°-177° and 212°-252°) at various dip angles (-45° to -90°).

A total of 114 diamond drill holes define the Kona deposit for 22,666.69 m of drilling. 73 assayed drill holes intersect the interpreted mineralization zones. A drill plan and typical cross section are shown in Figure 12, and representative long sections with significant drill intercepts are shown in Figure 14 (East Zone) and Figure 15 (West Zone).

Historical drilling by Cassiar was not included in the supplied database because the drill sites and results are poorly documented.

Columbia used two Super 38 diamond drill rigs from 1996 through 1997. Core size was NQ2 (50.6 mm ø) and BQTK (40.7 mm ø). Drilling equipment and personnel were contracted from J.T. Thomas Diamond Drilling of Smithers, British Columbia. The core was not orientated. (Blanchflower, 2006; Horton *et al.*, 2015). Details of the Cassiar and Atlas drilling have not been recorded.

A summary of all drilling programs undertaken at the Fyre Lake Project is shown in Table 5.

Table 5: Summary of Fyre Lake Project drilling programs

Year	Company	Core Size	No. of Holes	Total Metres	Hole IDs
1961	Cassiar	'Packsack'	23	224	Unknown
1961	Cassiar	AX	12	582	Unknown
1966/67	Atlas	AX	6	593.44	66-001 to -005A
1996	Columbia	NQ2 / BQTK	72	9,671.52	96-001 to -071
1997	Columbia	NQ2 / BQTK	36	12,401.73	97-080 to -115
Total			**149**	**23,472.69**	

A summary of drilling information supplied in the BMC database is shown in Table 6.

Table 6: Summary of Fyre Lake Project drilling information

Year	Company	Core Size	No. of Holes	Total Metres	Hole IDs
1966/67	Atlas	AX	6	593.44	66-001 to -005A
1996	Columbia	NQ2 / BQTK	72	9,671.52	96-001 to -071
1997	Columbia	NQ2 / BQTK	36	12,401.73	97-080 to -115
Total			**114**	**22,666.69**	

Source: BMC database

10.2 Collar Surveying

MinQuest (Merah, 2014a) report a qualified surveyor was contracted during 1996 and 1997 drilling campaigns to survey in proposed drill sites and completed drill collars to an accuracy of 1 cm. This is supported by survey reports by ADW Engineering Limited (1996) and Deighton and Forman (1997).

Earlier drill collars could not be accurately located.

10.3 Down Hole Surveying

Details of the downhole surveying for the Cassiar and Atlas holes are unknown.

For the Columbia drill holes, field logs indicate that the boreholes were surveyed down the hole approximately every 30 m using either a Sperry Sun device or acid etching (at least one borehole 97-073). It is unclear from the field logs if the Sperry Sun device(s) used on the 1996 and 1997 drilling campaigns in order to photograph the magnetometer were single shot or multi-shot devices.

10.4 Drilling Orientation

Drill holes were oriented in various directions (000°, 072°, 162°-177° and 212°-252°) at various dip angles (-45° to -90°) with dip angles set to optimally intersect the mineralized horizon where access permitted.

10.5 Drill Sample Recovery

All recovered drill core from the Columbia drilling was thoroughly measured, and the recoveries and rock quality designation (RQD) were recorded first as hand-written logs. This data was entered daily into a spreadsheet-style database on site. Drill core recoveries were consistently more than 90%. Reduced core recoveries were only encountered within structurally incompetent zones.

No details were recorded for the Cassiar or Atlas drilling.

10.6 Logging

Logging procedures for the Cassiar and Atlas drilling holes have not been recorded in the information provided.

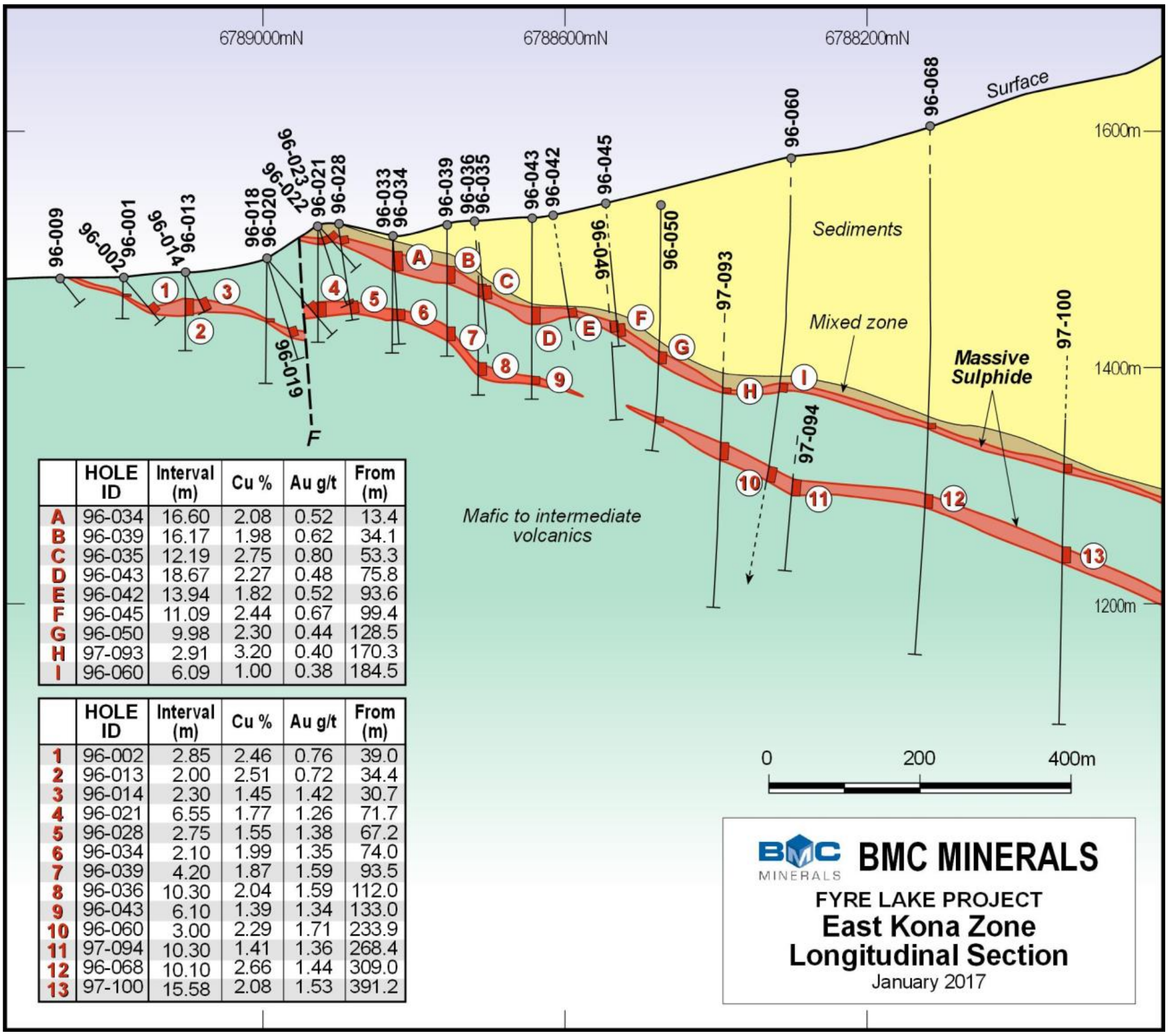
Columbia drill core was geologically and geotechnically logged in detail, exceeding industry standards at the time. The level of logging detail is appropriate for resource estimation.

All geotechnical aspects of the drill core, including recovery and rock quality features, were logged prior to lithological and mineralogical logging. The geologist then designated sampling intervals based upon its geological features and the entire drill core was photographed wet prior to sampling.

All 1996 and 1997 drilling was logged and sampled by qualified geologists.

10.7 Significant Intercepts

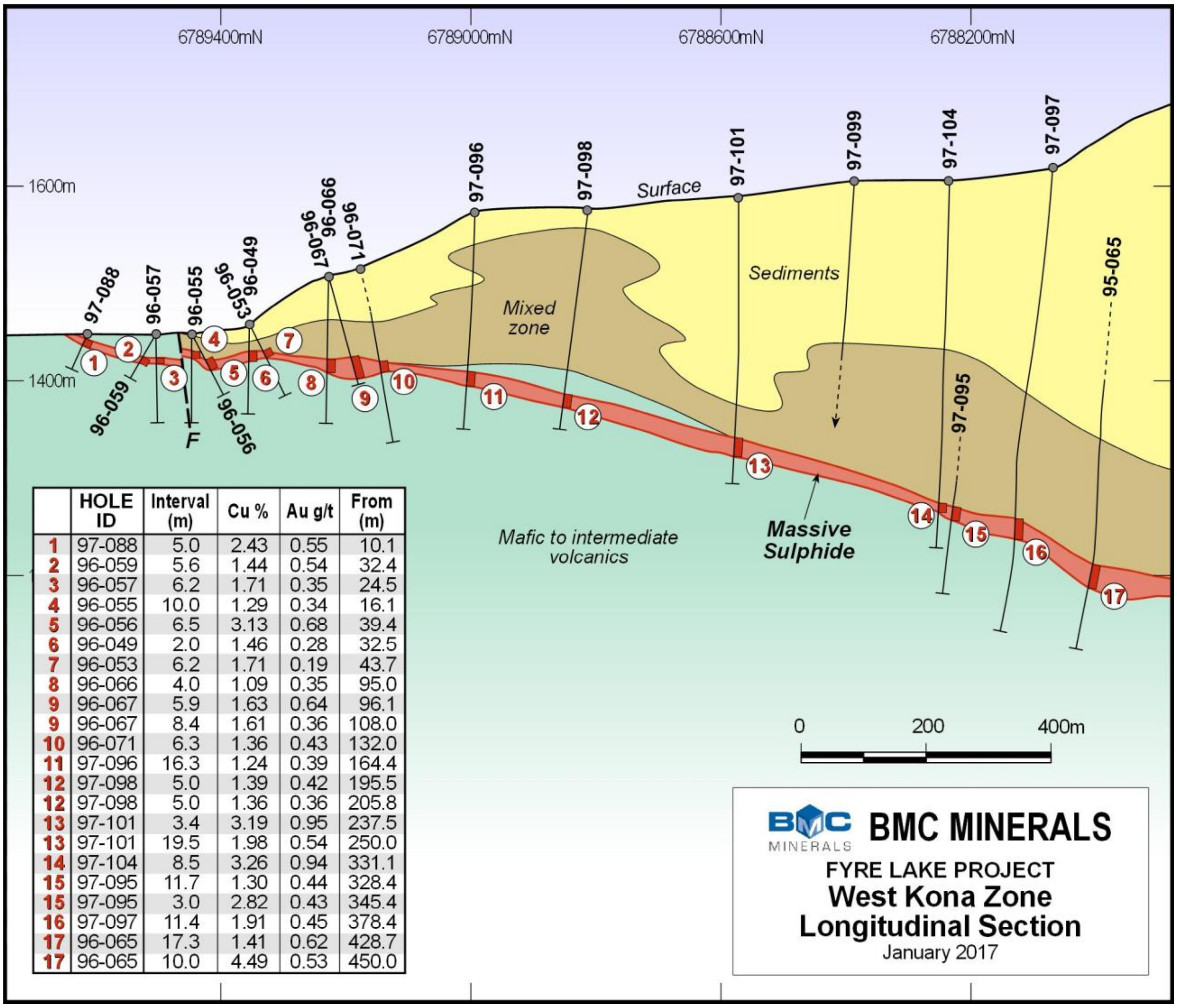
Some significant intercepts from the East and West Zones of the Kona deposit are shown on schematic long sections in Figure 14 and Figure 15 respectively. Drill intercepts are presented in Table 7.



	HOLE ID	Interval (m)	Cu %	Au g/t	From (m)
A	96-034	16.60	2.08	0.52	13.4
B	96-039	16.17	1.98	0.62	34.1
C	96-035	12.19	2.75	0.80	53.3
D	96-043	18.67	2.27	0.48	75.8
E	96-042	13.94	1.82	0.52	93.6
F	96-045	11.09	2.44	0.67	99.4
G	96-050	9.98	2.30	0.44	128.5
H	97-093	2.91	3.20	0.40	170.3
I	96-060	6.09	1.00	0.38	184.5

	HOLE ID	Interval (m)	Cu %	Au g/t	From (m)
1	96-002	2.85	2.46	0.76	39.0
2	96-013	2.00	2.51	0.72	34.4
3	96-014	2.30	1.45	1.42	30.7
4	96-021	6.55	1.77	1.26	71.7
5	96-028	2.75	1.55	1.38	67.2
6	96-034	2.10	1.99	1.35	74.0
7	96-039	4.20	1.87	1.59	93.5
8	96-036	10.30	2.04	1.59	112.0
9	96-043	6.10	1.39	1.34	133.0
10	96-060	3.00	2.29	1.71	233.9
11	97-094	10.30	1.41	1.36	268.4
12	96-068	10.10	2.66	1.44	309.0
13	97-100	15.58	2.08	1.53	391.2

Figure 14: Long section through the Kona – East Zone showing Cu-Au intersections.



	HOLE ID	Interval (m)	Cu %	Au g/t	From (m)
1	97-088	5.0	2.43	0.55	10.1
2	96-059	5.6	1.44	0.54	32.4
3	96-057	6.2	1.71	0.35	24.5
4	96-055	10.0	1.29	0.34	16.1
5	96-056	6.5	3.13	0.68	39.4
6	96-049	2.0	1.46	0.28	32.5
7	96-053	6.2	1.71	0.19	43.7
8	96-066	4.0	1.09	0.35	95.0
9	96-067	5.9	1.63	0.64	96.1
9	96-067	8.4	1.61	0.36	108.0
10	96-071	6.3	1.36	0.43	132.0
11	97-096	16.3	1.24	0.39	164.4
12	97-098	5.0	1.39	0.42	195.5
12	97-098	5.0	1.36	0.36	205.8
13	97-101	3.4	3.19	0.95	237.5
13	97-101	19.5	1.98	0.54	250.0
14	97-104	8.5	3.26	0.94	331.1
15	97-095	11.7	1.30	0.44	328.4
15	97-095	3.0	2.82	0.43	345.4
16	97-097	11.4	1.91	0.45	378.4
17	96-065	17.3	1.41	0.62	428.7
17	96-065	10.0	4.49	0.53	450.0

