

**Technical Report on the Ulu Gold Property,**  
**Nunavut, Canada**

**Ulu Mining Lease #3563**

**NTS: 76L/14, 15**

66° 54' 37" North Latitude  
110° 55' 12" West Longitude

U.T.M. Co-ordinates (NAD83 Zone 12):  
Easting: 500,500m  
Northing: 7,421,250m

Prepared for:

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## **IMPORTANT NOTICE**

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# 1 SUMMARY

WPC Resources Inc. (“WPC”) has entered into an option agreement (“Option Agreement”) with Elgin Mining Inc. and Bonito Capital Corp., both of which are subsidiaries of Mandalay Resources Corporation (“Mandalay”), to acquire up to an 80% interest in the Ulu Gold Property. Subsequent to signing the Option Agreement, WPC signed a non-binding Letter of Intent (“LOI”) with Mandalay to acquire the Ulu Gold Property and Mandalay’s 100% owned subsidiary, Lupin Mines Incorporated, which owns the historic past producing Lupin Gold Mine (“Lupin”) and attendant mill and processing plant. The LOI is subject to a number of conditions including permitting and financial, which are yet to be completed. Until a definitive agreement is reached and conditions are met under the LOI the Option Agreement will remain in effect. The advancement of the Ulu Gold Project could positively benefit by utilizing the Lupin Gold Mine infrastructure. WPC is listed on the TSX-V with the trading symbol: WPQ.

The Ulu Gold Property (“Ulu”) is located 523 kilometres (“km”) north of Yellowknife and 130 km north-northeast of Lupin (which was in production between 1982 and 2004). Ulu has seen extensive exploration since its discovery in 1989. To date, Ulu has received approximately 1.7 km of underground development and approximately 98 km of diamond drilling. Most of the past work undertaken has been focused on the Flood Zone which has seen numerous historic resources, that last of which was reported in 2011. This report provides a re-evaluation of historic Ulu data and interpretations to generate an updated current resource.

The Ulu Site consists of one renewable 21-year Crown mining lease covering 947.403 hectares. The Ulu Mining Lease covers an area in the southern portion of the High Lake Volcanic Belt (“HLVB”). The HLVB is one of 26 linear volcanic greenstone belts surrounded by granitic batholiths within the Slave Structural Province.

The Ulu Mining Lease covers 16 known gold showings/areas, initially identified between 1989 and 1994 by BHP Minerals. The most notable gold showing is the Flood Zone Gold Deposit. The exploration target for the property is shear-hosted gold mineralization.

Three dimensional (“3D”) modeling methods and parameters were used in accordance with principles accepted in Canada. A wireframed geological model was created from drill hole logs and interpretations supplied by Buena Tierra Developments Ltd. and North Face Software Ltd. and audited and accepted by Giroux Consultants. Statistical and grade continuity analyses were completed by Giroux Consultants to characterize the mineralization and subsequently used to develop grade interpolation parameters.

Techbase modeling software was used for establishing the 3D block model and subsequent grade estimates. Grade capping was used to restrict the influence of statistical outliers during Ordinary Kriging (“OK”) interpolation of block grades. An interpolated density model was generated from data collected by previous explorers.

The current Ulu mineral resource is presented below at a 4 grams per tonne (“g/t”) gold (“Au”) cut-off value:

### Flood Zone

<b>Classification</b>	<b>Tonnes</b>	<b>Au (g/t)</b>	<b>Au (ozs)</b>
Measured	1,000,000	8.48	272,000
Indicated	1,500,000	6.90	333,000
Measured & Indicated	2,500,000	7.53	605,000
Inferred	891,000	5.57	160,000

### Gnu Zone

<b>Classification</b>	<b>Tonnes</b>	<b>Au (g/t)</b>	<b>Au (ozs)</b>
Inferred	370,000	5.57	66,000

1. Mineral resources, which are not mineral reserves 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.

2. Confidence in the estimate of Inferred Mineral Resources is insufficient to allow the meaningful application of technical and economic parameters. There is no guarantee that all or any part of a mineral resource can or will be converted into a mineral reserve.

3. The mineral resources in this estimate were calculated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

Potential to expand the resource base at Ulu is excellent, within the Flood Zone itself and within a number of the 15 peripheral gold zones/showings. The Flood Zone has potential to expand and for Inferred resources to be upgraded to Indicated with in-fill drilling. Potential in the Flood Zone exists to find additional thickened blow-outs where drill density is sparse. In-fill drilling with attention to following locally thickened shoots could strengthen the resource. Additional resources could be found at depth as the deposit is open at depth where drill spacing is broad and where additional dilation jogs may develop. For the first time, the Gnu Zone has demonstrated a resource. Potential within (with in-fill drilling), along strike and at depth on Gnu is good as the zone shows good widths and reasonable grades. The Dagg Zone drill tested by only one drill hole shows good grades and widths and has excellent potential. A number of other showings and targets continue to hold promise including Zebra and several zones within the same basalt unit hosting the Flood Zone.

It is recommended that WPC should focus on expanding and delineating the Flood Zone and the other 15 gold showings on Ulu with the aim to expand the resource base. A two-stage success-contingent exploration program is recommended. The Phase 1 program designed for the 2015



field season should include geologic mapping, sampling, prospecting and drilling for an estimated cost of \$775,000. Surface prospecting and detailed mapping in the area between Gnu, Zebra and Dagg should be completed. In addition, zones within the basalt unit that hosts the Flood Zone that have received broader drill spacing such as Axis, Battleship and Central should be field inspected to prioritize drill targets. Multiple zones lie within these areas and any one could develop wider shoots and better gold grades along strike or at depth. A 1,500 m diamond drill program is recommended in Phase 1 prioritizing on Gnu, Zebra, Dagg, Axis, Battleship and Central areas. Drilling on the Flood Zone should be postponed to Phase 2.

Phase 2 should continue to evaluate and delineate the Flood Zone and other higher priority peripheral gold zones developed in Phase 1. A 5,000 m diamond drill program is designed to further test the higher priority drill targets developed in Phase 1. Some of this drilling should be earmarked for in-fill drilling to upgrade Inferred resources to the Indicated category. Consideration should be put towards selective drilling on Flood Zone principally to develop thickened shoots where drill spacing is broad. Phase 2 is estimated to cost \$2.5 million designed for the 2016 field program.

## **2 INTRODUCTION**

The authors were contracted by WPC Resources Inc. to provide a detailed compilation of the historic gold exploration work done on the Ulu Mining Lease, through a re-evaluation of the Flood Gold Deposit, and subsequently provide an updated current resource and recommend exploration programs as part of the qualifying documents required and reviewed by the TSX Venture Exchange for the completion of the contemplated transaction between Mandalay and WPC.

Technical information in this report has been derived from a review of existing reports, memos and data collected by previous exploration companies working on land in and around the Ulu Mining Lease, from data in government reports, assessment reports and public papers and records. The available files are extensive.

One author, Mr. Cowley, P.Geol. of Buena Tierra Developments Ltd. has conducted research and numerous and extensive field investigations including mapping, prospecting, and drilling on the Ulu mining lease between 1987 and 1993. These field investigations were supported by helicopter from exploration field camps in the area while employed as a Project Geologist and later Program Manager of the Slave Gold Program for BHP Minerals. The field investigations were both direct and through crew members under the author's supervision.

One author (P. Cowley, P.Geol.) has conducted a recent site visit of the Ulu Mining Lease between August 29th and September 3, 2014. He has re-visited the key showings to familiarize himself with the showings, style of mineralization, landscape, surface expressions as well as confirming the camp and related infrastructure and core storage at Ulu and Penthouse Lake.

### **3 RELIANCE ON OTHER EXPERTS**

An independent property title search was not conducted by the authors. The Qualified Persons are not legally qualified to assess the validity of the Ulu Mining Lease.

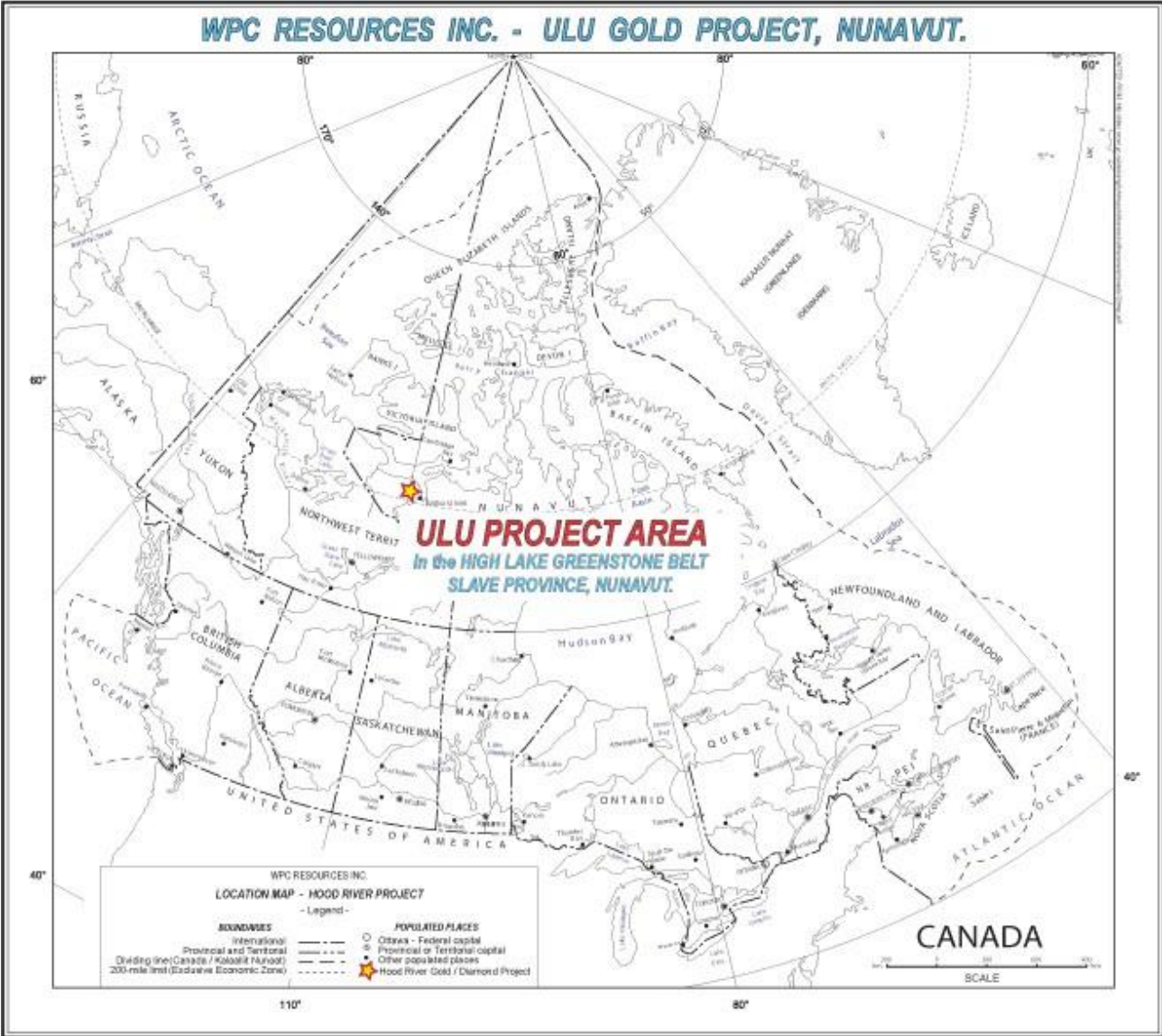
The authors are not aware of any archaeological sites on the Ulu Mining Lease, however, they have not conducted a search through the Prince of Wales Northern Heritage Center (PWNHC). Even if the PWNHC database did not document archaeological sites it is widely known that their database is considered incomplete. Echo Bay commissioned Quaternary Consultants Ltd. to conduct an archaeological study which did not find any archaeological sites on Ulu (Kroker, 1996). Wolfden commissioned Jean Bussey of Points West Heritage Consultants Ltd. to conduct a limited archaeological study on parts of the Ulu infrastructure who concluded the archaeological potential was low (Bussey, 2004). Regardless of the above and low potential, one should still be cautious and consider that archaeological sites may exist on the land holdings. Territorial and federal law prohibits exploration or development activities within 50 m of a known archaeological site.