Figure 15: Long section through the Kona – West Zone showing Cu-Au intersections

Table 7: Historic Drill Intercepts for the Fyre Lake Property

BMC MINERALS

January 2017 *Grid: UTM NAD83-Z9*

Prospect	Hole ID	East (m)	North (m)	Elev. (m)	Dip/Az.	Total Depth (m)	Depth From (m)	Dhole width (m)	True width (m)	Cu (wt%)	Au (g/t)
Fyre Lake	**96-001**	419017	6789205	1478	-90/000	34.1	**13.6**	**1.8**	**1.7**	**1.69**	**0.7**
Fyre Lake	**96-002**	419017	6789205	1478	-45/162	79.3	**39.0**	**2.9**	**1.4**	**2.46**	**0.8**
Fyre Lake	**96-003**	419017	6789205	1478	-45/207	91.4	**24.3**	**4.5**	**1.9**	**1.15**	**0.7**
Fyre Lake	**96-004**	418959	6789207	1472	-90/000	64.0	**5.5**	**0.6**	**0.6**	**1.25**	**0.5**
	and						**8.5**	**3.7**	**3.5**	**1.17**	**0.4**
Fyre Lake	**96-005**	418959	6789207	1472	-45/162	32.0	**6.3**	**2.7**	**1.3**	**1.62**	**0.9**
Fyre Lake	**96-006**	418941	6789236	1473	-90/000	30.5	**7.2**	**1.7**	**1.6**	**1.82**	**1.3**
Fyre Lake	**96-007**	418941	6789236	1473	-60/162	30.5	**7.8**	**1.6**	**1.5**	**1.70**	**1.8**
Fyre Lake	**96-008**	418988	6789254	1478	-90/000	70.1	**No Significant results**				
Fyre Lake	**96-009**	418988	6789254	1478	-45/162	30.5	**No Significant results**				
Fyre Lake	**96-010**	419063	6789222	1481	-45/162	79.9	**No Significant results**				
Fyre Lake	**96-011**	418882	6789248	1471	-45/162	45.7	**No Significant results**				
Fyre Lake	**96-012**	418882	6789248	1471	-90/000	30.5	**No Significant results**				
Fyre Lake	**96-013**	419049	6789162	1482	-90/000	67.1	**25.6**	**1.0**	**0.9**	**1.85**	**1.9**
	and						**34.4**	**2.0**	**1.9**	**2.51**	**0.7**
Fyre Lake	**96-014**	419050	6789161	1482	-60/162	61.0	**30.7**	**2.3**	**2.2**	**1.45**	**1.4**
Fyre Lake	**96-015**	419050	6789161	1482	-45/162	61.0	**33.8**	**1.0**	**0.9**	**1.07**	**1.0**
	and						**38.9**	**4.0**	**3.4**	**1.22**	**0.9**
	and						**44.9**	**2.0**	**1.7**	**1.32**	**0.6**
Fyre Lake	**96-016**	419095	6789180	1482	-90/000	45.7	**No Significant results**				
Fyre Lake	**96-017**	419096	6789179	1482	-45/162	57.9	**No Significant results**				
Fyre Lake	**96-018**	419115	6789131	1495	-45/162	91.4	**63.2**	**6.9**	**5.9**	**1.78**	**1.3**
Fyre Lake	**96-019**	419114	6789132	1495	-70/162	91.4	**67.0**	**5.0**	**4.0**	**1.03**	**0.5**
Fyre Lake	**96-020**	419114	6789132	1495	-90/000	106.7	**45.8**	**0.7**	**0.7**	**2.21**	**0.5**
Fyre Lake	**96-021**	419133	6789086	1522	-90/000	100.6	**15.4**	**1.7**	**1.6**	**1.43**	**0.3**
	and						**71.7**	**6.6**	**6.2**	**1.77**	**1.3**
	and						**87.6**	**1.3**	**1.2**	**1.23**	**0.4**
Fyre Lake	**96-022**	419133	6789085	1522	-45/162	109.1	**No Significant results**				
Fyre Lake	**96-023**	419133	6789086	1522	-70/162	91.4	**12.2**	**1.4**	**1.4**	**1.34**	**0.1**
	and						**79.0**	**1.0**	**1.0**	**3.13**	**2.3**
Fyre Lake	**96-024**	419003	6789144	1485	-90/000	79.3	**12.2**	**1.8**	**1.7**	**1.34**	**0.7**
Fyre Lake	**96-025**	419003	6789143	1485	-45/162	70.1	**No Significant results**				
Fyre Lake	**96-026**	419066	6789116	1503	-70/162	76.2	**No Significant results**				
Fyre Lake	**96-027**	419067	6789115	1503	-45/162	76.2	**No Significant results**				
Fyre Lake	**96-028**	419176	6789105	1498	-45/162	82.3	**67.2**	**2.8**	**2.5**	**1.55**	**1.4**
Fyre Lake	**96-029**	419177	6789106	1498	-70/212	79.3	**57.0**	**2.5**	**2.5**	**1.26**	**1.0**
Fyre Lake	**96-030**	419177	6789106	1497	-45/212	76.2	**No Significant results**				
Fyre Lake	**96-031**	419244	6789078	1497	-45/212	91.4	**52.0**	**2.0**	**1.8**	**1.69**	**0.3**
Fyre Lake	**96-032**	419244	6789079	1497	-70/212	79.3	**46.8**	**0.9**	**0.9**	**1.08**	**0.0**
Fyre Lake	**96-033**	419195	6789061	1513	-90/000	100.6	**12.2**	**17.7**	**16.6**	**1.95**	**0.5**
	and						**70.8**	**3.4**	**3.2**	**1.40**	**1.5**
Fyre Lake	**96-034**	419195	6789061	1513	-70/212	106.7	**13.4**	**16.6**	**16.6**	**2.08**	**0.5**
	and						**74.0**	**2.1**	**2.1**	**1.99**	**1.4**
Fyre Lake	**96-035**	419259	6789025	1515	-60/212	128.9	**53.3**	**12.2**	**12.0**	**2.75**	**0.8**
	and						**107.8**	**1.8**	**1.8**	**1.29**	**0.9**
Fyre Lake	**96-036**	419259	6789025	1515	-90/000	137.2	**112.0**	**10.3**	**9.7**	**2.04**	**1.6**
Fyre Lake	**96-037**	419141	6789041	1534	-90/000	125.0	**7.7**	**3.3**	**3.1**	**1.08**	**0.6**
	and						**11.8**	**0.8**	**0.8**	**1.31**	**0.6**
	and						**77.8**	**0.8**	**0.8**	**1.32**	**0.2**
Fyre Lake	**96-038**	419141	6789041	1534	-60/212	96.0	**No Significant results**				

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January 2017 *Grid: UTM NAD83-Z9*

Prospect	Hole ID	East (m)	North (m)	Elev. (m)	Dip/Az.	Total Depth (m)	Depth From (m)	Dhole width (m)	True width (m)	Cu (wt%)	Au (g/t)
Fyre Lake	**96-039**	419217	6789015	1522	-90/000	112.5	**34.1**	**16.2**	**15.2**	**1.98**	**0.6**
	and						**84.8**	**0.8**	**0.8**	**1.09**	**1.3**
Fyre Lake	**96-039**						**87.5**	**1.0**	**0.9**	**1.14**	**1.1**
	and						**93.5**	**4.2**	**4.0**	**1.87**	**1.6**
Fyre Lake	**96-040**	419217	6789015	1522	-45/227	121.9	**38.0**	**5.8**	**5.1**	**1.21**	**0.7**
Fyre Lake	**96-041**	419327	6789001	1516	-90/000	167.6		**No Significant results**			
Fyre Lake	**96-042**	419326	6789000	1516	-45/212	172.2	**93.6**	**13.9**	**12.5**	**1.82**	**0.5**
Fyre Lake	**96-043**	419285	6788984	1527	-90/000	152.4	**75.8**	**18.7**	**17.6**	**2.27**	**0.5**
Fyre Lake	**96-043**						**133.0**	**6.1**	**5.7**	**1.39**	**1.3**
Fyre Lake	**96-044**	419285	6788984	1527	-45/212	152.1	**66.0**	**11.0**	**9.9**	**1.63**	**0.4**
Fyre Lake	**96-045**	419345	6788954	1523	-45/212	192.0	**99.4**	**11.1**	**10.0**	**2.44**	**0.7**
	and						**116.4**	**1.1**	**1.0**	**1.07**	**0.1**
Fyre Lake	**96-045**						**119.5**	**1.0**	**0.9**	**1.45**	**0.1**
Fyre Lake	**96-046**	419346	6788955	1523	-90/000	167.6	**111.8**	**0.3**	**0.3**	**1.69**	**0.8**
Fyre Lake	**96-046**						**116.3**	**1.0**	**0.9**	**1.70**	**0.7**
Fyre Lake	**96-047**	419295	6788935	1538	-60/212	204.2		**No Significant results**			
Fyre Lake	**96-048**	419365	6788907	1539	-60/212	201.2		**No Significant results**			
Fyre Lake	**96-049**	418801	6789120	1458	-90/000	91.4	**32.5**	**2.0**	**1.9**	**1.46**	**0.3**
Fyre Lake	**96-049**						**39.2**	**0.9**	**0.9**	**1.40**	**0.4**
Fyre Lake	**96-050**	419365	6788907	1539	-90/000	210.3	**124.4**	**0.9**	**0.9**	**3.65**	**1.9**
Fyre Lake	**96-050**						**128.5**	**10.0**	**9.4**	**2.30**	**0.4**
Fyre Lake	**96-050**						**181.4**	**1.6**	**1.5**	**1.61**	**1.4**
Fyre Lake	**96-051**	419365	6788907	1539	-75/212	198.1	**116.1**	**6.4**	**6.4**	**1.89**	**0.7**
Fyre Lake	**96-051**						**127.5**	**3.0**	**3.0**	**1.02**	**0.1**
Fyre Lake	**96-052**	418799	6789119	1459	-45/252	76.2		**No Significant results**			
Fyre Lake	**96-053**	418804	6789121	1459	-45/072	106.7	**43.7**	**6.2**	**3.2**	**1.71**	**0.2**
Fyre Lake	**96-053**						**74.5**	**1.0**	**0.5**	**1.52**	**0.4**
Fyre Lake	**96-053**						**79.7**	**1.1**	**0.6**	**1.99**	**0.2**
Fyre Lake	**96-054**	419392	6788974	1535	-90/000	274.3	**207.2**	**5.5**	**5.2**	**1.72**	**1.4**
Fyre Lake	**96-055**	418758	6789159	1449	-90/000	91.1	**9.9**	**0.6**	**0.6**	**1.19**	**0.1**
	and						**16.1**	**10.0**	**9.4**	**1.29**	**0.3**
Fyre Lake	**96-056**	418759	6789160	1449	-45/072	91.4	**39.4**	**6.5**	**3.4**	**3.13**	**0.7**
Fyre Lake	**96-057**	418743	6789198	1448	-90/000	91.9	**24.5**	**6.2**	**5.8**	**1.71**	**0.4**
Fyre Lake	**96-058**	418744	6789198	1449	-45/072	91.4		**No Significant results**			
Fyre Lake	**96-059**	418740	6789196	1448	-45/252	67.1	**32.4**	**5.6**	**4.6**	**1.44**	**0.5**
Fyre Lake	**96-060**	419446	6788832	1571	-90/000	286.5	**184.5**	**6.1**	**5.7**	**1.00**	**0.4**
	and						**192.1**	**0.7**	**0.7**	**1.11**	**0.2**
	and						**233.9**	**3.0**	**2.8**	**2.29**	**1.7**
Fyre Lake	**96-061**	419563	6788940	1609	-90/000	399.3		**No Significant results**			
Fyre Lake	**96-062**	419413	6788927	1540	-90/000	298.7	**220.5**	**9.0**	**8.5**	**1.22**	**0.9**
Fyre Lake	**96-063**	419668	6788975	1669	-90/000	428.9		**No Significant results**			
Fyre Lake	**96-064**	419402	6788808	1577	-90/000	280.5	**170.0**	**1.0**	**0.9**	**1.53**	**0.1**
Fyre Lake	**96-065**	419579	6788650	1636	-90/000	521.2	**378.6**	**1.4**	**1.3**	**3.40**	**2.0**
	and						**428.7**	**17.3**	**16.3**	**1.41**	**0.6**
	and						**450.0**	**10.0**	**9.4**	**4.49**	**0.5**
	and						**466.0**	**2.0**	**1.9**	**1.05**	**0.1**
Fyre Lake	**96-066**	418877	6789082	1507	-90/000	152.4	**85.3**	**1.1**	**1.0**	**1.37**	**0.5**
	and						**95.0**	**4.0**	**3.8**	**1.09**	**0.4**
	and						**113.0**	**1.0**	**0.9**	**1.92**	**0.2**
Fyre Lake	**96-067**	418877	6789082	1507	-65/072	152.4	**96.1**	**5.9**	**4.5**	**1.63**	**0.6**
	and						**108.0**	**8.4**	**6.4**	**1.61**	**0.4**
Fyre Lake	**96-068**	419535	6788749	1601	-90/000	445.0	**250.2**	**0.4**	**0.4**	**1.31**	**0.4**
	and						**309.0**	**10.1**	**9.5**	**2.66**	**1.4**
Fyre Lake	**96-068A**	419535	6788749	1601	-90/000	146.3		**No Significant results**			

BMC MINERALS

January 2017 *Grid: UTM NAD83-Z9*

Prospect	Hole ID	East (m)	North (m)	Elev. (m)	Dip/Az.	Total Depth (m)	Depth From (m)	Dhole width (m)	True width (m)	Cu (wt%)	Au (g/t)
Fyre Lake	**96-069**	418879	6789038	1539	-90/000	221.0	**129.9**	**1.1**	**1.0**	**1.81**	**0.1**
Fyre Lake	**96-070**	418879	6789038	1539	-70/252	185.9	**No Significant results**				
Fyre Lake	**96-071**	418879	6789038	1539	-70/072	213.4	**128.5**	**1.0**	**0.8**	**1.19**	**0.5**
	and						**132.0**	**6.3**	**5.1**	**1.36**	**0.4**
Fyre Lake	**97-080**	418520	6789433	1457	-60/072	79.3	**No Significant results**				
Fyre Lake	**97-081**	418633	6789372	1459	-50/072	158.5	**No Significant results**				
Fyre Lake	**97-082**	418664	6789277	1450	-50/072	104.9	**No Significant results**				
Fyre Lake	**97-083**	418450	6789408	1448	-60/072	82.3	**No Significant results**				
Fyre Lake	**97-084**	418836	6789232	1466	-85/252	103.6	**No Significant results**				
Fyre Lake	**97-085**	418457	6789522	1482	-85/072	109.7	**No Significant results**				
Fyre Lake	**97-086**	418329	6789587	1498	-60/072	103.6	**No Significant results**				
Fyre Lake	**97-087**	418313	6789690	1530	-50/072	67.1	**No Significant results**				
Fyre Lake	**97-088**	418675	6789228	1447	-50/252	117.4	**10.1**	**5.0**	**4.3**	**2.43**	**0.6**
Fyre Lake	**97-089**	419250	6789189	1493	-85/252	167.3	**No Significant results**				
Fyre Lake	**97-090**	419338	6789111	1525	-85/252	198.1	**No Significant results**				
Fyre Lake	**97-091**	419388	6788850	1562	-85/252	368.8	**163.6**	**0.2**	**0.2**	**1.00**	**0.1**
	and						**275.7**	**1.2**	**1.2**	**1.08**	**0.3**
	and						**279.4**	**1.0**	**1.0**	**1.63**	**0.4**
	and						**292.6**	**5.3**	**5.1**	**1.60**	**0.2**
Fyre Lake	**97-092**	419582	6788729	1615	-85/252	495.9	**269.2**	**2.0**	**1.9**	**1.37**	**0.1**
	and						**419.9**	**1.0**	**1.0**	**1.40**	**0.3**
Fyre Lake	**97-093**	419431	6788891	1545	-85/252	350.5	**170.3**	**2.9**	**2.8**	**3.20**	**0.4**
	and						**217.7**	**0.7**	**0.7**	**1.22**	**0.5**
	and						**221.6**	**1.0**	**1.0**	**1.00**	**1.2**
Fyre Lake	**97-094**	419508	6788863	1570	-85/252	347.5	**218.3**	**1.7**	**1.6**	**2.07**	**0.3**
Fyre Lake	**97-094**						**268.4**	**10.3**	**9.8**	**1.41**	**1.4**
Fyre Lake	**97-095**	419465	6788740	1590	-85/252	416.7	**321.7**	**2.3**	**2.2**	**2.33**	**1.0**
	and						**328.4**	**11.7**	**11.2**	**1.30**	**0.4**
	and						**345.4**	**3.0**	**2.9**	**2.82**	**0.4**
Fyre Lake	**97-096**	418998	6788991	1575	-88/252	225.6	**164.4**	**16.3**	**15.4**	**1.24**	**0.4**
Fyre Lake	**97-097**	419513	6788673	1616	-85/252	486.5	**367.2**	**3.4**	**3.3**	**1.62**	**0.4**
	and						**378.4**	**11.4**	**10.9**	**1.91**	**0.5**
Fyre Lake	**97-098**	419123	6788958	1576	-75/252	234.7	**195.5**	**5.0**	**4.8**	**1.39**	**0.4**
	and						**205.8**	**5.0**	**4.8**	**1.36**	**0.4**
Fyre Lake	**97-099**	419323	6788767	1604	-85/252	419.1	**300.8**	**0.6**	**0.6**	**2.55**	**0.4**
Fyre Lake	**97-100**	419638	6788697	1638	-88/072	542.9	**391.2**	**15.6**	**14.5**	**2.08**	**1.5**
Fyre Lake	**97-101**	419235	6788850	1589	-88/252	296.9	**237.5**	**3.4**	**3.2**	**3.19**	**1.0**
	and						**250.0**	**19.5**	**18.5**	**1.98**	**0.5**
Fyre Lake	**97-102**	419447	6788692	1609	-85/252	432.8	**341.4**	**10.0**	**9.5**	**2.98**	**1.0**
	and						**387.7**	**0.5**	**0.5**	**2.68**	**0.9**
Fyre Lake	**97-103**	419580	6788644	1641	-80/177	531.3	**No Significant results**				
Fyre Lake	**97-104**	419414	6788721	1604	-85/252	381.0	**331.1**	**8.5**	**8.1**	**3.26**	**0.9**
Fyre Lake	**97-105**	419582	6788643	1640	-85/177	224.6	**No Significant results**				
Fyre Lake	**97-106**	419639	6788695	1639	-85/122	500.5	**397.8**	**1.3**	**1.2**	**1.11**	**0.4**
Fyre Lake	**97-107**	419883	6788460	1811	-85/252	805.3	**687.9**	**0.4**	**0.4**	**1.33**	**0.4**
Fyre Lake	**97-108**	419892	6788667	1800	-85/252	694.9	**No Significant results**				
Fyre Lake	**97-109**	419346	6788812	1583	-85/252	359.7	**230.7**	**0.5**	**0.5**	**1.19**	**0.1**
	and						**255.7**	**3.0**	**2.9**	**1.16**	**0.3**
	and						**276.5**	**13.5**	**12.9**	**1.41**	**0.6**
	and						**294.1**	**1.6**	**1.5**	**1.31**	**0.3**
	and						**303.4**	**5.7**	**5.4**	**3.36**	**0.3**
Fyre Lake	**97-110**	419652	6788799	1637	-80/252	431.9	**384.5**	**5.3**	**5.1**	**2.09**	**1.6**
Fyre Lake	**97-111**	419762	6788735	1701	-82/252	520.3	**421.5**	**0.7**	**0.7**	**1.97**	**0.3**
	and						**482.4**	**13.2**	**12.7**	**1.28**	**1.0**

BMC MINERALS

January 2017 *Grid: UTM NAD83-Z9*

Prospect	Hole ID	East (m)	North (m)	Elev. (m)	Dip/Az.	Total Depth (m)	Depth From (m)	Dhole width (m)	True width (m)	Cu (wt%)	Au (g/t)
Fyre Lake	**97-112**	418152	6788984	1438	-45/252	189.0	**No Significant results**				
Fyre Lake	**97-113**	418064	6788536	1613	-45/252	197.5	**No Significant results**				
Fyre Lake	**97-114**	420096	6788473	1770	-85/252	831.2	**614.2**	**2.6**	**2.5**	**2.17**	**0.2**
	and						**716.7**	**1.1**	**1.1**	**2.11**	**0.2**
Fyre Lake	**97-115**	420095	6788472	1770	-80/252	825.1	**703.6**	**2.0**	**1.9**	**1.75**	**1.3**
	and						**711.6**	**8.3**	**8.0**	**1.61**	**0.5**
	and						**792.5**	**2.0**	**1.9**	**1.19**	**0.3**

Intercepts: length-weighted average, 1% Cu cut-off with maximum 3m internal waste

11 Sample Preparation, Analysis and Security

11.1 Sampling Techniques

Sampling techniques for the Cassiar and Atlas drilling have not been recorded.