### **4 PROPERTY DESCRIPTION AND LOCATION**

#### ***4.1 Location***

The Ulu Mining Lease is located just above the Arctic Circle, approximately 523 km north-northeast of Yellowknife NWT within the Kitikmeot Settlement Area of Nunavut and approximately 45 km north of the Arctic Circle. The Mining Lease is centred at longitude 110° 55' 12" W and latitude 66° 54' 37" N (500,500m E, 7,421,250m N: NAD83, Zone 12) on NTS map sheets 76L/14 and 76L/15 (Figure 1, 2 and 3). The closest population centers are Kugluktuk (Coppermine) approximately 210 km to the northwest, and Cambridge Bay, approximately 340 km to the northeast. The Project is situated approximately 130 km north-northeast of the past producing Lupin Gold Mine. The property is situated immediately north of the Hood River.

The Flood Zone, its related portal and dumps as well as the camp lie in the southeast corner of the mining lease. There is sufficient area available within the mining lease to develop the Flood Zone.



**Figure 1. The Ulu Mining Lease Location Map**

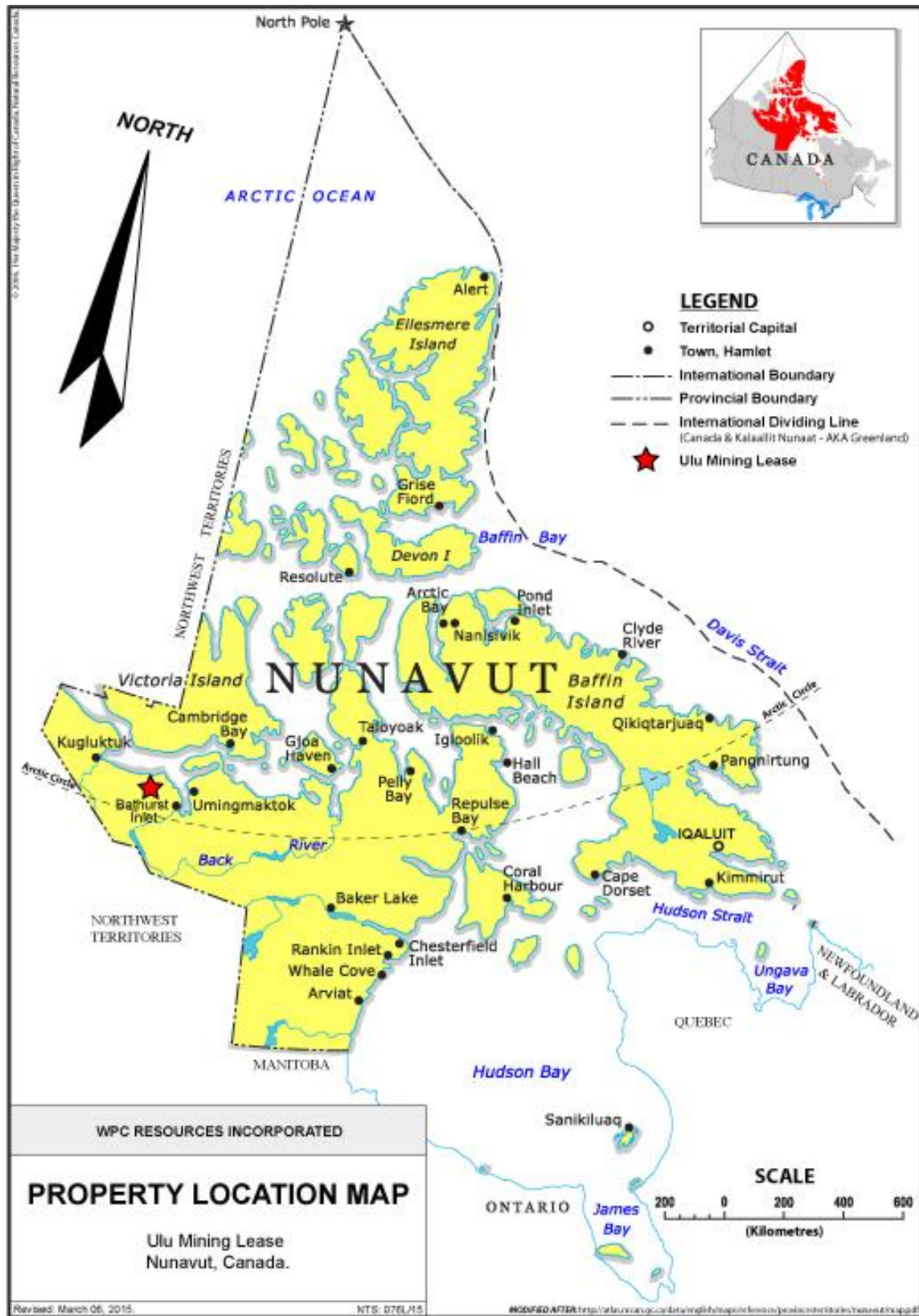
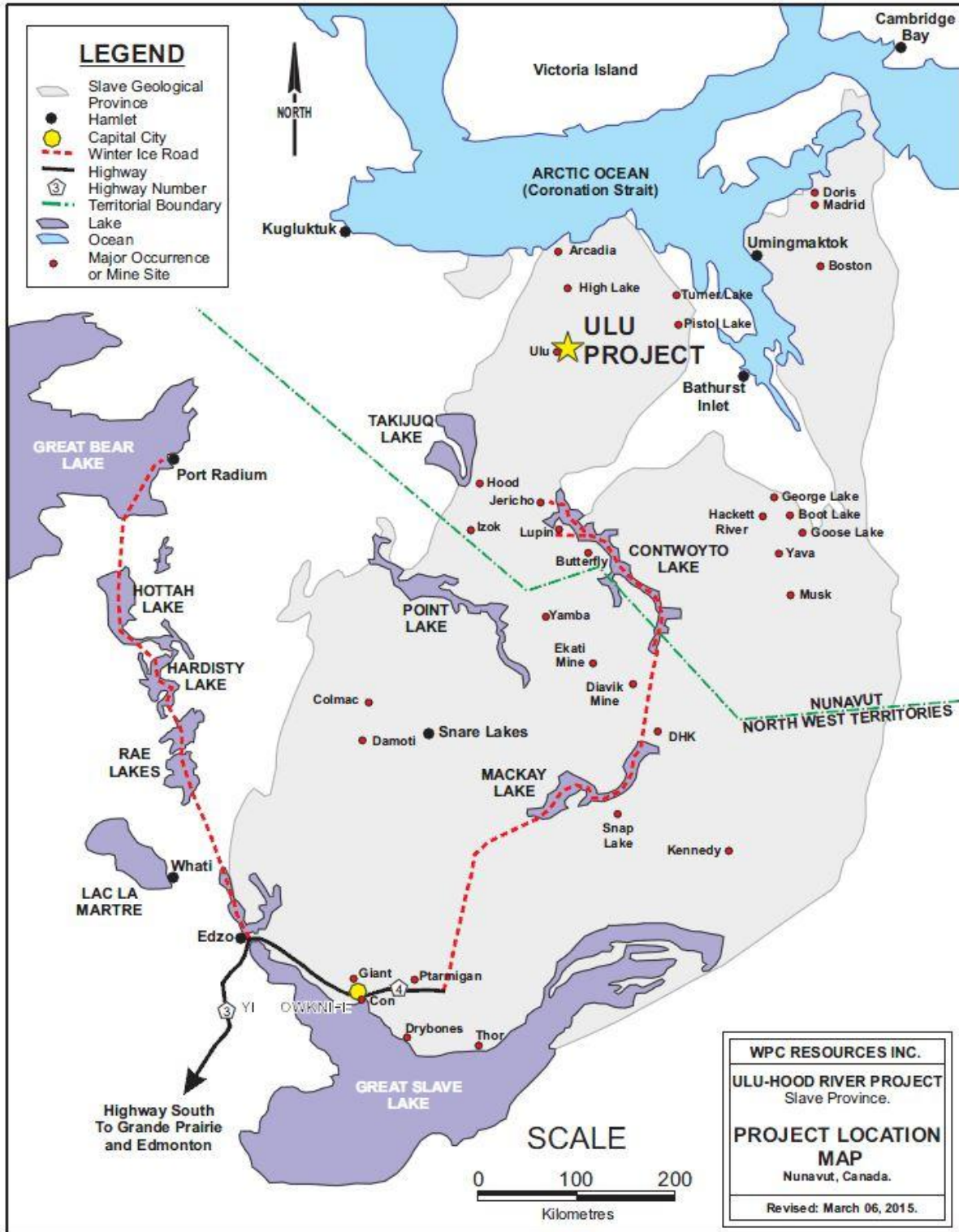


Figure 2. Ulu Mining Lease Location Map within Nunavut



**Figure 3. Ulu Mining Lease within Slave Structural Province**

**Note:** Ulu Lease identified by yellow star relative to known mineral deposits and historic Lupin winter road.

## **4.2 Status of the Mineral Titles**

### **4.2.1 General**

On April 1, 1999, the Nunavut Land Claims Agreement, dated May 28, 1993, between the Inuit of Canada's eastern arctic region and Her Majesty the Queen in right of Canada, came into force. Under this agreement, the Inuit were granted ownership of approximately 360,000 square km of land in an area referred to as the Nunavut Settlement Area, including ownership of subsurface rights in approximately 37,500 square km of those lands. Third party interests in lands within the Nunavut Settlement Area created on or after April 1, 1999 are granted, in the case of surface rights, by the appropriate Regional Inuit Association ("RIA") and, in the case of subsurface rights, by Nunavut Tunngavik Incorporated ("NTI") which hold subsurface title to Inuit Owned Lands ("IOL") and will be additionally responsible, in consultation with the appropriate RIA, for the administration and management of those subsurface rights.

Currently, in Nunavut, a valid prospector's licence is required to prospect for minerals, record a claim or acquire by transfer a recorded claim or interest. Company licences are available to any registered corporation in good standing with the Government of Nunavut's Department of Justice, Legal Registry. A prospector's licence is valid from April 1 to March 31 and must be renewed annually to be kept valid and current. The cost to obtain a prospector's licence for a corporation is \$50 and to renew is \$50 annually.

There is a 60 day period to file a claim at the Mining Recorder's Office, after a mineral claim has been staked. A fee is payable at a rate of \$0.10 per acre. The mineral claim holder is entitled to hold the claim for 10 years if the holder conducts mineral exploration expenditures amounting to \$4 per acre during the first 2 year period and \$2 per acre for subsequent years according to the Northwest Territories and Nunavut Mining regulations, C.R.C.c. 1526. Reports with representative work must be filed with the Mining Recorders Office within 90 days following the claim's anniversary date to keep the claim in good standing. Excess spending beyond the required annual amount is credited to the claim for subsequent year's requirements. During the life of any claim, the holder can apply to convert all or part of the mineral claim to a mining lease, after which no work expenditures are required. The conversion to a mining lease requires the boundaries to be legally surveyed. Normally a mining lease is granted for a 21 year term and is renewable for subsequent terms. An annual rental fee of \$1 per acre is required to be paid to the government. Mining of any mineral can only be done with a mining lease. The Northwest Territories and Nunavut Mining Regulations use a sliding royalty schedule between 0 and 13% essentially as a Net Profits Royalty as it allows for deductions for mining, processing, storing, handling, transport, reclamation, depreciation.

Specific subsurface rights can also be granted to interested parties to undertake mineral exploration through Mineral Exploration Agreements ("MEA") between NTI and the mineral explorer. The adjacent 8,015 hectare Hood River Property 100% owned by Inukshuk Exploration Incorporated, a wholly owned subsidiary of WPC has a renewable, 20 year MEA with NTI. The Hood River Property located within the CO-20 IOL parcel is administered by the NTI through a MEA signed between Inukshuk and NTI dated June 01, 2013. All properties administered by NTI through a MEA are maintained in good standing by payment of an annual fee to use the land

and applying an annual work commitment or a payment in lieu of work against the property as set out by the MEA.

Surface title is held by the Kitikmeot Inuit Association (“KIA”) as the Designated Inuit Organization according to Nunavut Tunngavik Incorporation. As the surface owner, KIA has legal authority to enforce terms and conditions for the use of its lands and these are set out in agreed upon Land Use Licences. Everyone, except Inuit, must apply for a Land Use Permit from the KIA to cross or use the Inuit lands. For mapping and camping with no damage to the land, a Class C Land Use Permit is sufficient. Where there will be more people and intrusive use of the land, a Class B or A permit is required depending on the extent of the work to be done. Mineral exploration activities such as diamond drilling require a Water Licence from the Nunavut Water Board.

#### 4.2.2 Ulu Mining Lease

The Ulu Mining Lease was initially staked by BHP Minerals as a mineral claim (Ulu F16928) in 1988 under the Canada Mining Regulations and subsequently converted under the same regulations to a mining lease (#3563) in 1996. The Canada Mining regulations apply to lands where the Crown administers mineral rights. Subsequent to Ulu’s staking, the status of surface and some subsurface rights changed with the Nunavut Land Claims Agreement. However, all mineral claims in existence prior to the date when the Nunavut Land Claims Agreement came into force were grandfathered under the Canada Mining Regulations to the Department of Indian and Northern Affairs of the Federal Government. As such, the Ulu Mining Lease subsurface mineral rights are owned and administered by the Crown but the surface rights are owned and administered by Nunavut and a number of Inuit associations and corporations, which will be detailed below.

The Ulu Site consists of one renewable 21-year Crown mining lease covering 947.40 hectares (effective November 18, 1996). Its dimensions are 3.2 km by 3.2 km. According to WPC, the Ulu Mining Lease is registered to Bonito Capital Corp., a wholly owned subsidiary of Mandalay Resource Corporation. The Ulu Mining Lease has an **expiry date of November 18, 2017**. The authors have not verified this separately. The legal description of the Ulu Mining Lease is Lot 1000, Quad 76L-14, plan of survey #79614. The annual rental fee of \$2,341 is due November 18 of each year. According to WPC, annual fees have been paid up to date to the relevant authorities. The authors have not verified this separately. The Ulu Mining Lease boundary has been surveyed and marked with survey monuments; therefore its boundaries are well defined.

The mining lease is subject to a 5% net proceeds production royalty payable to Royal Gold Corp. on gold production in excess of 675,000 ounces (BHP assigned the 5% royalty to Royal Gold Corp. in March 2005). BHP retains the right to explore and extract diamonds found on the mining lease.

The mining lease does not have surface rights attached. Historically, Echo Bay was operating the Ulu site under a Land Use Permit No. I95C078 and permission to quarry sand and gravel was granted under the same land use permit. Separate Federal and Nunavut Land Use Permits were

granted to Echo Bay for the Nodwell (N96S639, I97Q110) and haul road (N97F803, I97Q110). Later, surface land access was granted through a KIA Land Use Licence KTL304C007 which expired January 14, 2009. A water license (NWB2ULU9700) was granted to Echo Bay from the Nunavut Water Board with an expiry date of May 31, 2000. Later, water taking and waste disposal at the Ulu camp site was governed by a Class B Water Licence NWB1ULU008 from 2000 to 2008 and 2BM-ULU0914 which expired August 31, 2014 and permitted the use of 50,000 litres per day. The licence was issued for care and maintenance status and would need to be amended on resumption of exploration or production. Beyond a 50,000 litre use, a Class A Licence would be required.

Currently there is Land Use Permit (KTL311C013) issued by the KIA in the name of Elgin Mining Inc., which expires June 18, 2015. WPC will need to apply for a new Land Use Permit as they are not transferable. The current permit allows for activities such as sampling, drilling, camp and fuel storage. A new Water License (2BM-ULU1520) has been granted for Ulu by the Nunavut Water Board with an expiry date of May 12, 2020.

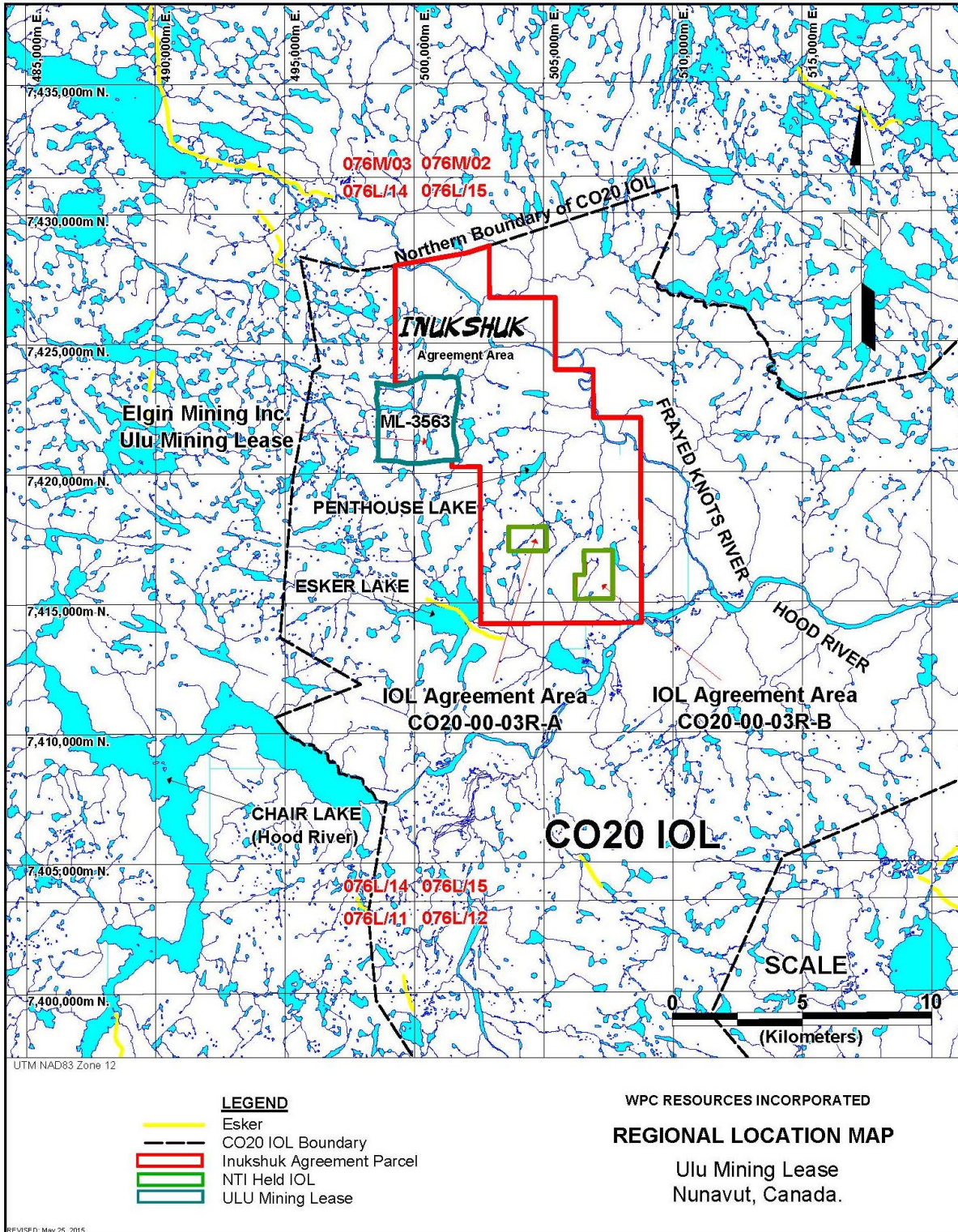
All underground mining permits including Occupational Health and Safety permitting have expired and would need to be restored before any underground activity resumed. A full description of regulatory and permitting requirements for resumed activities to production is found within the National Instrument 43-101 technical report entitled “Preliminary Economic Assessment on the Ulu Property” dated June 26, 2006 and authored by R. Carter of Wardrop Engineering Inc.

The Inuit Owned Land Parcel CO-20/76 surrounds the Ulu Mining Lease, where surface and subsurface rights are owned by the Nunavut Tunngavik Incorporation, with the surface rights administered administered by KIA.

In 1996 Echo Bay and KIA signed an Inuit Impact and Benefits Agreement to address social and economic issues. The rights and obligations may have been assumed by subsequent owners, however, the authors were not able to confirm.