For Columbia the sampled diamond drill core was split in half length-wise using a manual Longyear core splitter. Any whole sections of drill core collected for metallurgical studies or exhibition were permanently marked in the respective core boxes.

The samples were split, double bagged and securely stored prior to direct shipping to either prep facilities for Min-En in Smithers, B.C. then on to the Min-En laboratory in Vancouver, B.C. or later direct to Chemex Laboratories in North Vancouver, B.C. There the samples were dried, crushed to minus 1/8 inch and pulverised to 95% minus 150-mesh, rolled and bagged.

The Qualified Person notes that these laboratories were each independent of the issuer and of CSA Global.

The sample size varied according to the sampled drill core lengths. These lengths were determined by the lithology and mineralogy of the drill core based upon geological and geotechnical logging results. Sample lengths were appropriate for the intersected rock type and mineralization.

These procedures are considered by the Qualified Person to be industry standard techniques at the time and appropriate for the style of mineralization.

11.2 Sample Security

No information is available for historical Cassiar and Atlas drilling sample security.

For Columbia drilling, samples were collected, labelled and double bagged in individual polyweave bags with an assay tag, then 5 to 7 bagged samples were placed in woven rice bags that were wired closed. The bagged samples were then securely stored on site until they were flown to Watson Lake, Yukon where they were then trucked directly to the preparation laboratories in Smithers, B.C. (Horton *et al*., 2015).

11.3 Bulk Density Determinations

11.3.1 Methodology

During the 1996 to 1997 drill programs, 3,828 bulk density measurements were determined on site using the water immersion method. Competent 5 to 10 cm long pieces of drill core were measured at 8 m intervals, except in mineralized zones where measurements were recorded at 1 m intervals. A portion of these field measurements were checked later by a resin process in the assay laboratory during the drill core assaying.

Bulk densities of drill core samples were measured at regular intervals for both unaltered and altered host rocks in addition that within the various mineralized lens’ along and across the entire known deposit.

11.3.2 Results

Fixed density values based on the 3,828 core measurements were assigned to the block model for each lithological unit, setting overburden to 2.0 t/m^3, oxide to 2.4 t/m^3, mixed volcanic sediments (‘Vseds’) to 2.79 t/m^3, siltstone to 2.82 t/m^3 and mafic to 2.88 t/m^3.

The massive sulphide density was estimated using OK interpolation resulting in an average bulk density of 3.57 t/m^3 across the deposit, ranging from 3.32 t/m^3 in object 1 to 3.83 t/m^3 in object 2.

11.3.3 Quality Assurance

CSA Global is not aware of any quality assurance (QA) programs undertaken for bulk density on Kona material. However, the results determined using the water immersion technique are consistent with rock types and massive sulphide mineralization from nearby deposits such as GP4F and ABM.

More detailed bulk density testwork across the mineralized zones and host lithologies is recommended.

11.4 Sample Analysis

Assaying techniques for the Cassiar and Atlas drilling have not been recorded.

The following analytical methods were used by Columbia:

In 1996/97 mineralized sub-samples, 0.5 to 2.0 g splits, were analysed for Cu, Zn, Pb, and Ag using atomic absorption spectrometry (AAS). The Au content of the subsample pulp was determined with aqua regia digestion followed by fire assay and AAS. In addition, 2,262 drill core samples were analysed for 31 elements by ICP techniques. Assaying and analyses were only carried out on selected section of drill core.

For the 2014 duplicate analyses; mineralized subsamples, 0.5 to 2.0 g splits were analysed using ALS Chemex ME-ICP61 (4 acid digest) for Cu, Co and Zn. Method Au-ICP21 (fire assay - ICP finish) was used to analyse Au.

The analytical techniques are total and considered to be appropriate for the style of mineralization.

11.5 Quality Control / Quality Assurance (QA/QC)

11.5.1 Summary of Methodology

No documented QA procedures have been located for the either the Cassiar or Atlas drilling programs.

No standards or blanks were inserted with the 1996/97 samples.

Diamond drilling completed from 1996 through 1997 preceded currently accepted QA procedures. However, analytical results from 10% of the mineralized core samples were check-assayed using similar analytical techniques and acceptable levels of accuracy and precision were established.

Duplicate sampling by Merah (formerly MinQuest) in 2014 also confirmed the veracity and precision of the 1996/97 analytical results at an acceptable level.

11.5.2 Blanks

No blank samples were submitted during any of the drilling programs.

11.5.3 Certified Reference Materials

No certified reference materials (CRMs) were utilised for the historical drilling programs, hence laboratory bias could not be accurately assessed.

11.5.4 Pulp Duplicates

Refer to Section 12.3.2.

11.5.5 Umpire Laboratory Results

Check samples were selected on a random basis with one from each drill hole and submitted in two batches with 69 samples from the 1996 drilling program submitted to ACME and 53 samples from the 1997 program submitted to Chemex Labs Ltd. The primary laboratory in 1996 was Min-Ex Laboratories and 1997 was Min-Ex Laboratories and Chemex Labs Ltd. The check samples used a similar dissolution and assaying method as the original assays (Horton *et al*., 2015).

A QAQC study was undertaken by Smee (1997) which the assessed 69 check samples from the 1996 drilling program. No significant issues were determined though a full QA/QC procedure was recommended. The tabulated data provided by Smee (1997) is shown in Figure 16.

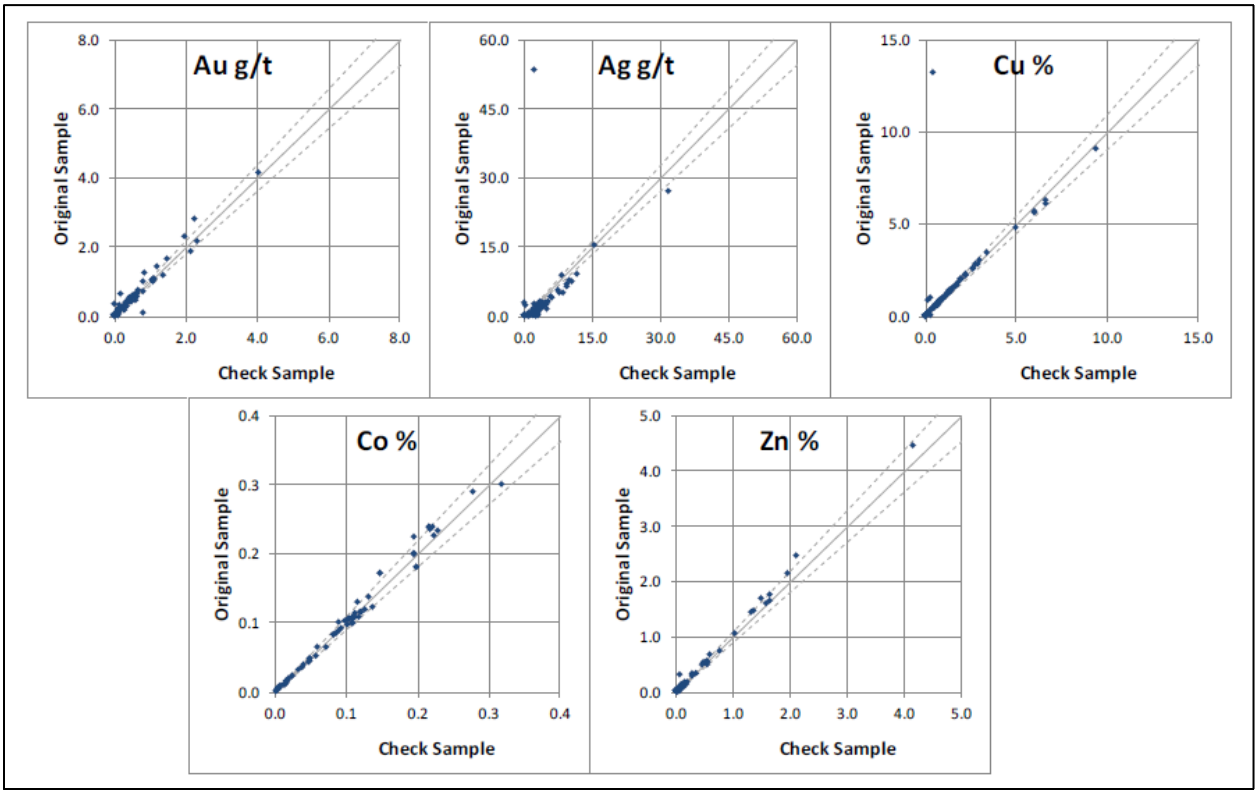

Figure 16: Kona 1996 check vs original samples

Source: Smee, 1997

Previous reports indicate that the umpire laboratory results demonstrated there was no significant cross laboratory bias, which provided confidence in the accuracy of the primary analytical data. However, the Qualified Person was unable to locate the original documents reporting the umpire laboratory results, and therefore has not done sufficient work to comment on the reliability of the check samples.

11.5.6 Laboratory Inspection

Not applicable.

11.6 Summary Opinion of Qualified Person

Based on an assessment of the historical drilling results and the limited QC information, the Qualified Person formed the opinion that the entire Columbia dataset is acceptable for resource estimation. Analytical results are considered to pose minimal risk to the overall confidence level of the MRE.

12 Data Verification

12.1 Site Visit

Aaron Green ((Qualified Person) undertook a one-day site visit to the Fyre Lake property on the 26th July 2017 as discussed in Section 2.4. The site visit involved initial ground verification with associated outcropping geology and mineralisation, a review of historical drill core stored on site, and inspection and confirmation of historical drill hole locations.

Whilst the most recent drilling at Kona was undertaken during the 1990's, the majority of drill core remains in reasonable condition on site in labelled boxes (Figure 17). The core was inspected, and mineralized intervals verified against original assay results.

There were no negative outcomes from the above site inspection.

12.2 Data Verification and Validation

In August 2002, Blanchflower reviewed all drilling, geological and assay data contained within the Fyre Lake database, which was originally compiled and verified during his work for Columbia in November and December 1997. This database comprised the drilling data and assay results reported from the 1966 and 1996-97 exploration programs conducted by Atlas and Columbia respectively. No errors in data entry or other information were discovered upon review (Blanchflower, 2002).

CSA Global compared the original 'hard copy' data (drill collars, laboratory assay reports, geological logs, downhole surveys) with the database provided by BMC. No significant issues were noted.

Validation of the final data import by CSA Global included checks for overlapping intervals, missing survey data, missing assay data, missing lithological data and missing collars. No errors were identified.

12.3 Verification of Sampling and Assaying

12.3.1 Visual Inspection

The historical drill core was viewed in the field by BMC representatives and the Qualified Person in 2017 (Figure 17) during the site visit (refer Section 2.4). Drill core was visually compared with assay results and geological logs for numerous drill holes. Massive sulphide mineralization was visually consistent with the original logging and reported assay results.

Significant intercepts appear to correlate with the intensity of mineralization logged in the field.

Figure 17: Historical drill core stacked at the Fyre Lake Property

Source: A Green, 2017

12.3.2 Verification Sampling

No verification sampling was undertaken by the Qualified Person.

The following information was reported by Horton *et al*., 2015 and is reported here for completeness:

Merah (Minquest) completed a verification resampling exercise in 2014 which aimed to test the veracity of the 1996 and 1997 analytical results.

The 2014 verification samples were taken from mineralized ¼ core subsamples from the original core. The samples were analysed using ALS Chemex methods Au-ICP21 for gold fire assay and ME-ICP61a for four acid ICP-AES analysis for copper, cobalt, zinc and others from 0.5 to 2 g splits.

Composite samples were taken over mineralized intervals. 15 intervals were selected from seven drill holes from both the 1996 and 1997 programs. The intervals averaged 13 m in length. Figure 18 summaries the comparison of the original and resampled assays.

For drill hole 96-065, no core was available for resampling of intervals 448 m to 450 m and 453 m to 459 m. The original assays were inserted when calculating weighted means over these intervals.

Merah (2014b) reported that the new assays were higher grade by 2.7% for Cu, 12% for Co and 0.1% for Au. IMC assessed the analysis and determined that if length weighted these results change to 1.7% for Cu 12.2% for Co and -2% for Au.

These results indicate that:

- The Au variably is relatively high and there is one notable positive outlier. Without this outlier, the Au values are generally lower by 5%.
- The Cu results are well behaved and within expected tolerances. The higher-grade assays in the resamples are consistent with the higher dissolution expected with the four-acid digest used in 2014 compared to the three-acid digest used in 1996/97.
- For Co there is a consistent bias with the resamples reporting significantly higher grade. This may also be a result the higher total dissolution the sample. These results are supported by the 1997 check samples that also reported an average 10% to 20% higher Co grade.

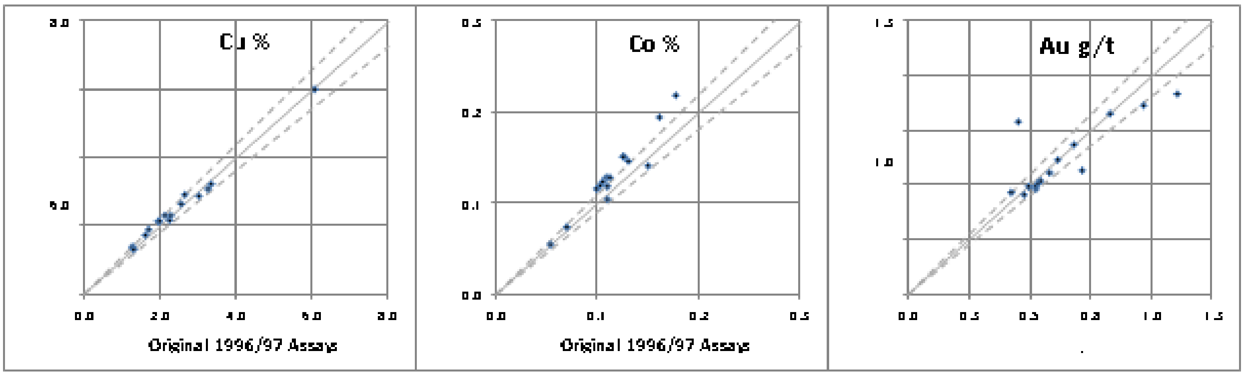

Figure 18: Kona 2014 verification resamples (±10% dashed reference lines)

Source: Horton et al., 2015

The Qualified Person has reviewed the original documents reporting the verification results confirming the reliability of the check samples undertaken by Merah.

12.3.3 Twin Drilling

No drill holes have been specifically designed to 'twin' a previous hole for comparison and quality assurance purposes.

12.3.4 Data Excluded

The historical Atlas drill holes (66-001 to 66-005A) were excluded from the resource estimate as no geological or analytical records were available in the dataset provided by the Issuer.

12.4 Audits and Reviews

Data verification undertaken by the Qualified Person has shown no significant issues with the historical data integrity. The sampling techniques and data are considered to be of sufficient quality to carry out resource estimation.

Visual validation of the drillhole locations and mineralised intersections was undertaken against hard copy drill sections. Relative to each other and the cross sections provided, the drillholes used as the basis for the MRE update were considered acceptable for classification and reporting under National Instrument (NI) guidelines.

The Qualified Person has verified the data which underpins the resource estimate contained in this Technical Report. The Qualified Person is of the opinion that data verification procedures undertaken on the data adequately support the integrity of the data used in the MRE.

13 Mineral Processing and Metallurgical Testing

Historical metallurgical testwork (as described in Blanchflower, 2006, Hawthorn, 1997 and Melis, 1997) describes limited 'preliminary' flotation testwork undertaken on 'single blended composite' samples. The testwork *targeted* recovery of a copper concentrate with potential cobalt and gold credits. No significant testwork was undertaken on the recovery of either zinc or silver, and no consideration has been given in historical work to potentially deleterious elements.

The Qualified Person has not undertaken sufficient studies to validate the historical metallurgical testwork, and therefore cannot comment on the reliability of the results.

Detailed metallurgical testwork is recommended as part of the next round of drilling for the Kona deposit. It is essential that this testwork is undertaken using 'representative' samples from across the deposit (including the various zones) and assesses all potentially economic elements including copper, zinc, cobalt, gold and silver.

14 Mineral Resource Estimates

14.1 Introduction

During the period March to June 2017, CSA Global carried out a MRE update for the Kona VMS deposit at the Fyre Lake Project. In the opinion of the Author, the resource evaluation reported herein is a reasonable representation of the copper, zinc, gold and silver Mineral Resources at the deposit based on the available information. The updated MRE has an effective date of 25 February 2018 and is reported in accordance with the Canadian Securities Administrators' NI 43-101. The MRE is generated in conformity with generally accepted CIM "Estimation of Mineral Resource and Mineral Reserves Best Practice Guidelines" (CIM Council, 2003). To the Author's knowledge no significant additional work has been undertaken on the Project since the effective date.

Previous MREs generated for the deposit are described in Section 6.2. The current MRE presented in this Report supersedes all past estimates.

Reported Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no guarantee that all or any part, of a Mineral Resource will be converted into a Mineral Reserve.

The resource estimation methodology for the Kona deposit comprised the following procedures:

- Model mineralized wireframes based on logged lithology and sample grade values. Strings were generated for the polymetallic (Cu-Zn-Au-Ag) VMS mineralization using visual logging of semi-massive and massive sulphide mineralisation, which correlated closely to a nominal 0.5% Cu cut-off grade
- Validate geological wireframes
- Define mineralization domains
- Data compositing for statistical analysis and validation
- Application/review of top cuts based on statistical analysis
- Construct block model
- Grade interpolation using ordinary kriging (OK) techniques
- Resource classification, validation and reporting
- Technical Report on the MRE.

Geological and resource modelling was undertaken by CSA Global using Surpac V6.6.2 software.

14.2 Database Cut-off

The current Kona resource model was prepared using all drilling data available at 19th February 2016.

14.3 Preparation of Wireframes

Strings were generated for the polymetallic (Cu-Zn-Au-Ag) VMS mineralization using visual logging of semi-massive and massive sulphide mineralisation, which correlated closely to a nominal 0.5% Cu cut-off grade. Three-dimensional solid wireframes were then generated in Surpac format for the mineralized envelopes.

Six mineralization wireframes were generated (objects 1, 2, 3, 23, 33-1 and 33-2) and were saved to the file *fyrelake_min20170317.dtm*.

Figure 19 shows the Kona deposit wireframes with interpreted faults.

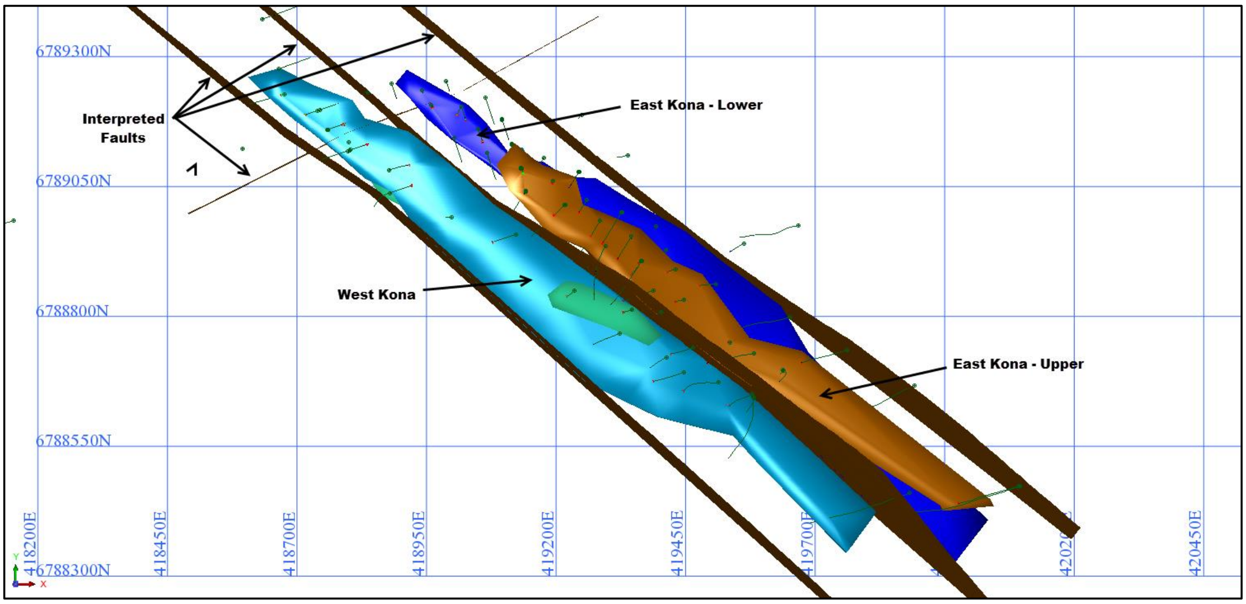

Figure 19: Kona mineralization and interpreted faults used for resource modelling

Lithological and structural features were defined from logged and interpreted geology. The following features were created in Surpac format (and saved as):

- Base of overburden (*weath_ob_20170410.dtm*)
- Faults (*Faults_all.dtm*)
- Base of upper sediments (*sf_sed.dtm*)
- Base of mixed volcanic sediments, top of mafic to intermediate volcanics (*fyrelake_tran20170329.dtm*).

CSA Global reviewed each wireframe in context of the drilling and geological interpretation, and ensured all wireframes were 'snapped' to drill holes in 3-dimensional space. A typical cross section is shown in Figure 20.

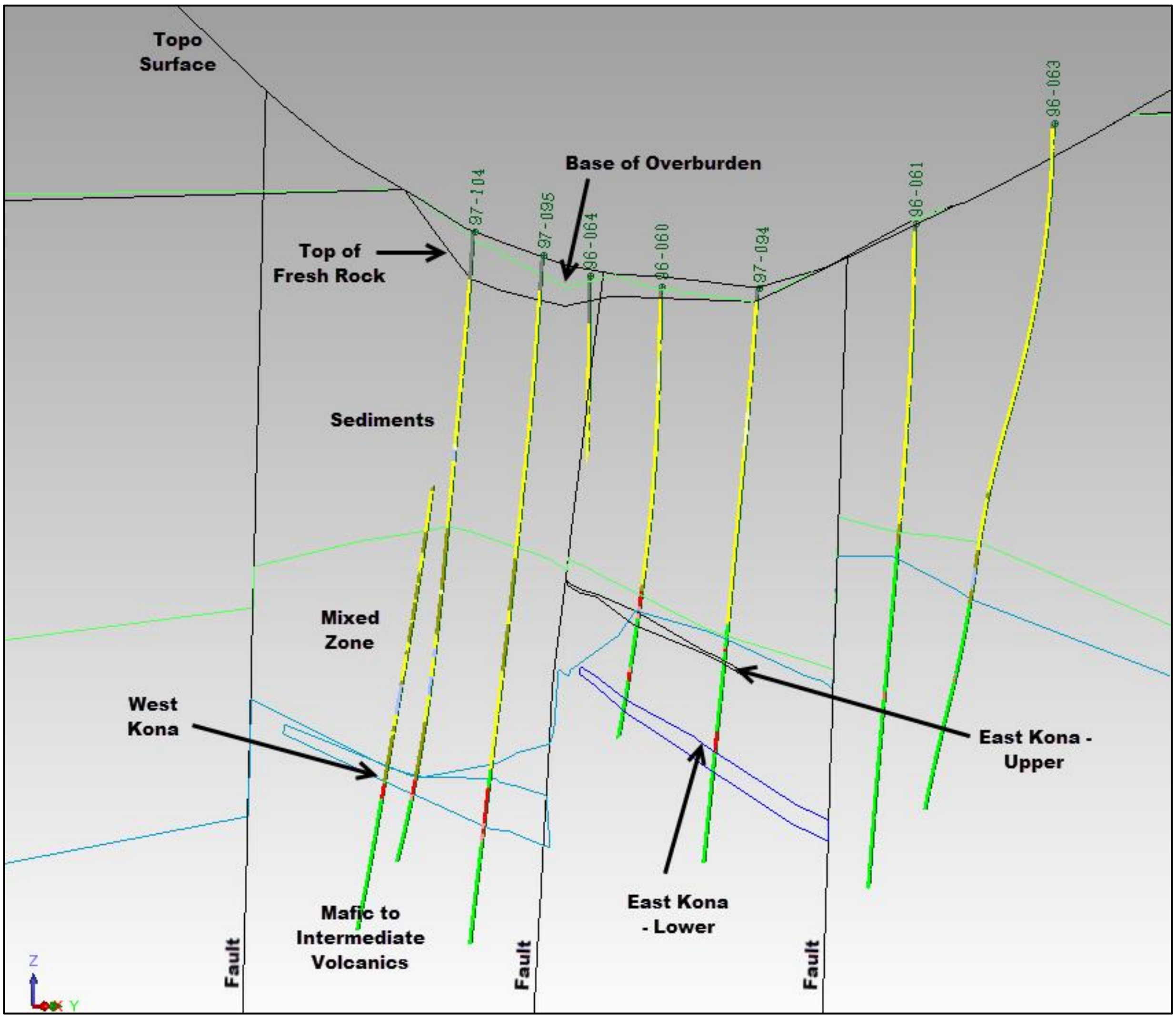

Figure 20: Typical Kona cross section showing interpreted mineralization and geological features

14.4 Topography

A topographic surface (*topo_2011_kona.dtm*) was provided by BMC based on aerial photogrammetry. The survey gave a <5 m contour topographic control which correlated well with surveyed drill collars.

14.5 Weathering

A shallow weathering profile is present below the base of overburden for the Kona deposit based on the data provided. The base of oxidation was modelled (*weath_ox_20170409.dtm*). The Mineral Resource was reported *excluding* the 'oxidised' material i.e. above the base of oxidation.

14.6 Statistical Analysis

Before undertaking the estimate, data was first analysed in order to understand how the estimate should be accomplished. Exploration samples were statistically reviewed, and variograms were calculated to determine spatial continuity for Cu, Zn, Au and Ag.

Statistical analysis was carried out by CSA Global using GeoAccess Professional™ and Supervisor™ v8.6 software.

The modelled histograms and probability plots for the sample data did not demonstrate obvious mixed populations or any 'natural' cut-off grades that define mineralized units. On this basis, the logged semi-massive and massive sulphide mineralisation, which correlated closely to a nominal 0.5% Cu cut-off grade, was used to define the mineralised envelopes described in Section 14.3.

14.7 Drill Hole Coding

Drill hole coding is a standard procedure which ensures that the correct samples are used in classical statistical and geostatistical analyses, and grade interpolation. For this purpose, solid wireframes for each mineralized envelope were used to select drill hole samples. Samples were then selected for individual mineralized envelopes and flagged for each mineralization zone using Surpac V6.6.2 software.

14.8 Sample Length Analysis

Based on the drill hole coding, samples from within the resource wireframes were used to conduct a sample length analysis.

Most raw sample intervals are between 0.5 m and 2.0 m in length for Kona as shown in Figure 21. 1 m was selected as the composite length for Kona to maintain the variability of the data. Surpac software was then used to extract downhole composites using the "best-fit" algorithm within the mineralization intervals.

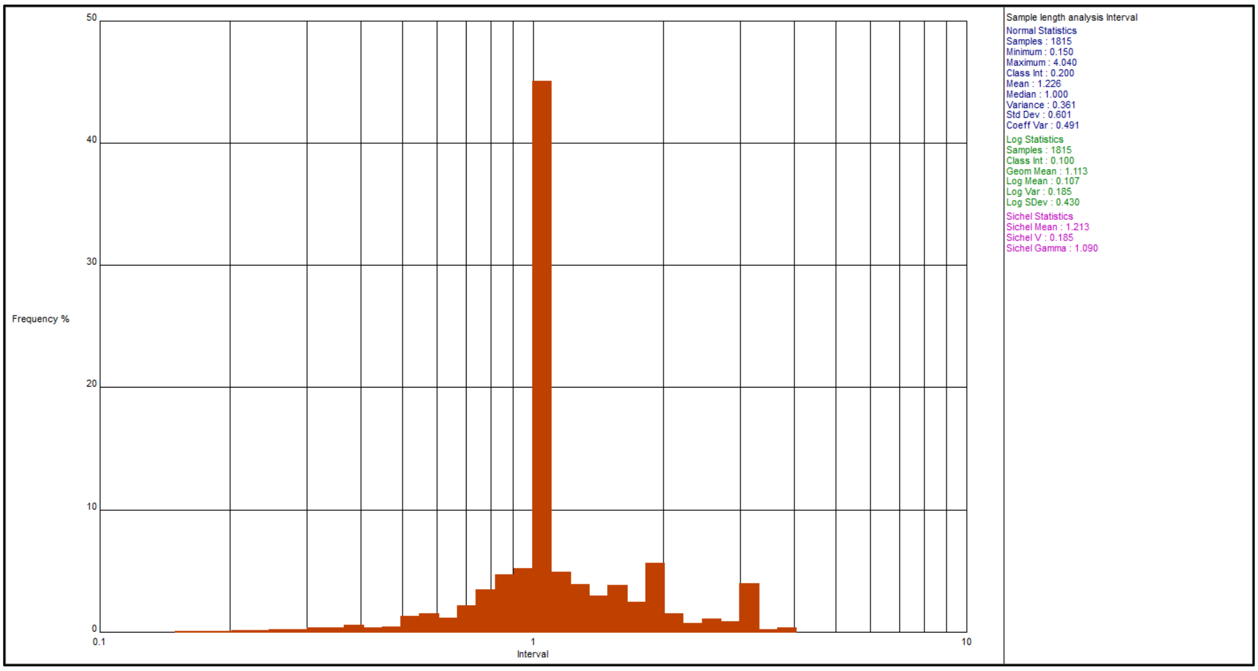

Figure 21: Normal histogram analysis of sample lengths for the Kona deposit

14.9 Compositing

As detailed in section 14.8, samples were composited at 1 m intervals. Basic statistical parameters were obtained for the composited data. Composites that were less or equal to 40% of the composite length were excluded from geostatistical analysis and grade interpolation.

14.10 Global Statistical Analysis

Global statistical analysis was carried out for the major economic elements of interest: Cu, Zn, Au and Ag.

Classical statistical analysis was carried out for samples within the mineralized envelope to complete a review of high grade outliers. Statistical parameters for Cu, Zn, Au and Ag for the combined Kona mineralized zones are shown in Table 8, and individual domains (Objects 1 to 3) from Table 9 to Table 11.