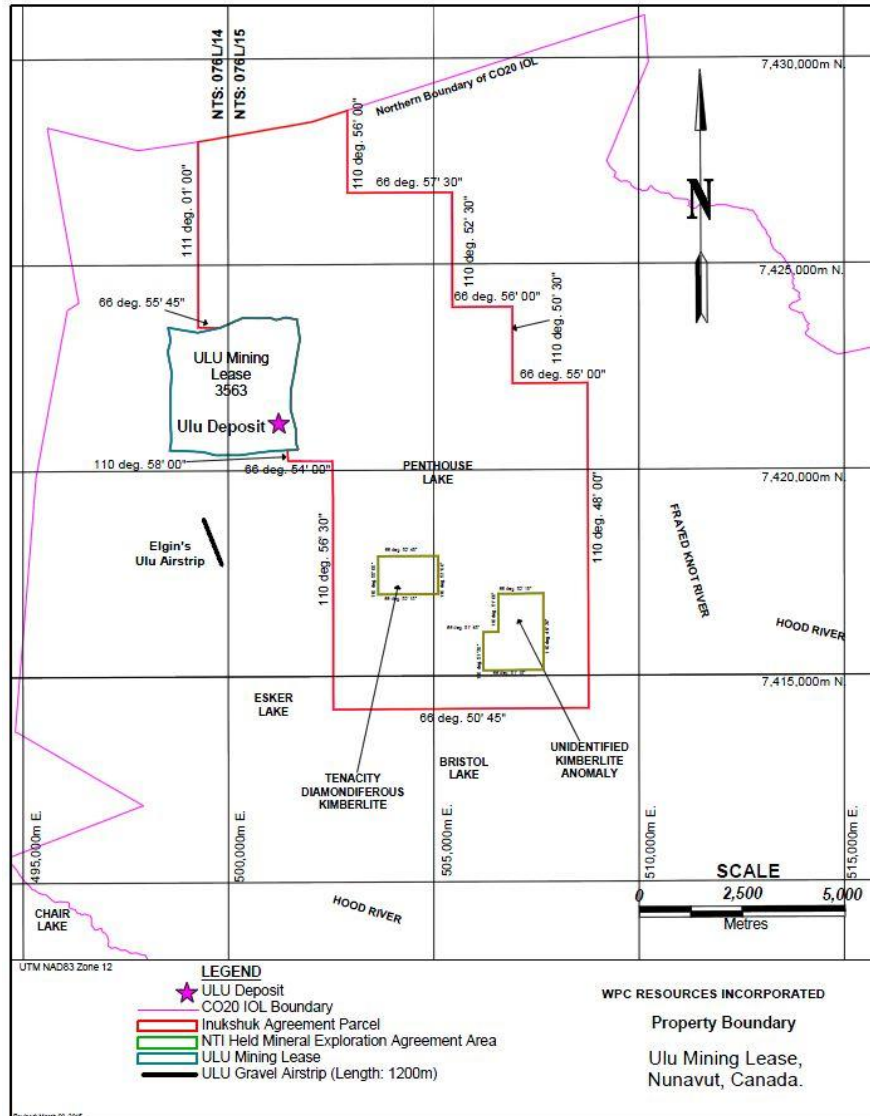
The authors are unaware of any current or pending challenges to ownership of the lease. The authors are unaware of any actual or alleged breaches of any regulations, policies or permits at Ulu.





**Figure 4. Location of Ulu Mining Lease and Hood River Concession**

**Note:** the Ulu Mineral Lease (in blue), Hood River Concession in red and two internal NTI-Held Diamond MEA areas (in green) within the overall CO-20 IOL Parcel.



**Figure 5. Outline of Ulu Mining Lease and Hood River Concession**

**Note:** Ulu in blue and location of Flood Zone at magenta star

### 4.2.3 WPC Option Agreement

On May 30, 2014, WPC entered into an option agreement (the “Ulu Option”) with Elgin Mining Inc. (“Elgin”) and Bonito Capital Corp. (“Bonito”), both subsidiaries of Mandalay Resources Corporation, to acquire up to an 80% interest in the Ulu Gold Property. In the Ulu Option, WPC may acquire up to an 80% interest in the Ulu Property. Bonito is the 100% direct owner of Ulu and is a 100% owned subsidiary of Elgin.

To earn an initial 70%, WPC has agreed to do the following over a four-year period: 1) pay \$500,000; 2) issue 20,000,000 shares of WPC, and 3) spend \$3,000,000 on exploration and development of the Ulu project. Upon successfully completing these commitments, WPC will

have earned 70% of the Ulu Mining Lease. Once this is complete, the parties will enter into a formal Joint Venture Agreement. The initial cash payment will be \$25,000 and an issuance of 2,000,000 shares with the first-year work commitment being \$300,000. As of the date of this report WPC has made the initial cash payment of \$25,000, issued 2,000,000 shares and expended \$212,023 on work commitments.

WPC can earn a further 10% interest in Ulu by completing a Feasibility Study within 18 months of earning the 70% interest, and replacing 80% of the environmental security bond (currently \$1,685,210) held by Elgin on the property.

#### **4.2.4 WPC Pending Acquisition**

Subsequent to entering into the Ulu Option, on January 15, 2015, WPC entered into a non-binding letter of intent (“LOI”) to acquire the Lupin Gold Mine and the Ulu Gold Property (the “Properties”). Mandalay, through subsidiaries, owns a 100% interest in the Properties. The Ulu Option will remain in full effect until such time it is superseded by an agreement under the LOI, such time as the option vests or the option is terminated in accordance with the terms of the Option Agreement. The LOI represents an arm’s length transaction between the parties and upon signing a Definitive Agreement, this Definitive Agreement will supersede the previous Ulu Option. The LOI includes the following terms subject to any necessary regulatory, territorial government and shareholder approvals:

- 1) Prior to the closing of this transaction, Mandalay will ensure that the permits are in place as required to maintain the Properties in their present good standing including but not limited to the water permits and all necessary licences, and the financial terms and conditions of the environmental bonds for the Properties are established to the satisfaction of WPC.
- 2) WPC will pay to Mandalay the following consideration for the purchase of the Properties consisting of Cash and Shares where:
  - a. The Cash will be paid at the closing of the transaction, in the amount of C\$3 million, and;
  - b. WPC will issue 18 million common Shares to Mandalay, scheduled as;
    - i. 6 million shares upon the closing, and,
    - ii. 6 million shares on each of the next 2 anniversary dates of the closing;
  - c. WPC will offer Mandalay the opportunity to participate in any financing such that Mandalay may maintain at least a 10% equity interest in WPC. This right will expire on commencement of commercial production from either Lupin or Ulu.
- 3) In addition to the above, WPC will agree to issue to Mandalay a convertible note in the amount C\$1.6 million in consideration of the Ulu Gold Property environmental bond. The note will:
  - a. Bear an annual interest of 6% that, if not paid annually in arrears, will accrue and be capitalized;
  - b. Be unsecured and non-transferable;

- c. For outstanding principal and interest, be convertible into WPC commons shares at the election of Mandalay where the shares will be convertible at C\$0.10 each and the minimum amount per conversion would be C\$200,000, and;
- d. Have a term of 4 years at the end of which period WPC would have the right to repay in cash any outstanding balance of the note.

4) WPC will make an aggregate cash payment equal to the equivalent of 10,000 ounces of refined gold, payable in 12 quarterly installments equal to the cash equivalent of 833 1/3 ounces of refined gold per quarter, based on the average gold price for each such quarter, beginning with the second quarter immediately following the full quarter after the commencement of Commercial Production.

5) Beginning in the quarter after the completion of payment of the abovementioned 12 quarterly instalments, WPC will pay to Mandalay a royalty of 1% NSR on gold production mined from the Lupin property.

6) Mandalay and WPC will agree to execute all such further documents or do all things necessary to implement and carry into effect the provisions and intent of the LOI including but not limited to execution of a Definitive Agreement.

7) The closing for this transaction may take place on or before May 15, 2015, or on such other date as mutually agreed to by the parties.

On May 11, 2015, the Nunavut Water Board requested the Minister of Aboriginal Affairs and Northern Development Canada approve a license authorizing Lupin to use water and deposit waste in support of the care and maintenance and transition phases for the Lupin Mine. In accordance with the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* ministerial approval is required in order for the water license to take effect and be valid. The parties have agreed to extend the closing date pending the completion of due diligence and receipt of ministerial approval for, and issuance of the water license.

### **4.3 Environmental Matters**

BHP initiated environmental baseline studies in 1990, which included wildlife sightings, bathymetry records, climatic records, water quality data collection and acid rock drainage testing. BHP had Rescan Environmental complete an overview in December 1991. More indepth studies were completed by Echo Bay in 1996 to support permit applications to conduct mining at Ulu and to construct a haulage road between Ulu and Lupin. Studies included archaeological resources, fisheries, wildlife, vegetation, terrain analysis for the Uu site and along several proposed road routes, and potential for acid rock generation from the Ulu waste and ore stockpiles. The result was a 4 volume Environmental Assessment report presented to the KIA, DIAND and Nunavut Review Board in February 1997. Follow-up work continued through 1997. Below are several conclusions from Tansey's 1998 Updated Feasibility Report.

*The results of the various studies showed that the environmental impacts associated with the Ulu project would be negligible or mitigatable with known technology. It was determined that the disturbance of 163.9 hectares would be only an incremental change to the terrestrial environment as a direct result of the project. The disturbance area was comprised of 42.6 hectares at the Ulu site and airstrip and 121.3 hectares along the route of the winter road.*

*The impacts to the wildlife population were determined to be negligible because the overall capacity of the ecosystem to sustain natural fauna would not be significantly impaired. Interaction with the wildlife would be minimised due to optimum planning of the road route, continued surveillance and low seasonal distribution of the population while road activities were in progress.*

*The archaeological assessment for the Ulu Project showed that there were no heritage resources found in the Ulu disturbance site area. A number of archaeological sites were found in the vicinity of the winter road route, but impact was expected to be minimal because the route bypassed most sites by a wide margin. Gravel extraction activities could occur at most esker locations with lateral ridges rather than the crests and upper plateaus, which contain the majority of the archaeological occupation sites.*

*Results of acid rock generation studies showed that acid drainage from the stockpiled ore bearing rocks was not expected to occur for up to 4 years after storage, due to the extremely slow sulphide oxidation rate at the site. The waste rocks, if containing less than 2.5% pyrrhotite or 2 % pyrite or 4.5% arsenopyrite or their combined equivalents, were not acid generating. Waste rock, which was sulphide rich but barren of gold, would not be used in the construction of the site pads and stockpiled separately.*

The authors cannot comment whether the historic environmental studies are adequate for an Environmental Impact Study required these days for production at Ulu.

The authors are unaware of any actual or alleged breaches of any environmental laws at Ulu.

On P. Cowley's site visit he observed the following. At Ulu there is a 60 man Weatherhaven camp and 22 m x 37 m maintenance shop. There is a tank farm (5 tanks), which is collectively lined and bermed to contain 110% potential leaks or spills of the largest tank. When Echo Bay stopped activities in 1997 there were approximately 675,000 litres of P40 fuel and 215,000 litres of P50 fuel remaining in the Ulu tank farm (Tansey, 2002). There is fuel in the tanks currently; however the authors are uncertain to the volumes present. There is a sealed portal, waste rock piles and approximately 2,200 tonnes of mineralized material from the Flood Zone bulk sample in a pile exposed to the elements. The mineralized stockpile sits on flat waste rock platform. Diamond drill core from 1995-2012 drilling campaigns on the Ulu mining lease is orderly stored in racks at the camp site. Diamond drill core for the BHP drill campaigns are cached on the southwest shore of Penthouse Lake in an orderly fashion. There is very little evidence at the exploration drill collars other than metal collar stick-up pipe. The author did not visit the Camp 3 location where there is reported an additional tank farm (two 350,000 USgallon tanks and six 14,000 USgallon tanks). A TBT Engineering memo (Mitchell, 2010) to MMG in files indicated that there was some deterioration to the lined containment berm, the berm slope needs some

repair and one tank was leaning at Camp 3. They also indicate that the silt curtain downstream of the Ulu portal laydown pad was in need of repair.

In 1996 and 1997 Echo Bay transported equipment and materials over land from Lupin to Ulu. The authors have no knowledge if there exists any lasting surface disturbance from this transport, except for the remaining infrastructure between the airstrip and the Ulu site.

The Nunavut Water Board increased the bond requirement in the Water License to \$1,685,542. This would ostensibly cover the costs to dismantle and remove the camp facilities, equipment, fuel and fuel tanks and re-contour the surface disturbance of the camp and underground infrastructure. The authors cannot comment if this bond amount is still adequate for the full reclamation of the project.