Table 8: Basic statistics for the combined Kona mineralized zones

Parameters	Cu%	Zn%	Au g/t	Ag g/t
Number	1,020	1,020	1,020	1,020
Minimum	0	0.01	0.004	0
Maximum	9.60	4.31	4.05	31.80
Mean	1.32	0.33	0.53	2.27
Median	1.05	0.11	0.38	1.91
Std Dev	1.08	0.58	0.50	2.55
Variance	1.16	0.33	0.25	6.50
Std Error	0.00	0.00	0.00	0.00
Coeff Var	0.81	1.75	0.94	1.13
Percentiles				
10	0.38	0.02	0.08	0.00
20	0.54	0.03	0.14	0.00
30	0.69	0.05	0.21	0.00
40	0.86	0.07	0.29	1.08
50	1.05	0.11	0.38	1.91
60	1.25	0.16	0.49	2.59
70	1.52	0.28	0.64	3.03
80	1.87	0.49	0.86	3.82
90	2.60	0.86	1.21	5.28
95	3.31	1.35	1.52	6.70
97.5	4.11	2.01	1.74	8.52
99	5.17	3.45	2.14	10.36

Table 9: Basic statistics for the Kona mineralized zone – Object 1

Parameters	Cu%	Zn%	Au g/t	Ag g/t
Number	263	263	263	263
Minimum	0.00	0.01	0.00	0.00
Maximum	5.65	1.67	1.72	10.76
Mean	1.51	0.14	0.39	2.91
Median	1.20	0.05	0.31	2.91
Std Dev	1.06	0.24	0.33	1.98
Variance	1.12	0.06	0.11	3.91
Std Error	0.00	0.00	0.00	0.01
Coeff Var	0.70	1.69	0.83	0.68
Percentiles				
10	0.47	0.01	0.06	0.11
20	0.66	0.02	0.11	0.98
30	0.86	0.03	0.16	1.73
40	1.01	0.04	0.24	2.48
50	1.20	0.05	0.31	2.91
60	1.44	0.07	0.41	3.23
70	1.80	0.10	0.50	3.83

Parameters	Cu%	Zn%	Au g/t	Ag g/t
80	2.29	0.14	0.63	4.48
90	3.04	0.45	0.88	5.36
95	3.53	0.67	1.05	6.14
97.5	4.17	0.85	1.21	6.78
99	4.98	1.07	1.35	8.52

Table 10: Basic statistics for the Kona mineralized zone – Object 2

Parameters	Cu%	Zn%	Au g/t	Ag g/t
Number	345	345	345	345
Minimum	0.11	0.01	0.02	0.00
Maximum	9.43	4.31	4.05	31.80
Mean	1.14	0.64	0.84	2.68
Median	0.89	0.35	0.71	1.70
Std Dev	0.90	0.81	0.63	3.29
Variance	0.82	0.66	0.40	10.84
Std Error	0.00	0.00	0.00	0.01
Coeff Var	0.80	1.27	0.75	1.23
Percentiles				
10	0.31	0.06	0.17	0.00
20	0.46	0.09	0.28	0.00
30	0.61	0.13	0.42	0.41
40	0.77	0.20	0.60	1.05
50	0.89	0.35	0.71	1.70
60	1.07	0.51	0.85	2.49
70	1.36	0.71	1.09	3.45
80	1.64	0.96	1.32	4.91
90	2.16	1.61	1.65	6.65
95	2.80	2.34	1.95	8.63
97.5	3.30	3.48	2.18	10.42
99	3.67	3.81	3.02	12.58

Table 11: Basic statistics for the Kona mineralized zone – Object 3

Parameters	Cu%	Zn%	Au g/t	Ag g/t
Number	358	358	358	358
Minimum	0.11	0.01	0.01	0.00
Maximum	9.60	2.04	1.67	10.13
Mean	1.43	0.17	0.37	1.39
Median	1.12	0.08	0.30	0.00
Std Dev	1.23	0.23	0.30	1.89
Variance	1.51	0.05	0.09	3.55
Std Error	0.00	0.00	0.00	0.01
Coeff Var	0.86	1.33	0.80	1.36
Percentiles				
10	0.46	0.01	0.08	0.00
20	0.61	0.02	0.12	0.00

Parameters	Cu%	Zn%	Au g/t	Ag g/t
30	0.76	0.04	0.17	0.00
40	0.94	0.06	0.23	0.00
50	1.12	0.08	0.30	0.00
60	1.31	0.12	0.37	1.81
70	1.56	0.19	0.46	2.47
80	1.84	0.28	0.53	2.88
90	2.57	0.47	0.83	3.49
95	3.77	0.55	1.02	4.43
97.5	4.82	0.79	1.12	5.97
99	6.73	1.00	1.37	8.21

The modelled histograms and probability plots for the samples contained within mineralized envelopes did not demonstrate obvious mixed populations, however this was probably due to the small number of samples contained within the mineralized horizon.

14.11 Treatment of Outliers (Top Cuts)

A review of grade outliers was undertaken to ensure that extreme grades are treated appropriately during grade interpolation. Although extreme grade outliers within the grade populations of variables are real, they are potentially not representative of the volume they inform during estimation. If these values are not cut, they have the potential to result in significant grade over-estimation on a local basis.

Top cuts were selected following statistical review of the sample population. The cutting strategy was applied based on the following:

- Skewness of the data
- Probability plots
- Spatial position of extreme grades.

To determine the top cuts, histograms and probability plots were reviewed for Cu, Zn, Au and Ag. The plots were compiled based on the 1 m composites for the individual mineralized zones. Selected log probability plots and log histograms for Cu, Zn and Au are shown in Figure 22, Figure 23 and Figure 24 respectively.

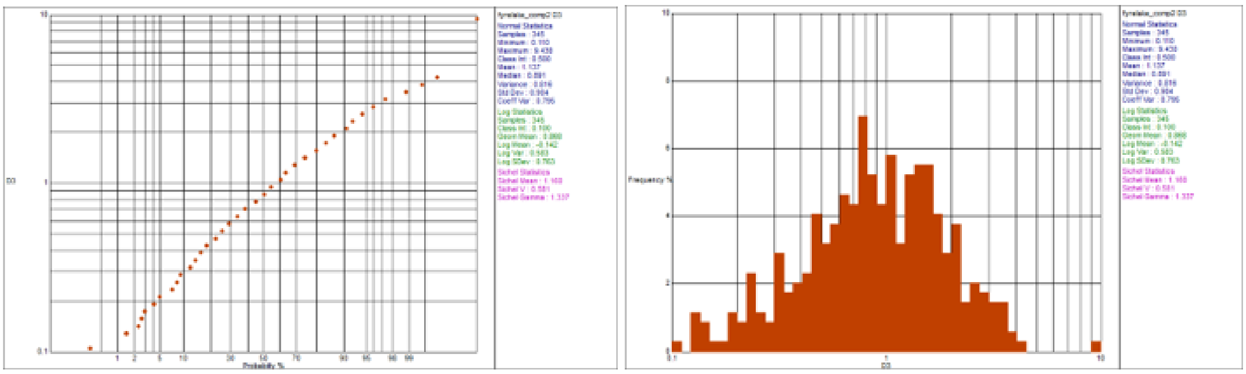

Figure 22: Log probability plot and log histogram for Cu (%) for Object 2 – top cut 5% Cu

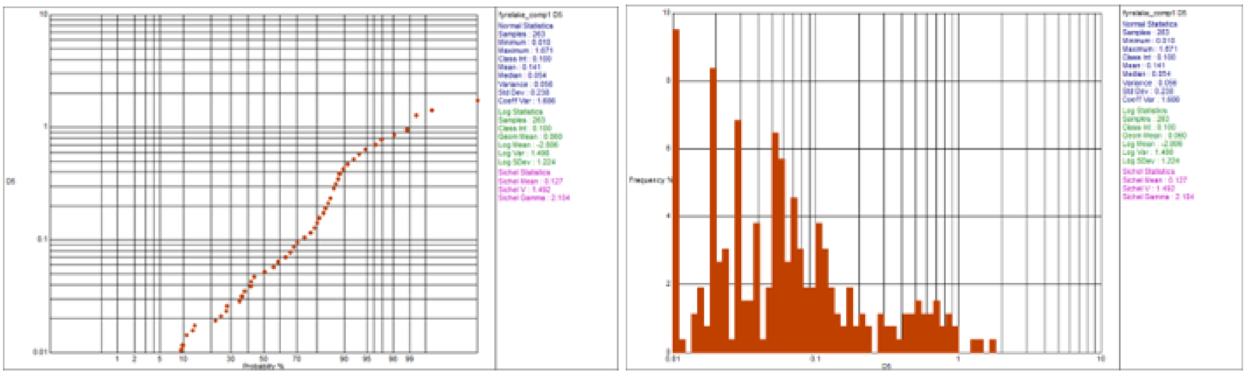

Figure 23: Log probability plot and log histogram for Zn (%) for Object 1 – top cut 1% Zn

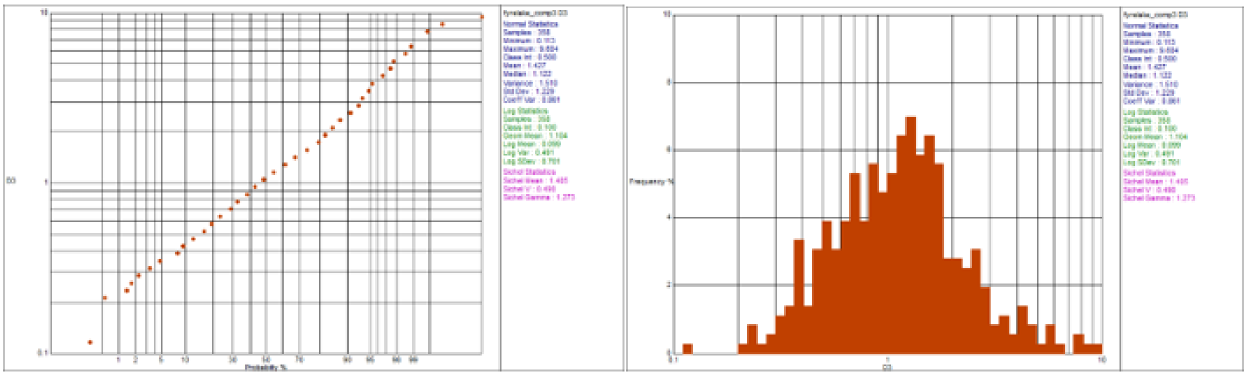

Figure 24: Log probability plot and log histogram for Cu (%) for Object 3 – top cut 7% Cu

The analysis demonstrated that several elements across the mineralized zones required high grade cuts to reduce the impact of extreme outliers. The top cuts used are shown in Table 12. Values of 999 were applied where top cutting was not required.

Table 12: Top cuts used for the Kona mineralized zones

Object	Cu%	Zn%	Au g/t	Ag g/t
1	999	1	1.4	10
2	5	999	3	20
3	7	1.2	999	8
22	999	999	999	999
33	999	999	999	999

14.12 Geostatistical Analysis

14.12.1 Variography

For each of the main Kona mineralized zones (objects 1, 2 and 3) an assessment of spatial anisotropy within the input data was made using Supervisor. Experimental semivariograms were constructed in each of the three principal directions based on the anisotropic directions selected, again on a per-domain basis. A semivariogram model was then fitted to the experimental variograms. The variogram parameters were subsequently used in ordinary kriging estimation of block grades. An example of the semivariograms generated for object 1 (East Kona – Upper Zone) are shown in Figure 25.

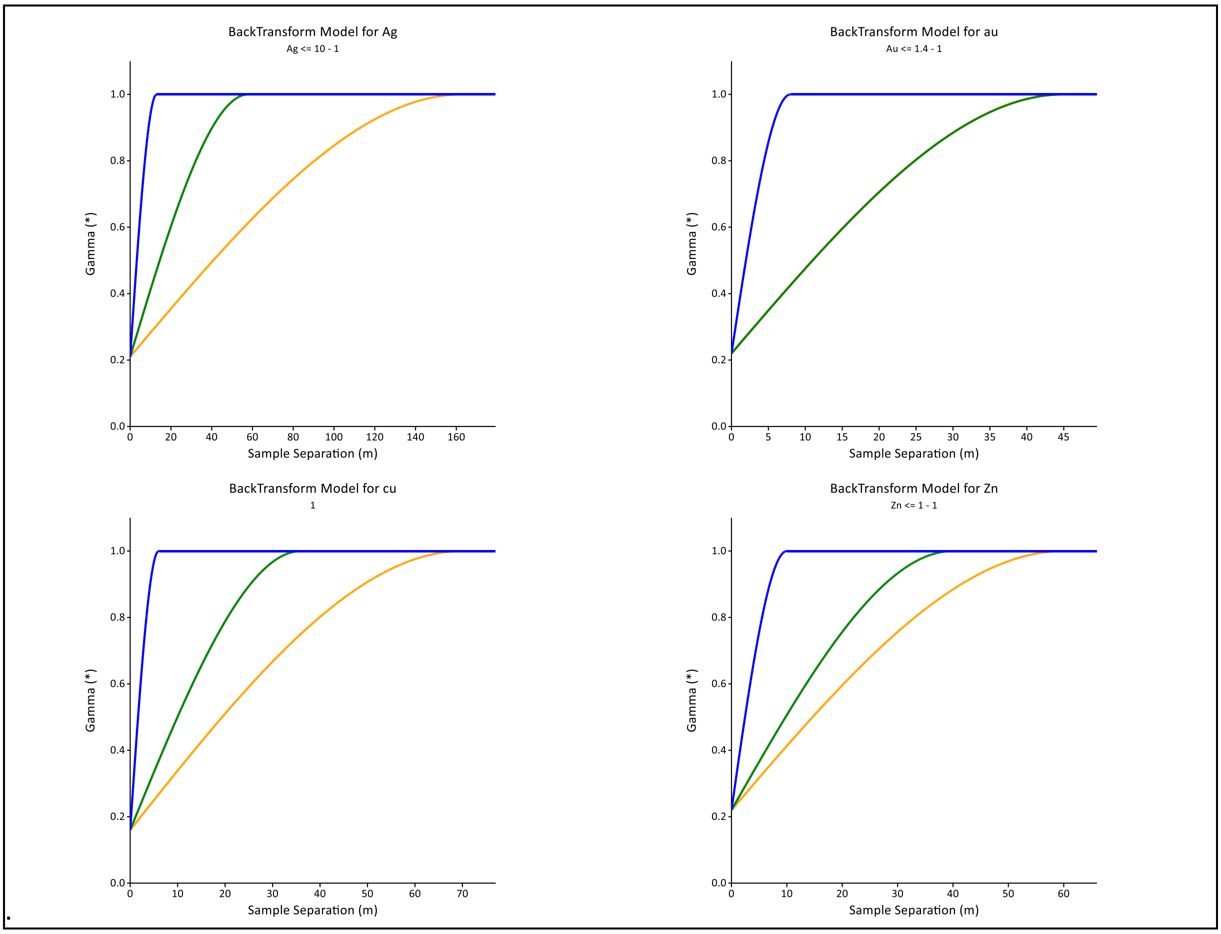

Figure 25: Experimental semivariograms for object 1 (East Kona – Upper Zone). Ag, Au, Cu, Zn (Top left, top right, bottom left, bottom right)

Search parameters for domains 22 and 33 — being very small subsidiary domains considered congruous to the larger domains 2 and 3 — had their search parameters copied from their respective larger domains (Table 13).

Table 13: Search Parameters for all elements for the Kona deposit (1st estimation pass)

object	element	min samples	max samples	major dist	max per hole	bearing	plunge	dip	semi	minor	structure	c0	c1	range1	major1	minor1	c2	range2	major2	minor2
1	ag_cut	4	30	84	4	124	-15	28	2.81	12.54	1	0.21	0.79	163	2.81	12.54	0	0	0	0
1	au_cut	4	28	45	4	123	-15	31	1	5.62	1	0.22	0.78	45	1	5.62	0	0	0	0
1	cu_cut	4	30	70	4	133	-15	26	1.94	11.67	1	0.16	0.84	70	1.94	11.67	0	0	0	0
1	zn_cut	4	30	54	4	126	-15	20	1.5	6	1	0.22	0.78	60	1.5	6	0	0	0	0
2	ag_cut	4	30	80	4	116	-20	27	2.73	12	1	0.23	0.77	120	2.73	12	0	0	0	0
2	au_cut	4	30	91	4	127	-20	20	3	15.33	2	0.21	0.59	100	3.03	12	0.2	138	3	15.33
2	cu_cut	4	30	81	4	114	-20	24	2	9	2	0.27	0.48	45	1.8	7.5	0.25	90	2	9
2	zn_cut	4	30	132	4	134	-20	20	4.34	21	2	0.26	0.23	49	1.75	24.5	0.51	147	4.34	21
3	ag_cut	4	24	74	4	125	-20	-5	3.15	8.2	2	0.26	0.55	33	2.75	6.6	0.19	82	3.15	8.2
3	au_cut	4	24	57	4	120	-20	-5	3	5.7	2	0.22	0.61	25	2.1	5	0.17	57	3	5.7
3	cu_cut	4	30	73	4	305	20	0.5	4.26	5.4	2	0.24	0.6	25	4.2	3.6	0.17	81	4.26	5.4
3	zn_cut	4	18	75	4	120	-20	-5	4.2	8.4	2	0.24	0.66	28	3.1	5.6	0.1	84	4.2	8.4
22	ag_cut	4	30	80	4	116	-20	27	2.73	12	1	0.23	0.77	120	2.73	12	0	0	0	0
22	au_cut	4	30	91	4	127	-20	20	3	15.33	2	0.21	0.59	100	3.03	12	0.2	138	3	15.33
22	cu_cut	4	30	81	4	114	-20	24	2	9	2	0.27	0.48	45	1.8	7.5	0.25	90	2	9
22	zn_cut	4	30	132	4	134	-20	20	4.34	21	2	0.26	0.23	49	1.75	24.5	0.51	147	4.34	21
33	ag_cut	4	24	74	4	125	-14	-87	3.15	8.2	2	0.26	0.55	33	2.75	6.6	0.19	82	3.15	8.2
33	au_cut	4	24	57	4	120	-5	90	3	5.7	2	0.22	0.61	25	2.1	5	0.17	57	3	5.7
33	cu_cut	4	30	73	4	305	5	0.5	4.26	5.4	2	0.24	0.6	25	4.2	3.6	0.17	81	4.26	5.4
33	zn_cut	4	18	75	4	120	-5	90	4.2	8.4	2	0.24	0.66	28	3.1	5.6	0.1	84	4.2	8.4

14.12.2 Kriging Neighbourhood Analysis

Estimation parameters for each variable and each domain (except for domains 22 and 33) were optimised through quantitative kriging neighbourhood analysis within the Supervisor™ v8.6 software package. The selected block dimensions of 20 m by 10 m by 5 m (XYZ) were adopted to complete the analysis.

A single block was located within the best-informed portion of each of the main domains (1 through 3), and successively optimised for maximum and minimum number of informing samples, search ellipse dimensions and number of discretisation points (used for estimation averaging across the block support). Each of these parameters were selected through the assessment of both kriging efficiency and estimate slope of regression for a range of input values for each parameter.

14.13 Block Modelling

A rotated block model (*fyrelake_ok_20170518.mdl*) was created to encompass the full extent and orientation of the Kona deposit. Block model parameters are shown in Table 14 and block model attributes are shown in Table 15.

The block model used a parent cell size of 20 m E by 10 m N by 5 m RL with standard sub-celling to 5 m E by 2.5 m N by 1.25 m RL to maintain the resolution of the mineralized lenses, whilst restricting the overall size of the model. The model cell dimensions were selected to provide sufficient resolution to the block model in the across-strike and down-dip directions.

All modelling was completed using Surpac V6.6.2 software.

Table 14: Block model parameters

Axis	Extent (m)		Block Size (m)	Sub-celling (m)
	Minimum	Maximum		
Easting	418,200.356	420,200.356	20	5
Northing	6,788,960.483	6,789,960.483	10	2.5
RL	900	2,000	5	1.25
Rotation	035°			

Table 15: Block model attributes

Attribute	Description
cu_cut	Cut Cu grade in percent (%)
zn_cut	Cut Zn grade in percent (%)
au_cut	Cut Au grade in parts per million (ppm)
ag_cut	Cut Ag grade in parts per million (ppm)
class	measured, indicated, inferred, unclassified
class_code	1=measured, 2=indicated, 3=inferred, 4=exploration target
rock	vseds, siltstone, mafic, mineralization, overburden, stockwork or air
type	oxide, fresh, overburden or air
pod	Wireframe object number
pass	Estimation pass
min	min, waste or air
bd	bulk density in t/m^3
bdpass	bulk density estimation pass
min_dis_cu_cut	Minimum Distance Cu
ave_dis_cu_cut	Average Distance Cu
num_sam_cu_cut	Number of Informing Samples Cu
bv_cu_cut	Block Variance Cu
ke_cu_cut	Kriging Efficiency Cu
kv_cu_cut	Kriging Variance Cu
lag_cu_cut	Lagrange Multiplier Cu
slope_cu_cut	Slope of Regression Cu
negwt_cu_cut	Sum of Negative Weights Cu
min_dis_zn_cut	Minimum Distance Zn
ave_dis_zn_cut	Average Distance Zn
num_sam_zn_cut	Number of Informing Samples Zn
bv_zn_cut	Block Variance Zn
ke_zn_cut	Kriging Efficiency Zn

Attribute	Description
kv_zn_cut	Kriging Variance Zn
lag_zn_cut	Lagrange Multiplier Zn
slope_pb_cut	Slope of Regression Zn
negwt_pb_cut	Sum of Negative Weights Zn
min_dis_au_cut	Minimum Distance Au
ave_dis_au_cut	Average Distance Au
num_sam_au_cut	Number of Informing Samples Au
bv_au_cut	Block Variance Au
ke_au_cut	Kriging Efficiency Au
kv_au_cut	Kriging Variance Au
lag_au_cut	Lagrange Multiplier Au
slope_au_cut	Slope of Regression Au
negwt_au_cut	Sum of Negative Weights Au
min_dis_ag_cut	Minimum Distance Ag
ave_dis_ag_cut	Average Distance Ag
num_sam_ag_cut	Number of Informing Samples Ag
bv_ag_cut	Block Variance Ag
ke_ag_cut	Kriging Efficiency Ag
kv_ag_cut	Kriging Variance Ag
lag_ag_cut	Lagrange Multiplier Ag
slope_ag_cut	Slope of Regression Ag
negwt_ag_cut	Sum of Negative Weights Ag
min_dis	Minimum Distance Bulk Density
ave_dis_bd	Average Distance Bulk Density
num_sam_bd	Number of Informing Samples Bulk Density
bv_bd	Block Variance Bulk Density
ke_bd	Kriging Efficiency Bulk Density
kv_bd	Kriging Variance Bulk Density
lag_bd	Lagrange Multiplier Bulk Density
slope_bd	Slope of Regression Bulk Density
negwt_bd	Sum of Negative Weights Bulk Density

A comparison of the wireframe volumes to the block model volume for each of the mineralization objects is shown in Table 16. The comparison shows that the resolution of block model sub-celling is satisfactory.

Table 16: Volume comparison between mineralization wireframes and block model pods

Object	Wireframe Volume	Block Model Volume	% of Wireframe Volume
1	524,154	516,359	99%
2	1,312,435	1,312,531	100%
3	2,507,546	2,492,719	99%
22	9,431	9,703	103%
33 (tri 1 & 2)	115,616	115,609	100%
Total	**4,469,182**	**4,446,921**	**100%**

14.14 Grade Interpolation

The wireframe objects for the six massive sulphide domains were used as hard boundaries in grade interpolation. That is, only grades inside each wireframe object were used to interpolate the blocks inside the object. This process reflects field observations around the mineralization contacts.

OK was selected for grade interpolation in the mineralized zones. OK was selected to allow a degree of smoothing within the model based on the measured variability from the variograms. It is considered by the Competent Person to be appropriate for this style of deposit given the sample population.

An orientated 'ellipsoid' search was used to select data for interpolation. Search ellipsoid orientations were based on orientations derived from variogram analysis. An ellipsoid was produced for each individual element, with bearings varying from 114° to 305°, plunges between 5° and –20°, and dips between 90° and –87°, (Surpac convention) (Table 13). These orientations honour the orientation of the Kona deposit.

A two-pass estimation search was used to complete estimation for Cu, Zn, Au and Ag within the domain objects, with separate dimensions for each element, based on the variogram ranges. The first pass search radii of 45 m to 132 m, and second pass search radii of 90 m to 264 m along strike were used with the minimum number of samples set to 4 and maximum samples per hole set to 4 for both passes. An average grade was used to inform remaining un-estimated blocks. Greater than 75% of the blocks were estimated in the first two passes (45% pass 1, 31% pass 2).

14.15 Bulk Density Assignment

Fixed density values based on 3,828 'water immersion' measurements were assigned to the block model for each lithological unit, as outlined in Section 11.3.

The bulk density values used for the MRE are summarised in Table 17.

Table 17: Bulk density values applied to Kona MRE

Material Type	Bulk Density t/m^3	Description
Air	0.00	Above topographic surface
Overburden	2.00	Above base of overburden surface and below topographic surface. Assigned directly based on the measured average.
Oxide	2.40	Above base of oxide surface and below overburden surface. Assigned directly based on the measured average.
Mixed sediments ('Vseds')	2.79	Assigned directly to host rock based on the measured average.
Siltstone	2.82	Assigned directly to host rock based on the measured average.
Mafic	2.88	Assigned directly to host rock based on the measured average.

The massive sulphide density was estimated using OK interpolation resulting in an average bulk density of 3.57 t/m^3 across the deposit.

14.16 Mineral Resource Classification

The resource estimate is prepared in accordance with CIM Definition Standards - For Mineral Resources and Mineral Reserves, adopted by the CIM Council on 10 May 2014 where:

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

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

An Indicated Mineral Resource has a higher level of confidence than that applying to an Inferred Mineral Resource. It may be converted to a Probable Mineral Reserve. An Indicated Mineral Resource as defined by the CIM Standing Committee is *"that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.*

Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve." and,

A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve. A Measured Mineral Resource, as defined by the CIM Standing Committee is *"that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.*

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

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

Mineral Resources that are not Mineral Reserves do not account for mineability, selectivity, mining loss and dilution and do not have demonstrated economic viability. These MREs include Inferred Mineral Resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is also no certainty that these Inferred and Indicated Mineral Resources will be converted to the Indicated and Measured categories through further drilling, or into Mineral Reserves, once economic considerations are applied.

Classification, or assigning a level of confidence to Mineral Resources, is undertaken in strict adherence to the CIM Definition Standards for Mineral Resources and Mineral Reserves (CIM Council, 2014). The MRE for the Kona deposit was prepared by A. Green, CSA Global Principal Resource Geologist and Qualified Person for the reporting of Mineral Resources as defined by NI 43-101.

14.16.1 Reasonable Prospects for Economic Extraction

CIM Definition Standards for Mineral Resources and Mineral Reserves, adopted by the CIM Council on 10 May 2014 require that resources have "reasonable prospects for economic extraction". This generally implies that the quantity and grade estimates meet certain economic thresholds and that the Mineral Resources are reported at an appropriate cut-off grade taking into account possible extraction scenarios and processing recoveries.

To assist in defining reasonable prospects of economic extraction the in-ground value of each block was calculated using estimated factors for: assumed metal prices, metallurgical recoveries, smelter terms (including payable factors, concentrate costs and refining charges) and government royalties. These factors were provided by BMC. No penalties were included. Key factors determining the NSR were:

- Metal price assumptions were: US$3.50/lb copper, and US$1,300/oz gold
- An exchange rate of US$0.75 = C$1.00
- Metal recovery assumptions 92% for copper and 70% for gold.
- Based on these assumptions the formula for the NSR on each block was calculated as:

NSR US$/t = (53.54*cu_cut) + (26.30*au_cut)

The US dollar NSR was converted to Canadian dollars using the formula:

NSR C$/t = (NSR US$/t)/0.75

Based on an assessment of similar deposits in the region, potential open pittable resources were reported above a cut-off NSR of C$25/t and potential underground resources reported above C$95/t.

To determine the reporting of Kona deposit Mineral Resources as either "open pit" or "underground", firstly a Whittle™ pit optimisation was undertaken. Parameters used for the pit optimisation included:

- Base case metal price assumptions were: US$3.50/lb copper, US$1,300/oz gold and US$20/oz silver
- An exchange rate of US$0.75 = C$1.00
- Mining recovery of 95%
- Mining dilution of 10%
- Minimum mining width of 25 m
- Overall slope angle of 50°
- Total processing costs (fresh) of C$28.10/t
- Plant throughput of 2 million tonnes per annum (Mt/a).

Following the pit optimisation, an underground optimisation was undertaken using Datamine's Mineable Shape Optimiser (MSO) software. Only material reporting inside the selected pit shell (Revenue Factor = 1.00) has been reported above the NSR cut-off of C$25/t. The remainder of the 'fresh' material inside the MSO wireframes has been designated as "underground" resource and reported above a cut-off NSR of C$95/t (Figure 26).

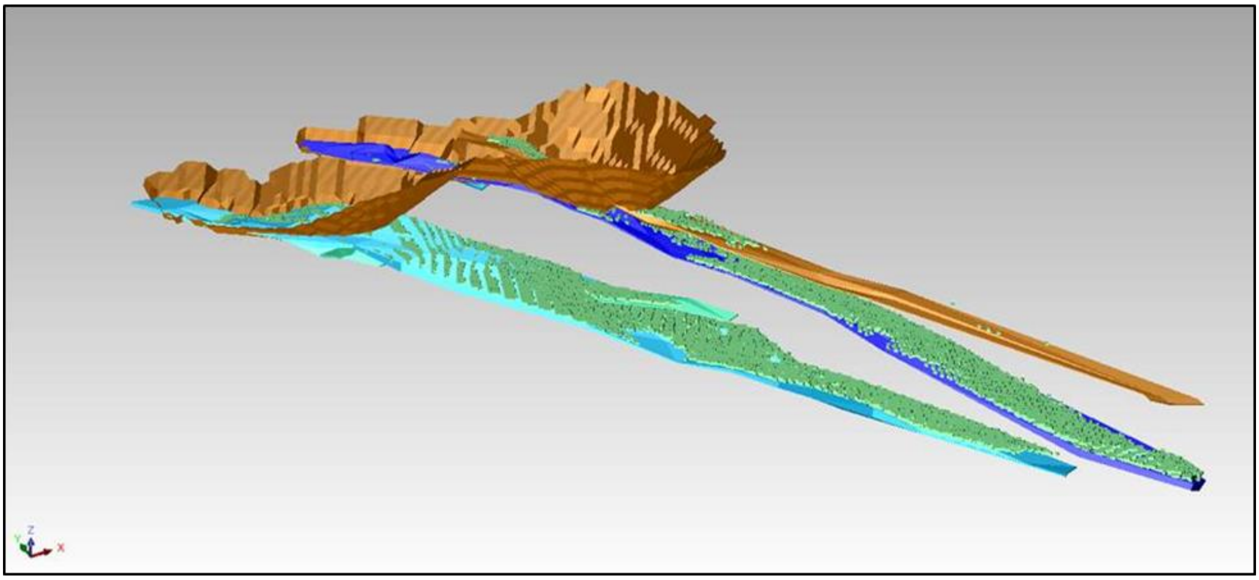

Figure 26: Oblique view of the Kona deposit wireframes showing optimised pit shells and 'MSO' optimised blocks (in green) for the potential underground material

14.16.2 Resource Classification Parameters

The Kona MRE is classified in accordance with CIM Definition Standards for Mineral Resources and Mineral Reserves, adopted by the CIM Council on 10 May 2014. Resource classification parameters are based upon an assessment of geological understanding of the deposit, geological and grade continuity, drill hole spacing, search and interpolation parameters, and an analysis of available density information.

At the Kona deposit, all sampling is historical and has undergone variable amounts of QAQC sampling. Overall, sample data is considered to be of reasonable quality. The Qualified Person is confident that core samples and the copper, zinc, gold and silver assays derived from them are representative of the material drilled and can be used in resource estimation studies.

The Kona deposit Mineral Resource has been classified as Indicated and Inferred based on the guidelines specified under the 43-101 framework. Figure 27 shows the classification applied.

Resource classification was undertaken using classification boundary strings assigned to the block model in a cookie cutter fashion. Strings define a region of blocks that, on average, met the following criteria:

- The Mineral Resource was classified as Indicated where drilling had been completed at pierce points of 35 m to 65 m (or denser), geological continuity was very good and there were two or more holes on individual drill sections.
- The Mineral Resource was classified as Inferred where drilling had been completed on broader pattern (generally greater than 80 m pierce points) and geological continuity was reasonable. Geological evidence is considered sufficient to imply but not verify geological and grade continuity.
- A portion of the deposit at depth (coloured blue in Figure 27) remains unclassified based on the lack of drilling and geological support in this area.
- At this stage, Measured Resources are not defined. To define Measured Resources, BMC should undertake the recommended actions presented in Section 18.

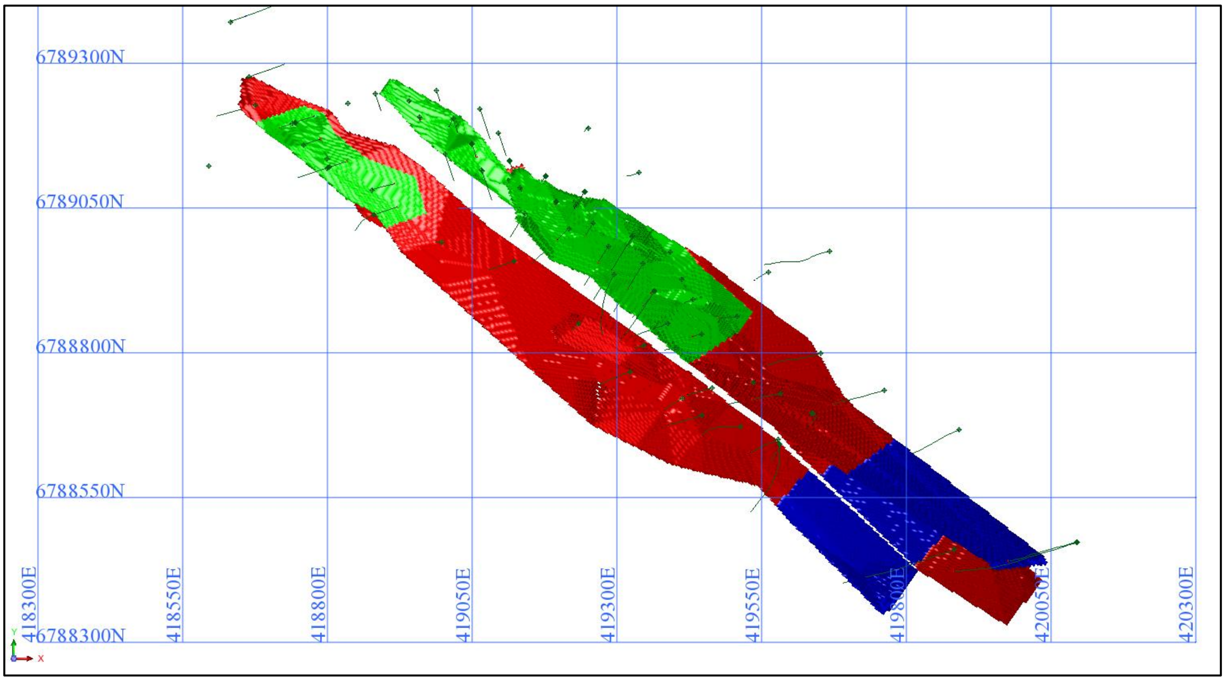

Figure 27: Kona deposit Mineral Resource classification in plan view (Green = Indicated, Red = Inferred, Blue = Unclassified)

14.17 Mineral Resource Reporting

Resources are reported in adherence to NI 43-101 Standards of Disclosure for Mineral Projects (Canadian Securities Administrators, 2011), and to the CIM Definition Standards on Minerals Resources and Reserves (CIM Council, 2014).