## **5 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY**

### ***5.1 Accessibility***

The Ulu Mining Lease property is remote. Access to all areas of the property is by aircraft. A 1,350 m x 30 m gravel airstrip with beacon lights is present for charter fixed wing aircraft equipped with tundra tires. A gravel road links the airstrip to the Ulu camp and the Flood Zone 3.5 km away. In summer months, float equipped aircraft can utilize local lakes of accommodating size including Penthouse Lake (unofficial name), Bristol and Esker Lake. Helicopter support is needed to mobilize personnel within the property area. The winter road, which linked Yellowknife to the Lupin mine site on Contwoyto Lake had historically been used for economical transportation of supplies in winter months. During 1996, Echo Bay constructed a winter road that linked Lupin and Ulu to bring in equipment, personnel, supplies and camps.

### ***5.2 Climate***

The Ulu Mining Lease is located in the treeless Arctic within the zone of permanent permafrost. Vegetation consists primarily of lichen and moss. The weather in the property area is typical of the continental barrenlands, which experience cool summers and extremely cold winters. Winter temperatures can reach -45° Celsius (C) and high winds can create extreme wind chill conditions and extensive drifting snow. Summer temperatures are generally in the range of 5° to 10° C but can reach as low as 30° C. Minimum and maximum temperatures recorded at the nearest permanent weather stations are -53.3° C at the Lupin minesite on Contwoyto Lake, and +32° C at Coppermine. The ground remains snow covered for more than 250 days a year. Snow accumulation begins in September and remains into June. Average annual snowfall rarely exceeds 0.5 m, most of which falls during autumn and spring storms. Small lakes are clear of ice usually by the third week in June (though ice on the larger lakes can persist into the middle of July) and start freezing over again in mid to late September. Wind speeds have been recorded in excess of 100 km per hour. Twenty-four hour daylight persists from May to early August due to

the northern location above the Arctic Circle. The project lies within a zone of continuous permafrost.

Weather information was collected between June and mid-September for 1990-1992 by BHP from its portable weather station at Penthouse Lake. The following table compares this data to that collected at Lupin and Coppermine. For the majority of the time recorded wind speeds were in excess of 25 km/hour and generally from the south.

**Table 1. Weather Data for Region**

		<b>Penthouse Lake</b>	<b>Lupin</b>	<b>Coppermine</b>
<u>JUNE</u>	Mean Daily Temp.	5.8°C	4.7°C	3.8°C
	Max. Temp.	28.0°C	24.4°C	27.8°C
	Min. Temp.	-6.0°C	-13.9°C	-15.0°C
	Rainfall (mm)	0	24	14
<u>JULY</u>	Mean Daily Temp.	11.6°C	9.7°C	9.7°C
	Max. Temp.	30.0°C	27.2°C	32.2°C
	Min. Temp.	-2.0°C	-2.2°C	0.6°C
	Rainfall (mm)	18	36	25
<u>AUG</u>	Mean Daily Temp.	5.5°C	8.7°C	8.7°C
	Max. Temp.	22.0°C	24.4°C	29.4°C
	Min. Temp.	-4.0°C	-3.2°C	-3.3°C
	Rainfall (mm)	23	41	38
<u>SEPT</u>	Mean Daily Temp.	1.4°C	2.0°C	2.5°C
	Max. Temp.	15.0°C	16.7°C	26.1°C
	Min. Temp.	-7.0°C	-11.9°C	-20.0°C

### **5.3 Local Resources**

Surficial glacial deposits in and around the Ulu Mining Lease were deposited during the retreat of the Laurentide ice sheet at the close of the late Wisconsin continental glaciation circa 8,000 BP to 6,500 BP. Ice flow directions are generally to the northwest at Hood River. Quaternary surficial deposits include bouldery thin sandy-silty till veneers less than 2 m thick, thicker hummocky drift sheets likely composed of both sub-glacial and ablation tills which obscure bedrock, and areas of extensive glaciofluvial sediments in eskers, esker complexes and deltas, and kames such as at Esker Lake 5 km south of the Ulu Mining Lease.

### **5.4 Infrastructure**

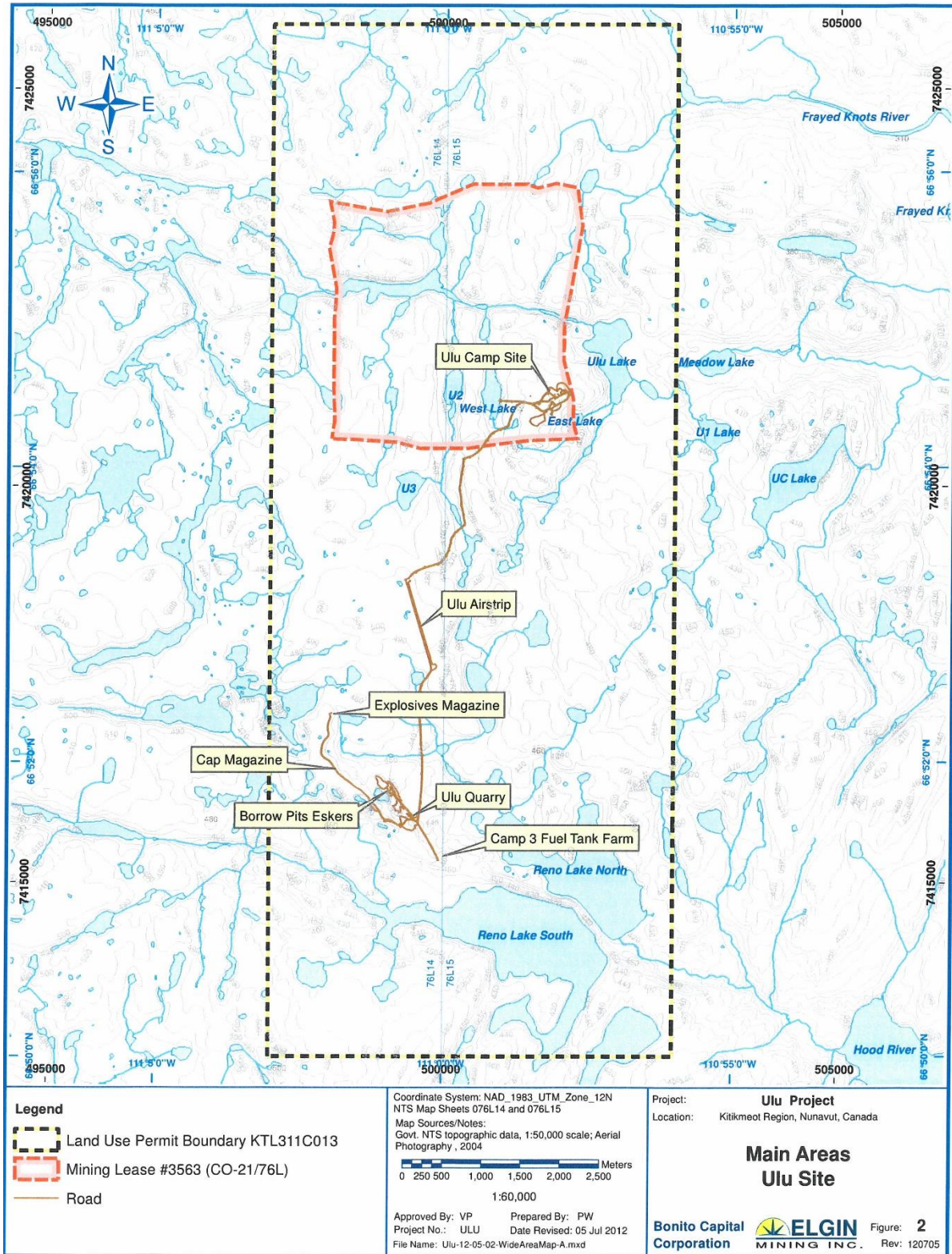
Historically a winter road existed between Yellowknife, and the now closed Lupin Minesite, which had been utilized for economical transportation of supplies during the winter months. In 1996 and 1997 Echo Bay transported equipment and materials over land from Lupin to Ulu, but to the authors' knowledge no apparent road or trail currently exists.

The project area is remote; there is no existing public infrastructure. WPC would acquire the camp at the Ulu Mining Lease for its future field exploration work through the transaction with Mandalay. The camp, on long term care and maintenance, was re-opened by WPC in August 2014 in order to conduct exploration on Ulu and the Hood River Properties. The camp is a fully equipped, 60-man Weatherhaven exploration camp at the Ulu Minesite with offices, mine dry, kitchen facilities, electrical generation, fuel stage (five 14,000 gallon tanks), telecommunications equipment (telephone and internet), 13,000 litres per day water filtration system, sewage treatment and maintenance shop. WPC through its camp contractor, Discovery Mining Services winterized the camp before they departed in September 2014. There are no personnel on that site currently. The 1,350 m long by 30 m wide gravel airstrip owned and operated by Elgin Mining Inc. is located 3.5 km south of the Ulu camp and the Flood Zone. The strip is not on the Ulu Mining Lease. The airstrip is operational. There is an assortment of underground and surface mobile equipment which are generally in poor shape at the Ulu camp site.

There is sufficient area on the lease to accommodate crushing and mineral processing facilities. Alternatively, Ulu mineralization could be transported to Lupin for processing, should the project go to production.

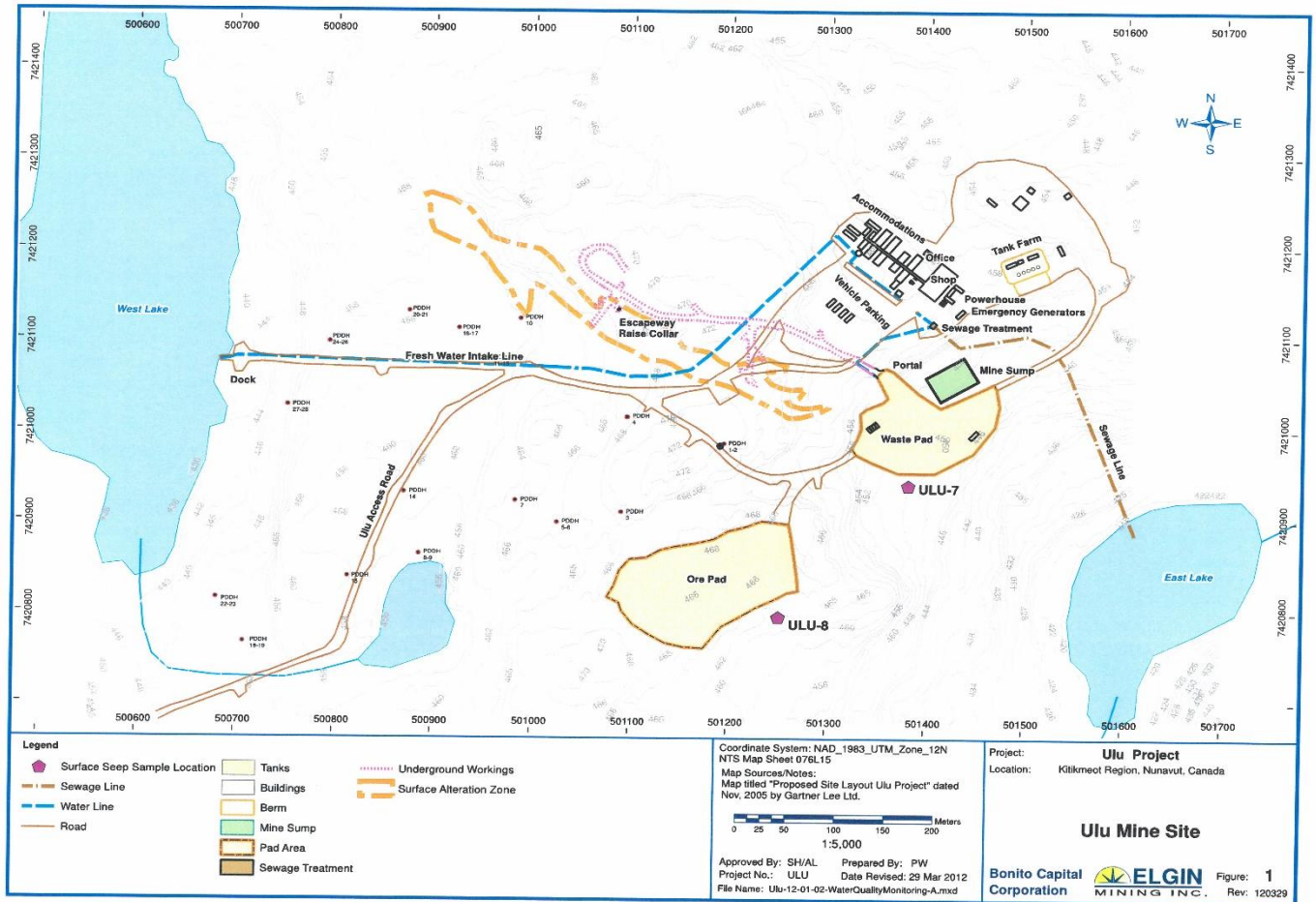
Kugluktuk (Coppermine) is the closest community with regularly scheduled air service. First Air has scheduled flights everyday from Yellowknife to Kugluktuk. The main centre for all supplies, expediting services and transportation to the land holdings is through Yellowknife, situated 523 km southwest of the Ulu Mining Lease.





**Figure 6. Ulu Mining Lease Infrastructure**

**Note:** includes lease location, camp site, Land Use Permit limits and airstrip.



**Figure 7. Detailed Ulu Mining Lease Infrastructure**

**Note:** includes camp and related water system, portal and Flood Zone.

## 5.5 Physiography

Within the Ulu Mining Lease, there is about 85 m of relief in the form of deeply incised linear valleys bounded by steep bluffs. The basalt units form topographic plateaus, elevated over the sediments and granitic rocks. Outcrop density here is typically 50-60%, with the cover consisting of north-trending lakes (accounting for less than 15%), grassy swamps, and boulder-strewn glacial drift and frost-heaved blocks. Regional drainage is easterly into Bathurst Inlet. Major rivers include James River to the north and the Hood River which is located 8 km south southeast of Ulu. Drainage in the vicinity of the Ulu Mining Lease is poorly organized with ponds of standing water without associated inlets and outlets. Locally, the property is located within the Rio Fido watershed that includes Penthouse Lake, which is approximately 2.5 km southeast of the property, and drains northeastward into Frayed Knots River, a tributary of the Hood River. The Hood River valley is incised over 100 m below the surrounding upland plateau. Hood River eventually flows into the Arctic Ocean near Bathurst Inlet.

## 6 HISTORY

### 6.1 *Summary of Exploration on Ulu Claims*

#### 6.1.1 **Summary of 1988-1995 Exploration by BHP**

Based on regional exploration activity outlined in Section 16, BHP initiated exploration on what is the Ulu Property. The original Ulu claim was staked in 1988 on a grab sample during reconnaissance scale tranversing, which returned 1.2 g/t Au in a site 1 km west of what became the Flood Zone. Additional claims were staked (Ulu 2-5 and 7-13) to protect 18 targets and gold showings found by BHP. The Ulu mineral claim block during BHP's period consisted of 13,271.15 acres in 11 claims owned 100% by BHP. Only the Ulu mining lease remains of that claim block, which corresponds to the original Ulu claim.

The Flood Zone Gold Deposit on the Ulu claims was discovered in 1989 with the identification of a 400 m long gossanous boulder trend of silicified needle arsenopyrite bearing mineralization, which returned surface grab samples with values in excess of 20 g/t Au. The Flood Zone lies entirely within the Ulu Mining Lease (see Figure 5). Subsequently, BHP Minerals Ltd. installed a grid for control and mapped the Ulu claims at 1:5,000 scale and later selectively at 1:1,000. Prospecting throughout the 1989 to 1993 period generated extensive grab surface rock samples. Numerous auriferous zones were discovered and delineated by BHP on the Ulu claims, away from the Flood Zone Deposit, mainly by careful prospecting of weathered needle arsenopyrite-bearing silicified frost heaved blocks. These zones are detailed in the Mineralization section. Geochemical surveys included humus and B horizon soil sampling. A limited trenching program in 1992 exposed the northwest portion of the Flood Zone mineralization in a 45 m by 15 m area. The trench was mapped at 1:50 scale and sampled by rock saw channel cuts. Geophysical surveys performed over various mineralized zones included: Total Field Magnetics, Very Low Frequency-Electromagnetics (VLF-EM), Very Low Frequency-Resistivity (VLF-Resistivity), Induced Polarization (IP), Applied Potential, high frequency Electromagnetics, and Radiometrics (Applied Potential and Induced Polarization surveys were found to be the most useful). Orthophotographs supported by accurate surveying were generated in 1990 at 1:1,000 scale for mapping control. Comprehensive environmental baseline studies were carried out on the Ulu Property beginning in 1990.

Diamond drilling of the Flood Zone commenced in late August of 1989, its surface discovery year, where 22 NQ holes were completed totaling 2,980 m. BHP introduced oriented core testing to acquire oriented core measurements with its drilling in 1990. From 1990-1992 BHP continued to drill the Flood Zone in an additional 89 NQ holes in 40,167 m. All up costs per metre ranged from \$47.67 to \$52.06/m in 1992 dollars. Average drilling rates ranged from 30 m to 41 m per 12 hour shift. From 1990 to 1993 BHP also drill tested 14 of 17 outboard gold showings that it had discovered peripheral to the Flood Zone with a total of 80 NQ holes in 8,766 m. The table 2 below tabulates the BHP drilling and the extent of drilling in each zone. Often these other zones were tested with only 2-4 shallow holes. The BHP drilling was conducted before National Instrument 43-101 was implemented, and therefore QA/QC protocols of today were not implemented during those programs. However, the author P. Cowley was directly involved with

these programs to assure the validity of the procedures and management of the data and has conducted data verification against available BHP reports.

**Table 2. Summary of BHP Drilling on Flood Zone and Peripheral Targets**

Area Name	Year	No. DDHs	Length (m)	Significant Assay
Flood	1989	21	2,901	n/a
	1990	45	16,319	n/a
	1991	24	18,300	n/a
	1992	20	5,548	n/a
<b>Totals</b>		<b>110</b>	<b>43,068</b>	
North Fold Nose	90	2	254	36.29 g/t Au / 1.04 m
	91	3	563	54.94 g/t Au / 0.95 m
Central	1990	10	810	27.5 g/t Au / 1.09 m
	1991	5	789	16.2 g/t Au / 0.36 m
Axis	1989, 90, 92	6	764	9.5 g/t Au / 0.81 m
	1993	1	33	6.9 g/t Au / 0.62 m
Contact	1990	5	617	5.15 g/t Au / 1.89 m
	1991	4	877	12.1 g/t Au / 0.69 m
East Limb	1991	4	138	25.54 g/t Au / 0.64 m
Ulu West				untested
West Limb	1989	1	78	no significant values
	1992	2	159	no significant values
South Zone	1990	4	356	6.9 g/t Au / 0.35 m
GNU 1 & 2	1992	14	1,426	14.7 g/t Au / 3.22 m
	1993	1	52	10.1 g/t Au / 1.84 m
Sediment Core	1990	2	257	no significant values
Gabbro Breccia	1991	2	179	10.8 g/t Au / 1.0 m
Emerald Lake				untested
Zebra	1992	1	53	8.3 g/t Au / 2.5 m
	1993	2	215	5.8 g/t Au / 2.21 m
Battleship	1993	2	212	5.2 g/t Au / 0.8 m
Apex	1993	8	857	4.3 g/t Au / 0.59 m
Twilight				untested
Bizen	1993	1	77	1.65 g/t Au / 0.32 m
<b>Totals</b>		<b>189</b>	<b>51,601</b>	

BHP modelled the Flood Zone into 5 individual zones incorporating surface evidence (trench exposures and frost-heaved trends) for strike orientation. The drill hole spacing for their model was approximately 80 m centers. BHP conducted an internal resource calculation in 1993 which preceded NI43-101 and was not made public (see Section 6.4 for details).

BHP conducted several metallurgical tests through its Sunnyvale, California laboratory. In 1990, 120 assay pulps (generated by Acme Labs) from 10 different drill holes were pulverized to -200

mesh and blended into a single composite. The -400 mesh fraction was found to contain 63% of the gold distribution. 95% of the gold was recovered by flotation and over 90% was recovered by cyanidation. No adverse effects of arsenic sulphides or pyrite minerals were noted during cyanidation, even though considerable amounts of arsenopyrite, pyrite and pyrrhotite were present in the sample (Echo Bay, 1998). Subsequently, BHP conducted additional metallurgical tests at their Sunnyvale Lab on seven composite samples from 16 blended drill hole samples. Direct cyanidation followed by flotation, flotation followed by cyanidation and screen analyses of the cyanide residue were completed. Results suggest that gold recovery percentages of low to mid 90's could be achieved with a clean concentrate from a single stage flotation with grinds of -200 or finer. Cyanide leach of fresh ore ground to 200 mesh achieved 90% recovery (Echo Bay, 1998).

BHP conducted comprehensive baseline studies starting in 1990, which included wildlife sightings, bathymetry records, climatic records, water quality data collection and acid rock drainage testing. BHP had Rescan Environmental complete an overview in December 1991.

### **6.1.2 Summary of 1995-2002 Exploration by Echo Bay Mines Ltd.**

Echo Bay Mines Ltd. (Echo Bay) purchased the Ulu project in November 1995.

Echo Bay conducted an internal preliminary resource calculation when it was considering buying Ulu from BHP in 1995. It included only the BHP data but was remodeled by Echo Bay at a 3 g/t cut-off to a depth of 500 m from surface (see Section 6.4 for details; Durston, 1995). From that model and estimation, Echo Bay commissioned H.A. Simons to complete a Pre-feasibility Study in 1995, which again only included the work conducted by BHP up to that time (Durston, 1995). Simons generated a minable diluted resource and mine plan to a 300 m depth using a long hole open stopping method at a rate of 750 tonne per day for 7 years. Material was to be crushed on site and stockpiled for winter transport to Lupin for processing (see Section 6.4 for details of their resource and results of the Pre-feasibility).

Echo Bay re-evaluated the Flood Zone at the time of purchase to the 300 m level at a 5g/t cut-off using only the BHP data at that time (Tansey, 1998; see Section 6.4 for details).

In 1995, Echo Bay applied to Federal and Nunavut agencies for all appropriate permits (winter road, land use, quarry, etc.).