14.17.1 Results

The Kona deposit MRE is reported in Table 18 (open pittable) and Table 19 (underground).

Table 18: Kona deposit MRE – open pittable (at NSR cut-off grade of C$25)

Category	Tonnes (Mt)	NSR (C$/t)	Cu (%)	Au (g/t)	Ag (g/t)	Cu metal (kt)	Au (koz)	Ag (koz)
Indicated	1.8	121	1.4	0.6	3	25	32	186
Inferred	0.3	103	1.3	0.3	3	4	3	30

Table 19: Kona deposit MRE – underground (fresh material only, at NSR cut-off grade of C$95)

Category	Tonnes (Mt)	NSR (C$/t)	Cu (%)	Au (g/t)	Ag (g/t)	Cu metal (kt)	Au (koz)	Ag (koz)
Indicated	1.2	138	1.5	0.9	5	17	34	187
Inferred	7.2	147	1.7	0.6	4	126	149	822

Notes:

- *The Mineral Resources in this disclosure were estimated by Aaron Green, MAIG.*
- *The effective date of this Mineral Resource is 25 February 2018.*
- *Numbers have been rounded to reflect the precision of an Indicated and Inferred MRE.*
- *Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability but are required to have reasonable prospects for eventual economic extraction.*
- *The Mineral Resources were estimated using current CIM standards, definitions and guidelines.*
- *A total of 114 diamond drill holes define the Kona deposit for 22,666.69 m of drilling. 73 assayed drill holes intersect the interpreted mineralization zones with holes spaced 25-200 m apart along a 1,500 m plunge extent. Holes were oriented in various directions due to physical access restrictions (000°, 072°, 162°-177° and 212°-252°) at various dip angles (-45° to -90°).*
- *Geological modelling was undertaken by CSA Global based on information provided by BMC. Separate wireframes were generated for massive sulphide mineralization and a cross-cutting fault. Six grade domains were used to define the mineralization based on logged massive sulphide and continuous intervals of significant Cu, Zn, Au and Ag mineralization.*
- *A rotated Surpac block model constrained by the interpreted mineralized envelopes and geological boundary surfaces were constructed. A parent cell size of 20 m E by 10 m N by 5 m RL was adopted with standard sub-celling to 5 m E by 2.5 m N by 1.25 m RL to maintain the resolution of the mineralized lenses whilst restricting the overall size of the model. Samples composited to 1.0 m length were used to interpolate Cu, Zn, Au and Ag grades into the block model using ordinary kriging (OK) interpolation. Block grades were validated both visually and statistically. All modelling was completed using Surpac V6.6.2 software.*
- *Zinc grades were interpolated into the resource model, however they have not been reported under the Kona Mineral Resource as it is unclear at this stage as to whether zinc will be payable in a concentrate or will be a penalty element. Additional metallurgical testwork is required.*
- *Fixed density values based on 3,828 'water immersion' measurements were assigned to the block model for each lithological unit, setting overburden to 2.0 t/m^3, oxide to 2.4 t/m^3, mixed volcanic sediments ('Vseds') to 2.79 t/m^3, siltstone to 2.82 t/m^3 and mafic to 2.88 t/m^3. The massive sulphide density was estimated using OK interpolation resulting in an average bulk density of 3.57 t/m^3 across the deposit.*
- *The Kona deposit Mineral Resource is contained within an area extending from 418,605 m E to 420,045 m E (1,440 m) and 6,788,330 m N to 6,789,280 m N (950 m). The reported Mineral Resource lies within 530 m of surface (1,540 m RL to 1,010 m RL).*
- *The Mineral Resource is classified as Indicated where, in the Qualified Person's opinion, sufficient data exists to assume geological and mineralisation continuity (where drilling had been completed at pierce points of 35 m to 65 m or denser, geological continuity was very good and there were two or more holes on individual drill sections). For areas with more limited data density and limited along-strike or down-dip continuity, there is sufficient evidence to imply but not verify geological and grade continuity and these areas are classified as Inferred.*
- *The in-ground NSR values were calculated using assumed metal prices, metallurgical recoveries, smelter terms (including payable factors, concentrate costs and refining charges) and government royalties. No penalties were included. Metal price assumptions were: US$3.50/lb copper, US$1,300/oz gold and US$20/oz silver, and an exchange rate of US$0.75 = C$1.00. Metal recovery assumptions 92% for copper and 70% for gold. Based on these*

*assumptions the formula for the NSR on each block was calculated as: NSR US$/t = (53.54*cu_cut) + (26.30*au_cut).*

- *The US dollar NSR was converted to Canadian dollars using the formula: NSR C$/t = (NSR US$/t)/0.75.*
- *Based on the results of the Whittle™ and MSO optimisations, potential open pittable resources were reported above a cut-off NSR of C$25/t and potential underground resources reported above C$95/t.*
- *The optimal transition from open pit to underground for the Kona deposit has not been considered when reporting the Mineral Resource.*

Grade tonnage tables have been generated for Cu. The global Kona deposit grade tonnage curves are shown in Figure 28 and Figure 29, whilst Figure 30 displays the tonnes and grade (Cu, Zn, Au and Ag) per 10 m bench.

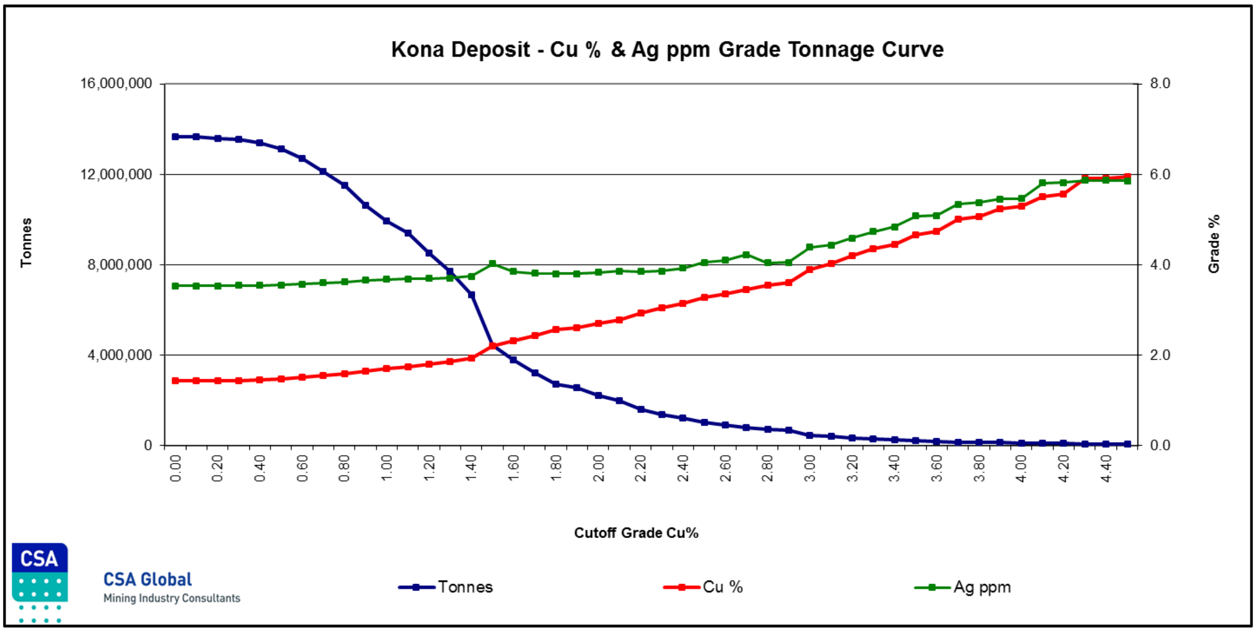

Figure 28: Global grade tonnage curve for Cu% and Ag g/t (ppm)

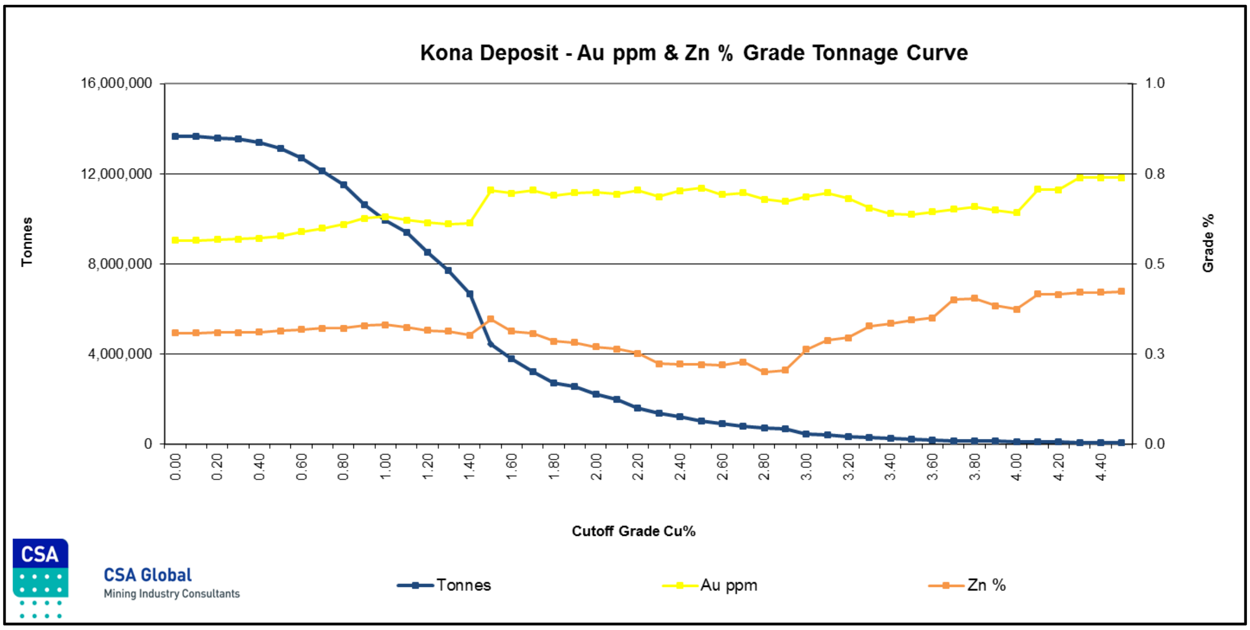

Figure 29: Global grade tonnage curve for Au g/t (ppm) and Zn%

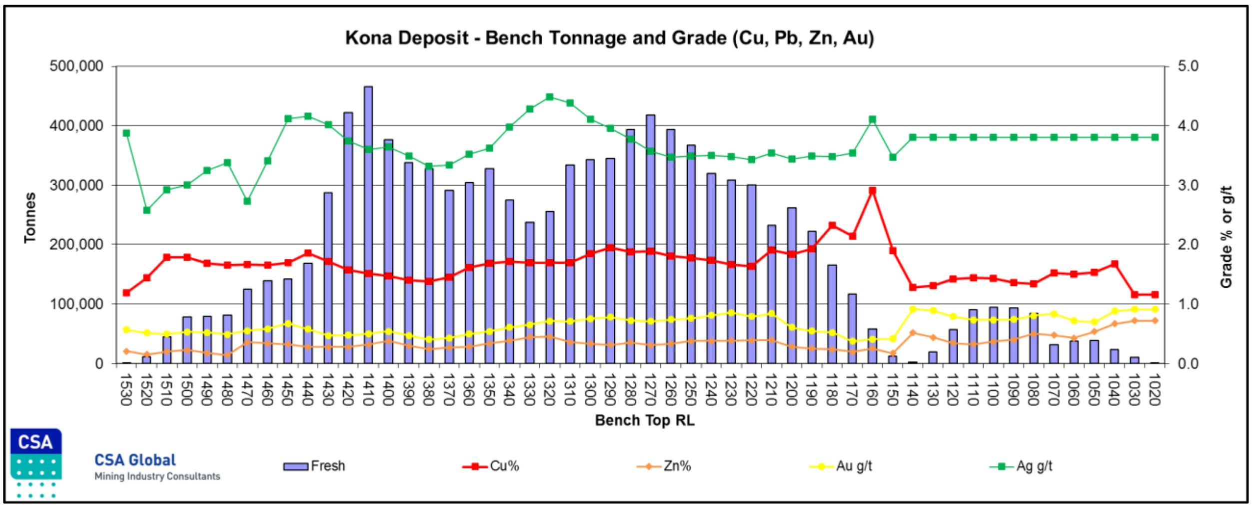

Figure 30: Tonnes and grade per 10 m bench for Cu%, Zn%, Au g/t and Ag g/t

Figure 31 and Figure 32 show the block model for the Kona deposit coloured according to Cu and Au respectively.

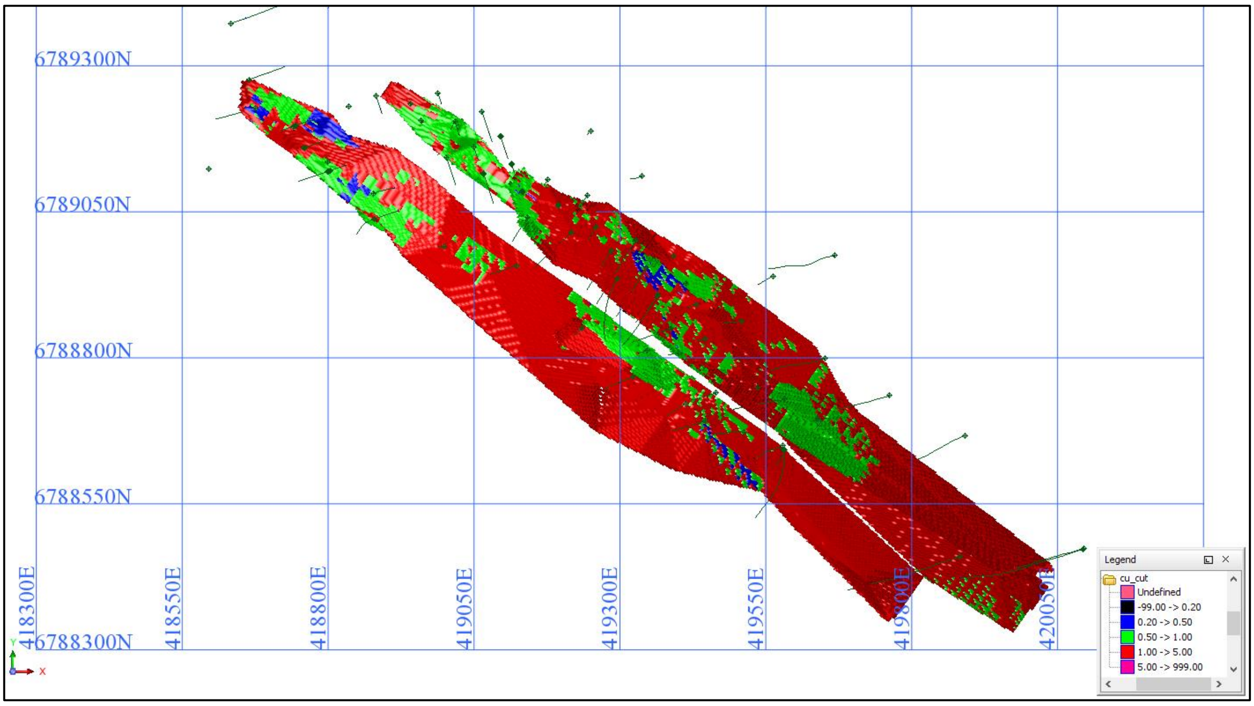

Figure 31: Kona block model showing Cu grades (%) (plan view)