In 1996, Echo Bay received all applicable permits and installed an interim winter road between Lupin and Ulu. They also mobilized surface and underground equipment and supplies by Nodwell and Commander vehicles to a temporary camp (Camp 3; near Esker Lake; see Figure 6) prior to break-up and built an all-weather road from Camp 3 to Ulu site. Tansey (1997) describes the list of surface and underground equipment on site to be: two 2 boom drills, two 8 yard scoops,

a 44 ton and 26 ton truck, scissor-lift, 3.5 yard scoop, grader, Cat 311 backhoe, forklift, Cat 988B, Cat 920, Cat 824C dozer, school bus, 3 ton flatbed with Hiab crane and 3 pickups (the condition of each was not assessed in the 2014 visit by the author). Echo Bay installed a 60 man campsite (interconnected Weatherhaven insulated tents) between August and late September 1996. Power was installed with 4 generators. Water source was connected from West Lake 700 m to camp (27,000 litre general use water tank and a 63,000 litre tank for fire control). Sanitary sewage was set up to treat and release to a lake 300 m from camp. The Ulu fuel tank farm of five 14,000 gallon tanks was installed, surrounded by a dyked lined containment area. In 1996, Echo Bay conducted surface diamond drilling of 38 holes totaling 4,012 m of NQ core specifically as an infill program on the Flood Zone as well as 6 surface holes totaling 1,114 m on peripheral targets. That year Echo Bay collared a portal and installed a 632 m long 5.2 m wide x 4.9 m high -15% ramp to the 75 m level to access the Flood Zone. A 750 kg bulk sample was excavated from the V2 zone of the Flood deposit for metallurgical testwork at Lupin. In 1996 Echo Bay collected 338 surface channel samples from the North Fold Nose, Contact, Zebra, Gnu, Wolverine (Central) and Twilight peripheral zones. In 1996, Echo Bay signed a historic Inuit Impact and Benefits Agreement with the Kitikmeot Inuit Association where Echo Bay guaranteed 60% Inuit workforce at Ulu.

In 1997, the ramp was extended to the 155 m level. An escapeway/fresh air vent raise and 7 cross cuts were also excavated. Cross-cuts were set at 20 m vertically apart (75, 95, 115 and 135 m levels) and the vent raise was connected to each level. From the 100 m and 120 m level cross-cuts, diamond drill stations were installed. From these two stations, a total of 101 diamond drill holes totaling 16,011 m in-filled the Flood Zone drill pattern to roughly 40 m centers. It was stated that the underground development to the 155 m level did not encounter any pervasive ground control problems and none was anticipated in future programs. Ground water was not a problem, due to the entire development being in permafrost. Echo Bay also completed an additional 13 surface diamond drill holes totaling 2,375 m on peripheral zones. The 1997 drill program was shut down prematurely in August 1997 when mining operations were suspended (Tansey, 1998). From the 1996 and 1997 peripheral target testing, it was concluded that the Contact, South Zone, Flood Extension and West Limb targets warranted further drilling. In 1997 Echo Bay collected 286 surface channel samples from the Contact, Axis, West and South peripheral zones.

Following and including the 1996 and 1997 drilling, Echo Bay updated the model of the Flood Zone, working from the BHP model. With the most detailed drilling pattern, they re-modelled the Flood Zone into 14 zones, labelled V1 to V14. Using a 5 gram per tonne gold cut-off, a 1.5 m minimum mining width, a specific gravity of 3.00 and a vertical depth of 360 m, they developed a resource estimate using both ordinary kriging and inverse distance squared methods (Tansey, 1998; see Section 6.4 for details).

Echo Bay conducted metallurgical testwork of the Flood Zone that followed the process flowsheet at Lupin. Echo Bay's strategy was to test the viability of processing Flood Zone as satellite feed to Lupin. Tansey (1998) stated that approximately 2,227 tonnes @ 13.82 g/t Au was stockpiled at Ulu from the 1996/97 underground program. The bulk sample was taken from

the V2 on the 25 m level (the V2 vein is a lesser vein to the bigger V4 vein, however, similar in nature to V4). The sample was crushed with a jaw crusher and split to about 300 pounds, crushed further with a cone crusher and further split. Size fraction analyses showed the coarsest gold particle at 0.5 mm. About 10% of the gold was associated with silicates with 84% passing 200 mesh. The bulk of that sample remains in a stockpile at the Ulu site.

Tansey (1997) reported on Echo Bay's efforts in permitting, *“Permit applications for land use right-of-ways, quarrying of esker material for road building on portages, and water licences, and baseline environmental and archaeological studies had to be prepared and submitted. With the various other permit requirements for diesel equipment use, fuel and explosive storage, etc., a regulatory list of over 70 separate items has been identified. To date, there has been no major impediment to any permit application, and no compliance issues with any permit granted to the Ulu project. As well, there has been no significant or organized opposition to the project by individuals or groups in the private or public sectors.”*

In December 1997, Echo Bay produced an updated Feasibility Study on Ulu, authored by G. Tansey. This was further updated in an October 1998 edition (Tansey, 1998). From the September 1997 geological resource, a diluted minable resource was generated. A mine plan of drift development and longhole open stoping at a 590 tonne per day for seven years was proposed. Material was to be crushed on site and stockpiled for winter transport to Lupin for processing (see Section 6.4 for details of resource and Feasibility Study).

In 2002, Echo Bay had costed a \$15.7 million 1 year long program designed for 2003 to bring the project to a production decision point but the program was not funded (Tansey, 2002). The program was designed to include 27,000 m of underground diamond drilling, 1,060 m of ramping, 1,130 m of lateral drifting in waste, 515 m of drifting in ore and the establishment of a vent raise. The cost estimate did not include the development of a winter road between Lupin and Ulu. The program was in anticipation of a positive production decision at Ulu at 600 tonnes per day. That rate had been chosen so as not to trigger a full Federal Environmental Assessment Study.

### **6.1.3 Summary of 2002-2004 Exploration by Kinross Gold Corp.**

In 2002, Kinross Gold Corp. (Kinross) acquired the Ulu project in a business combination with Echo Bay. Records are limited. It appears that Kinross did not conduct any physical exploration work on Ulu. Kinross conducted an internal evaluation of the site and data and chose not to continue with the project. Kinross allowed all of the Ulu claims except the Ulu Mining lease to lapse.

#### **6.1.4 Summary of 2004-2006 Exploration by Wolfden Resources Corp.**

Wolfden Resources Corporation (Wolfden) acquired the Ulu Mining Lease from Kinross in December 2003 for \$2 million, 2 million units of Wolfden and \$1.127 million cash for infrastructure, mining equipment and fuel on site as part of its strategy to acquire properties in the vicinity of its High Lake deposit to the north and use a common mill complex. Wolfden commissioned a Qualifying Technical Report on the Ulu Mine Property dated August 9, 2004 authored by G.A. Harron. Between April and November 2004 Wolfden conducted a 44 hole surface NQ diamond drilling program totaling 18,569 m principally on the Flood Zone (to achieve 25 m drill centres, extend the limits of the deposit and discover new peripheral zones) between April and October 2004. Wolfden also completed mapping and sampling to assess peripheral gold targets on Ulu in 2004. They recommended drilling only on the West Limb Zone. In 2004 Wolfden also extended the airstrip immediately south of Ulu by a further 150 m to a full length of 1350 m. They also widened the strip by 5 m to a 30 m width. This was to remedy a safety issue and allowed larger aircraft (Hercules) to reduce supply delivery costs. Wolfden had Wardrop Engineering, Gartner Lee Ltd. Points West Heritage Consulting Ltd. and BGC Engineering conduct several engineering, environmental and archaeological studies as part of a bigger Environmental Impact Assessment for a combined High Lake deposit and Ulu project evaluation.

The 2004 program cost \$6,327,138. Drilling cost, excluding assays and other project related costs, was stated to be \$98.96 per meter. Air support and drilling amounted to 62% of the Ulu budget in 2004 (Stevenson, 2005).

47 kg from the surface stockpile from Echo Bay's 1997 bulk sample were tested for Wolfden for gold gravity recovery. The Knelson Research and Technology Centre testwork suggested that approximately 50.8% of the gold was recoverable by a gravity step with a final grind size of 81 microns.

Wolfden re-opened the Flood Zone portal in 2005, planning to extend the cross-cuts with a total of 395 m of lateral development and establish zone and grade continuity on additional zones at Flood. Two to four metres of ice at the portal hindered progress and by June 2005 forced suspension of the advancement until 2006 (Wolfden Information Circular, 2006). Wolfden also conducted mapping and prospecting in 2005 to upgrade other known gold showings at Ulu. Wolfden completed one diamond drill hole in 2005 in the West Limb Zone without significant results.

In 2006, Wolfden resumed activities at Ulu to mine the remaining ice and conduct its original tunneling plan from 2005. Procon Mining & Tunneling was contracted for the work, which commenced in May 2006 and went to early August when the Mines Inspector shutdown the operation because the concrete collar of the vent raise was determined to be structurally unsafe as a secondary egress. The vent raise is the only secondary egress in the underground development at Flood. Wolfden determined the cost of re-establishing the secondary egress to be prohibitive and postponed further work at Ulu.



Wolfden completed additional metallurgical testwork from material collected in 2004 and sent to Lakefield Research in 2006. It is unclear where the sample came from, but is presumed to be sourced from Echo Bay's surface stockpiles from the Flood Zone. Flotation, gravity recovery, bottle rolls and hardness testwork was done, however, results are unavailable (Wolfden Information Circular, 2006).

Wolfden commissioned George Wahl, P.Geol. to complete a technical report prepared in accordance with NI 43-101 in 2005. Wahl's report dated February 28, 2005 and entitled Technical Report Ulu Gold Project Resource Estimate reported mineral resource estimates for the Flood Zone at 5, 6 and 7 g/t cut-off grades (Wahl, 2005; see Section 6.4 for details). This resource included BHP, Echo Bay and Wolfden drilling data to that date. Wahl appears to have accepted the Echo Bay model but renamed the zones 10 to 140.

Wolfden commissioned Wardrop Engineering to complete a Preliminary Economic Assessment (PEA), which was finalized June 26, 2006 and entitled "Preliminary Economic Assessment on the Ulu Property authored by E. Harkonen, P.Eng. of Wardrop (Harkonen, 2006). The PEA included G. Wahl's resource estimate. Their mine plan considered mining 6 years at a rate of 800 tpd and assuming hauling and processing at High Lake. It also provided an analysis if there was milling on site at Ulu (see Section 6.4 for details of the resource and PEA results).

In 2005, it was Wolfden's intentions that it would have both High Lake and Ulu in production by 2007.

In 2006, Wolfden estimated over \$45 million of exploration and development had been completed on Ulu.

### **6.1.5 Summary of 2007-2011 Exploration by Zinifex, Oz Minerals and MMG and Minmetals Resources Ltd.**

Wolfden was acquired by Zinifex of Australia in 2007, which merged with Oxiana Ltd. to become Oz Minerals. Oz Minerals was acquired by MMG Resources Inc. in 2009. No exploration activities or studies are known to have occurred during this time.

### **6.1.6 Summary of 2011-2012 Exploration by Elgin Mining Inc.**

Elgin Mining Inc. (Elgin) acquired the property and commissioned George Wahl, P.Geol. to update the Ulu resource at a 2.5 g/t Au cut-off. Wahl's technical report dated June 27, 2011, estimated a resource from surface to a vertical depth of 360 m (Graham and Wahl, 2011); see Section 6.4 for details). The study used US\$1,250/oz Au price, no top cutting, a 3.0 g/cc specific gravity and a 1.5 m minimum mining width. The resource did not include drilling by Elgin in 2012. It appeared there was no new modeling undertaken with this resource estimate.