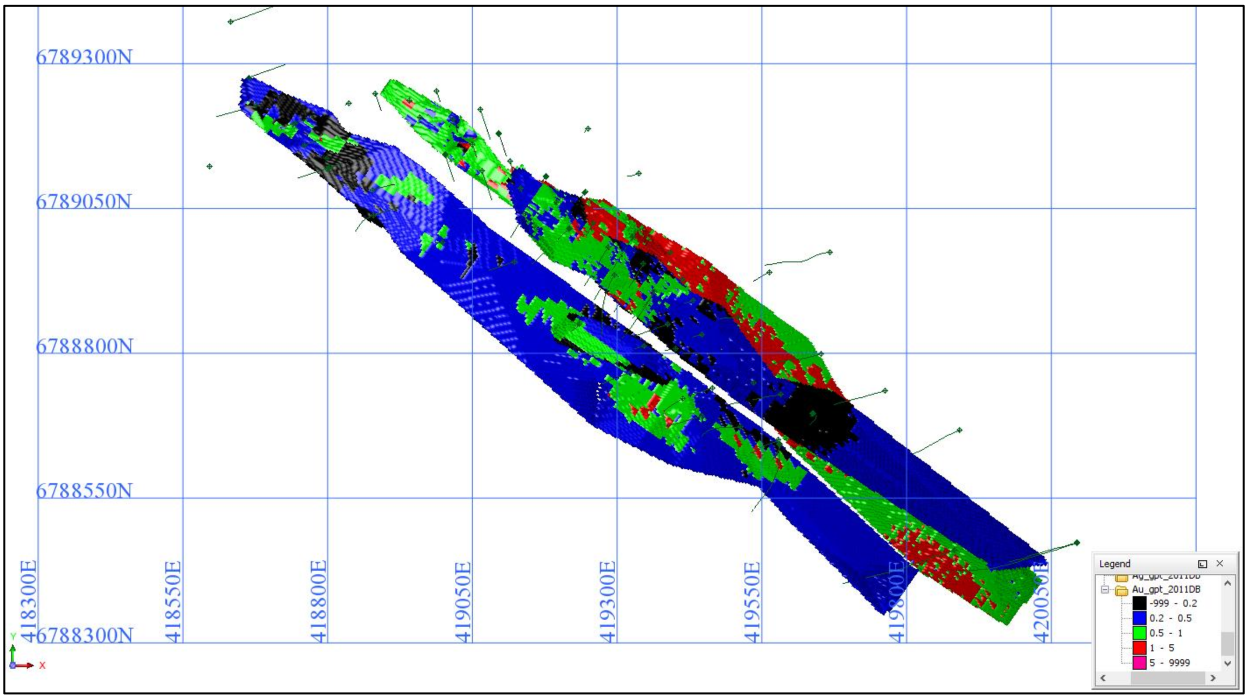

Figure 32: Kona block model showing Au grades (g/t) (plan view)

14.17.2 Factors that may Affect the Mineral Resource

CSA Global is not aware of any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant issues that could potentially affect this MRE. The reported Mineral Resource may be affected by a future conceptual study assessment of mining, processing, environmental, permitting, taxation, socio-economic and other factors.

Additional technical factors which may affect the MRE include:

- Metal price assumptions
- Changes to the technical inputs used to estimate copper, zinc, gold and silver content (e.g. bulk density estimation, grade interpolation methodology)
- Geological interpretation (e.g. dykes and structural offsets such as faults and shear zones)
- Changes to geotechnical and mining assumptions, including the minimum mining thickness; or the application of alternative mining methods
- Changes to process plant recovery estimates if the metallurgical recovery in certain domains is lesser or greater than currently assumed.

There is insufficient information at this early stage of study to assess the extent to which the resources might be affected by these factors.

14.17.3 Comparison with Previous Estimates

On both a global basis and using a 1% Cu cut-off, the CSA Global MRE reports within the tonnage range of the Minorex and IMC estimates. The following observations and conclusions are made:

- Densities estimated by CSA Global are marginally higher than the previous estimates which is a function of the slightly different interpolation parameters generated from the geostatistical analysis.
- The reported global tonnages are similar, and differences relate to volume changes in the resource wireframes, particularly with the Minorex 2006 model.

- Reported grades are comparable across the estimates, particularly above the 1% Cu cut-off. Minor variations are due to differences in interpolation parameters i.e. search ranges, sample selection etc. and the fact that the CSA Global estimate has been reported inside optimised pit (Whittle™) and underground (MSO) shapes.
- CSA Global has reported a lower Indicated and Inferred resource in comparison to the IMC MRE using the 1% Cu cut-off, which is attributable to the more restricted spatial extent applied to the Indicated material and to the reallocation of approximately 2.0 Mt of Inferred material assigned to the informal 'Exploration Target' or 'unclassified' material, primarily due to lack of effective drill coverage at depth.
- Co has not been estimated by CSA Global as it occurs predominantly within pyrite (i.e. gangue) and is currently not deemed to have a likelihood of economic extraction at this time, and it is not material to the economic extraction of Cu, Au and Ag-bearing minerals.

Details of the previous MREs in comparison to the reported CSA Global Mineral Resource are shown in Table 4 (using a 1% Cu cut-off) and by classification in Table 20.

Table 20: Comparison of previous Kona MREs by classification (1% Cu cut-off)

MRE	Year	Average Density (t/m^3)	Classification	Tonnes Mt	Cu %	Zn %	Co %	Au g/t	Ag g/t
Minorex (PEX)	2006	3.44	Indicated	3.57	1.57	-	0.10	0.61	-
			Inferred	5.36	1.48	-	0.08	0.53	-
IMC (MinQuest)	2014	3.43	Indicated	3.53	1.55	-	0.10	0.63	-
			Inferred	9.05	1.56	-	0.09	0.63	-
CSA Global (BMC)	2017	3.58	Indicated	2.9	1.4	0.5	-	0.7	4
			Inferred	7.6	1.7	0.3	-	0.6	4

14.18 Risk

Where documented, the drilling, surveying, sampling and analytical methods, and QA processes implemented during the exploration and resource drilling campaigns are suitable and adequate for the style of deposit under consideration.

The Kona deposit remains open, and infill and extension drilling are required to fully define the mineralisation extents and upgrade the current Mineral Resource classifications.

OK is an appropriate interpolation method for the Kona deposit at the current level of advancement of the Project, in the light of data currently available. Validation checks undertaken by CSA Global confirm reliable block estimates were achieved sufficiently to enable the resources to be classified as Indicated and Inferred.

There are no known environmental, permitting, legal, title, taxation, social-economic, marketing, political factors that could materially affect the MRE.

14.19 Audits and Reviews

An internal audit was completed by CSA Global which verified the technical inputs, methodology, parameters and results of the estimate.

No external audit has been undertaken of the CSA Global Kona MRE reported in this Technical Report.

15 Adjacent Properties

Significant VMS deposits were discovered from 1994 to 1998 in the Finlayson Lake District. To date, at least 41 VMS occurrences and five deposits have been discovered at different stratigraphic levels within the Finlayson Lake District (Ruijter et al, 2012). The five deposits; ABM, GP4F, Kona (Fyre Lake), Ice and Wolverine, collectively contain in excess of 40 Mt of base metal mineralization. Only the Wolverine deposit is considered to be an 'adjacent property' for this report (Figure 33) as the KZK deposits (ABM and GP4F) are owned 100% by BMC.

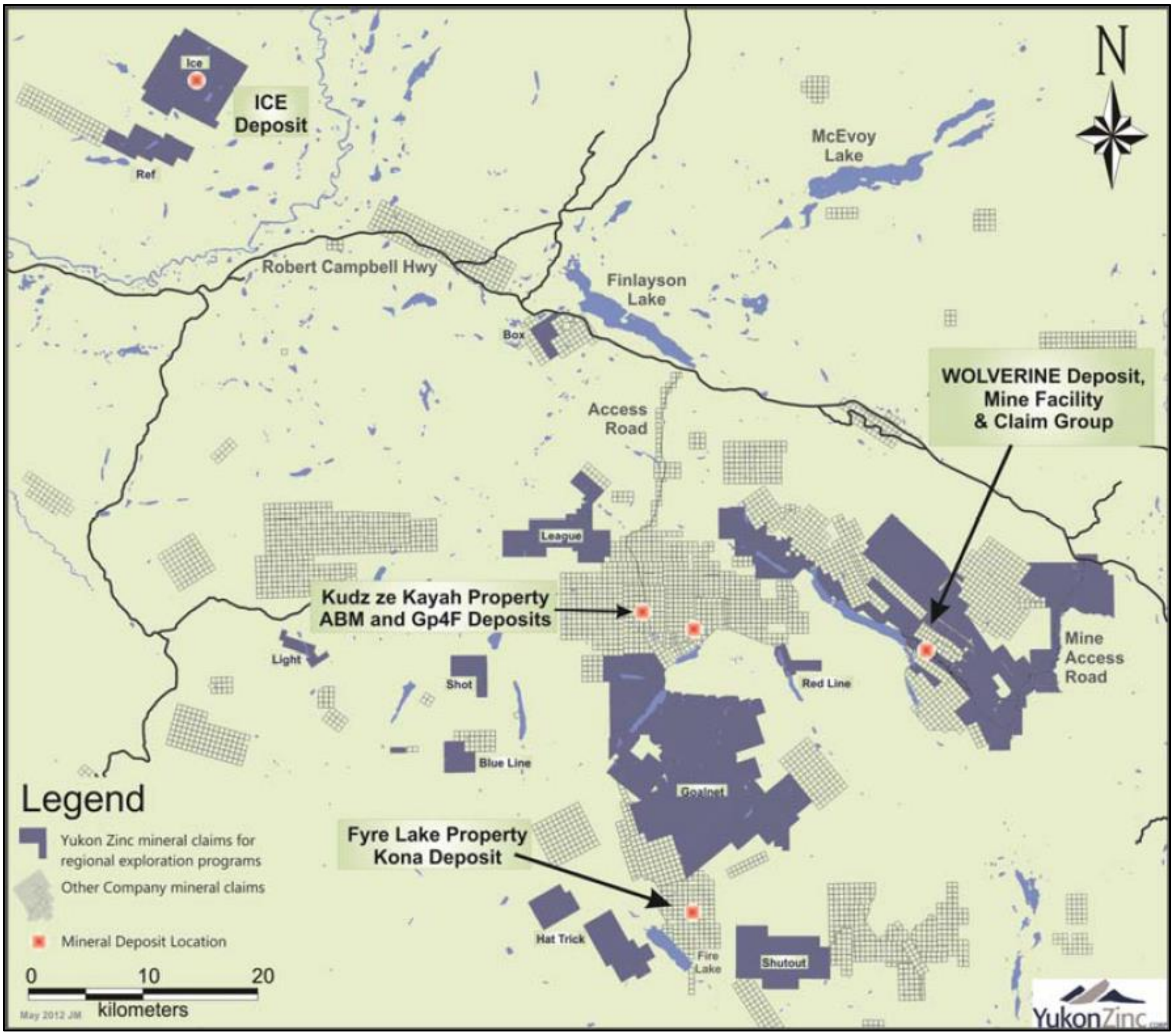

Figure 33: Adjacent Property map

(Source: Ruijter et al, 2012)

15.1 Wolverine

The Qualified Person has not reviewed any technical data or technical reports for the Wolverine Property, and the following comments are based on data sourced from the public domain. The Qualified Person has been unable to verify the information and this information is not necessarily indicative of the mineralization on the property that is the subject of the technical report.

The Wolverine Mine is situated 30 km east of the ABM deposit and is wholly owned by Yukon Zinc Corporation. The mine, consisting of underground workings and a 750ktpa processing facility (Figure 34), commenced full commercial production in 2013 with a Canadian NI 43-101 compliant Mineral Reserve (Proven and Probable) of 5.2Mt @ 9.66% Zn, 0.91% Cu, 1.26% Pb, 281.8 g/t Ag and 1.36 g/t Au. The mine was place on care and maintenance in January 2015.

The Wolverine deposit was discovered in 1995 and is hosted by graphitic shales and felsic volcanic and volcaniclastic rocks. Sulphide mineralization occurs at the 'Wolverine' and 'Lynx' horizons. They are laterally connected by stratabound, semi-massive replacement style Zn-Pb-Ag mineralization, called the 'Saddle' zone. Strike lengths of both the Wolverine and Lynx zones are in the order of 150–250 m long with down-dip extents in excess of 450 m. True thicknesses of the Wolverine and Lynx lenses are typically 3–5 m wide but can reach in excess of 16 m wide. Drilling by Expatriate in 2001 demonstrated that mineralization extends on to contiguous mineral claims held by BMC.

Remaining Mineral Resources or Mineral Reserves for the Wolverine deposit are unknown.

Figure 34: Overview of the Wolverine Mine and associated infrastructure

Source: A. Green, 2015b

16 Other Relevant Data and Information

There is no other data or information that is relevant to this assessment of the Fyre Lake Property that has not been disclosed elsewhere in the document.

17 Interpretation and Conclusions

The Fyre Lake Property is located in a region known to contain significant VMS deposits. The Project comprises a number of base metal exploration targets including drill ready targets based on existing geophysical data (particularly the NW Extension and Western targets) and advanced stage targets consisting of Indicated and Inferred Mineral Resources (Kona) where additional drilling is required to fully define the extents of mineralization. Good potential exists on the Property to identify new mineralized zones.

A total of 114 diamond drill holes define the Kona deposit for 22,666.69 m of drilling in the drill hole database. 73 assayed drill holes intersect the interpreted mineralization zones with holes spaced 25-200 m apart along a 1,500 m plunge extent. Based on the historical information available, the drill data is considered acceptable for use in the MRE.

The modelling was based on cross sectional interpretations, which were digitised and 'snapped' to drill holes based on logged lithologies and chemical assays. Wireframes were generated for the polymetallic (Cu-Zn-Au-Ag) massive sulphide mineralization, lithological and weathering boundaries, and interpreted faults.

A 3-dimensional block model representing the mineralization has been created using Surpac software. High-quality diamond core samples were used interpolate grades into blocks using OK techniques. The block model was validated visually and statistically.

CSA Global considers that data collection techniques are consistent with industry good practice and suitable for use in the preparation of the Kona MRE to be reported in accordance with CIM Definition Standards for Mineral Resources and Mineral Reserves.

18 Recommendations

18.1 Exploration Strategy

CSA Global recommends the following actions are completed to support the ongoing exploration and evaluation effort at the Fyre Lake Property:

- Additional resource definition drilling (infill and extension) is required to upgrade the resource classification and extend the known deposit area, which presently remains open down plunge.
- A rigorous program of quality assurance / quality control (QA/QC) involving resampling (1/4 or 1/2 core) historical core and twin drilling should be undertaken to confirm historical results.
- Assessment of existing geophysical data and drill testing of known anomalies, particularly the NW Extension and Western targets, which may represent faulted offset blocks to the known Kona mineralization.
- Re-logging of drill core on select sections to identify potential mineralogical domains and corresponding controls on grade distribution.
- Detailed structural and geochemical analysis is undertaken to understand the timing of mineralization, stratigraphy and geological controls. Improved understanding of the deposit controls will aid in more regional exploration efforts across the tenement package.
- Detailed metallurgical testwork is recommended as part of the next round of drilling for the Kona deposit. It is essential that this testwork is undertaken using 'representative' samples from across the deposit (including the various zones) and assesses all potentially economic elements including copper, zinc, cobalt, gold and silver.
- Preliminary mining studies should be undertaken to determine the options available for profitable exploitation of the Kona deposit.

BMC intends to undertake a systematic exploration approach with progressive work programs. Surface exploration would be scheduled to fit in with the exploration field season. The proposed strategy builds on available data and geological interpretation and should prove to be effective.

18.2 Exploration Budget

Exploration programs and costs are proposed to occur in two phases. Phase I will include set-up of a temporary tent camp near the core storage area to facilitate re-logging and where appropriate re-sampling of existing drill core. This re-logging program will focus on select sections chosen to guide drilling during Phase II toward delineating higher-grade trends. In addition to geological logging, physical properties measurements will be taken on the core to facilitate interpretation of existing geophysical data and downhole data to be collected during Phase II.

Phase II includes ~5,000 m diamond drilling to follow up on results from Phase I, as well as test areas of the Kona deposit that remain open. Diamond drill holes will be surveyed using time domain electromagnetic methods.

A budget for the exploration and evaluation of the Fyre Lake Property is outlined in Table 21. All expenditure values are presented in Canadian dollars ($CAD). The budget covers an initial two-year period of exploration work and is considered sufficient to meet statutory requirements for minimum tenement expenditure. Budgeted expenditure is considered consistent with the project's potential for VMS (Cu-Zn-Au-Ag) mineralization and is adequate to cover the costs of the intended exploration program. The advancement of exploration to a second phase of work programs will be contingent on and guided by positive results in the previous exploration phase.

Table 21: Expected costs for proposed Fyre Lake work programs

Phase	Item	Cost ($CAD)
I	Camp and Logistical Support	$ 100,000
	Core Re-logging	$ 80,000
	Geochemical Analyses	$ 10,000
	Geophysical Consulting	$ 20,000
	Total	**$ 210,000**
II	Camp and Logistical Support	$ 500,000
	Diamond Drilling	$ 1,500,000
	Geophysics	$ 100,000
	Geochemical Analyses	$ 100,000
	Total	**$ 2,200,000**

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