Elgin did a desk top study and recommended mapping, sampling and drilling at the West Limb, Central, Ravine, Contact and West Sub Zone A, B and C. In 2012, Elgin completed a 13 hole surface diamond drilling program on Ulu with 2,860 m in 8 holes focused on extending the Flood Zone and 1,071 m in 5 holes explored 3 peripheral targets (1 hole in the Ravine target, 2 holes in the Contact Zone and 2 holes in a target called Inter Lake). Elgin's drilling appeared to be driven by testing conductors coincident with iron stained gossans in the vicinity of surface gold results. Two intercepts were returned from their Inter Lake Target (2 m of 4.33 g/t Au and 2 m of 2.71 g/t Au). Elgin reported taking 132 surface samples on Ulu from peripheral targets.

## 6.2 Summary of Historic Mineral Resources 1992-2011

**Table 3. Historic Resource Estimates on Ulu and Accompanying Notes**

Year	Indicated			Inferred			Author
	Tonnes	Grade (g/t Au)	Contained oz	Tonnes	Grade (g/t Au)	Contained oz	
1993 <sup>1,10</sup>				2,754,000	11.25	996,100	BHP
1995 <sup>2,10</sup>				3,272,000	9.57	1,006,700	Echo Bay
1995 <sup>3,10</sup>				1,735,000	10.99	612,600	Simons
1995 <sup>4,10</sup>				1,491,114	12.78	612,600	Echo Bay
1997 <sup>5,10</sup>				1,369,000	12.91	565,400	Echo Bay
1998 <sup>6,10</sup>				1,156,200	11.47	426,400	Echo Bay
2005 <sup>7,1</sup>	720,000	11.70	270,800	410,000	10.73	141,400	Wahl
2006 <sup>8,11</sup>	856,700	9.78	269,400	494,480	8.88	141,200	Wardrop
2011 <sup>9,11</sup>	751,000	11.37	274,500	418,000	10.61	142,600	Graham and Wahl

Notes:

1. BHP conducted an internal resource estimation, which preceded NI43-101 and was not made public. Their numbers assumed a 7g/t Au cut-off, a 2.0 m mining width and SG of 2.923 g/cc based on 107 holes with a drill hole pattern density of 40m vertically and 50 m horizontally to a vertical depth of 500 m. The estimate was averaged from level plans and cross-sections and were uncut and undiluted (Flood, et.al, 1993).

2. Echo Bay conducted an initial resource calculation when it was considering the buying Ulu from BHP. It included only the BHP data but was remodeled by Echo Bay at a 3 g/t cut-off to a depth of 500 m from surface. This figure was given to H.A. Simons for their 1995 Pre-feasibility study in note 3 (Durstun, 1995). The internal undiluted resource was prior to the implementation of NI43-101.

3. H.A. Simons performed a Pre-feasibility study commissioned by Echo Bay based on the resource estimate in note 2 (from BHP data only). Simons identified a diluted mineable resource above 5 g/t Au to a 300 m vertical depth. Their mine plan proposed a long hole open stoping method at a rate of 750 tonne per day. Material was to be crushed on site to -4 inches, and stockpiled for winter transport to Lupin for processing. Mill recoveries were estimated at 88%. Total operating costs for a 7 year life were estimated to average Cdn\$364/oz or Cdn\$112.75/tonne milled and capital costs were estimated at Cdn\$41.35 million. Using US\$375/oz gold price and an exchange rate of \$0.75, the project was shown to generate a pre-tax internal rate of return of 6.2% at 0% discount rate (Durstun, 1995). The resource was prior to the implementation of NI43-101. The authors have not verified the study nor do they consider the study to be current.

4. Echo Bay re-evaluated the Flood Zone at the time of purchase to the 300 m level at a 5g/t cut-off using only the BHP data at that time (Tansey, 1998). The internal undiluted resource was prior to the implementation of NI43-101.

5. Following and including the 1996 and 1997 drilling, Echo Bay updated the model of the Flood Zone, starting from the BHP model. With the most detailed drilling pattern (301 holes), they re-modelled the Flood Zone into 14 zones, labelled V1 to V14. Using a 5 g/t gold cut-off, a 1.5m minimum mining width, a specific gravity of 3.00 g/cc and a vertical depth of 360 m, they developed a resource estimate in September 1997 using both ordinary kriging and inverse distance squared methods. The internal undiluted resource was prior to the implementation of NI43-101 (Tansey, 1998).
6. In December 1997, Echo Bay produced an updated Feasibility Study on Ulu, authored by G. Tansey. This was further updated in an October 1998 edition (Tansey, 1998). From the September 1997 geological resource in note 5, Echo Bay in the Feasibility Study identified a diluted minable resource and a mine plan of drift development and longhole open stoping at a 590 tonne per day throughput for 7 years. Material was to be crushed on site to -4 inches, and stockpiled for winter transport to Lupin for processing. Only minor modifications were envisioned to the Lupin mill process for the Ulu processing. Mill recoveries were estimated at 88%. Total operating costs were estimated to average Cdn\$290.88/oz or Cdn\$99.73/tonne milled and capital costs were estimated at Cdn\$16.9 million or Cdn\$45.05/oz. Using US\$350/oz gold price and an exchange rate of \$0.65, the project was shown to generate a pre-tax internal rate of return of 49% at 0% discount rate. This excluded the \$43.5 million pre-production written off in 1997. The Feasibility Study was prior to the implementation of NI43-101. The authors have not verified the study nor do they consider the study to be current.
7. Wolfden commissioned George Wahl, P.Geo. to complete a NI 43-101 technical report. Wahl's report dated February 28, 2005 and entitled Technical Report Ulu Gold Project Resource Estimate reported mineral resource estimates for the Flood Zone at 5, 6 and 7 g/t cut-off grades (the 5 g/t Au cut-off is produced above in the table (Wahl, 2005). This resource included BHP, Echo Bay and Wolfden drilling data to that date. Wahl appears to have accepted the Echo Bay model but renamed the zones 10 to 140.
8. Wolfden commissioned Wardrop Engineering to complete a Preliminary Economic Assessment (PEA) which was finalized June 26, 2006 and entitled "Preliminary Economic Assessment on the Ulu Property" authored by E. Harkonen, P.Eng. of Wardrop. The PEA included G. Wahl's resource estimate in note 7. Wardrop identified that a diluted minable resource and mine plan at 5 g/t cut-off over 6 years at 800 tpd would generate 379,000 oz of gold at a Total Production cost of Cdn\$102.03/tonne or Cdn\$398.90/oz, assuming hauling and processing at High Lake, assuming 92% recovery and a Capital Cost of Cdn\$39.1M, a gold price of US\$450/oz, \$0.83US exchange rate and would generated a 5% IRR. It also showed that if there was milling on site at Ulu the project IRR would be 13%. The authors have not verified the study nor do they consider the study to be current.
9. Elgin commissioned R. Graham, P.Geol. and George Wahl, P.Geo, to update the Ulu resource at a 2.5 g/t Au cut-off. Wahl's NI43-101 report dated June 27, 2011, estimated a resource from surface to a vertical depth of 360 meters. The study used US\$1250/oz Au price, no top cutting, a 3.0 g/cc specific gravity and a 1.5 m minimum mining width. The resource did not include drilling by Elgin in 2012.
10. Readers are cautioned that the reference to the resource estimate is a historical resource estimate and does not conform to the requirements and rules of the National Instrument 43 - 101. While the resource estimates and analysis were undertaken by competent professionals, the Qualified Persons of this technical report have not done sufficient work to classify the historical estimate as current mineral resources. WPC is not treating the historical estimate as current mineral resources and the historical estimate should not be relied upon.
11. Readers are cautioned that the reference to the resource estimate, although conform to the requirements and rules of the National Instrument 43 - 101 and written and published by qualified professionals, the estimates and analyses were not verified by the Qualified Persons of this technical report. WPC is not treating the estimate as current mineral resources and the estimate should not be relied upon, as this technical report provides a current resource estimate.

## 7 GEOLOGICAL SETTING AND MINERALIZATION

The Slave Structural Province encompasses an elliptical area 500 km wide by 750 km long and is located between Great Slave Lake to the south and the Coronation Gulf to the north. It is bounded to the west by the Bear Province (Proterozoic strata of the Wopmay Orogen 1950–1840 Ma.), to the south and east by the Churchill Province (the Thelon Orogen 2020–1910 Ma.) and to the north by younger Proterozoic sedimentary rocks. Rocks within the Slave Structural Province are assigned to three lithotectonic assemblages identified as: an early assemblage of gneisses, granitic rocks and quartz arenites; Yellowknife Supergroup greywackes, mudstones, volcanic rocks and synvolcanic intrusions; and a younger sedimentary-plutonic assemblage of clastic sediments and granitic rocks. The distribution of ultramafic rocks in the Slave is volumetrically insignificant when compared to Archean cratons of a similar age (i.e., the Superior Province). Another significant difference is the greater percentage of turbidite domains within the Slave.

The earliest assemblage includes the ca. 4.03 Ga. Acasta gneisses (oldest known intact rocks on earth – Stern and Bleeker, 1998), 2.82 Ga. – 3.15 Ga. granitoid gneisses (Van Breemen et al., 1996) as well as a 2.85 Ga. quartzite-banded iron formation group (Cairns, 2003) generally found west of 111° latitude. The Yellowknife Supergroup is exposed as twenty-six linear volcanic belts surrounded by granitic batholiths (Padgam, 1985). These volcanic belts are typically isoclinally folded and largely range in age from 2715–2671 Ma. (Mortensen et al., 1988 and Isachsen et al., 1991). Padgam (1985) has divided the greenstone belts in mafic volcanic-dominated (Yellowknife-type) and felsic volcanic-dominated (Hackett River-type). Yellowknife-type volcanic belts are dominated by massive to pillowed tholeiitic basalt flows with lesser amounts of calc-alkaline felsic volcanic and volcanoclastic rocks, clastic sedimentary rocks and occasionally synvolcanic conglomerate and carbonate units (Sherlock et al., 2003). The Hackett River-type belts are defined by the abundance of calc-alkaline felsic and intermediate volcanic rocks intercalated with turbidite.

A late (2.62 – 2.60 Ga.) volcanic and sedimentary assemblage consisting of felsic to intermediate volcanic rocks associated with conglomerate and sandstone (“Timiskaming-type”) has been identified overlying some of the volcanic belts (Villeneuve et al., 1997). A pan-Slave deformation event is recorded in all supracrustal rocks by the presence of at least greenschist facies mineral assemblages. Higher metamorphic grades, indicated by the presence of cordierite and andalusite, are recognised in some belts.

Granitoid rocks that are coeval with, or postdate the supracrustal assemblages comprise greater than 50% of the Slave Province. Synvolcanic granitoid rocks are typically tonalites, diorites, and granodiorites, and these have been dated at 2.70 to 2.64 Ga. (Villeneuve et al., 1997). Late to post-deformational granitoids include megacrystic biotite granodiorite and two-mica granites and range in age from 2605 to 2580 Ma. (Van Breemen, 1996).

At least five episodes of Proterozoic diabase dyke “swarms” (2400 Ma – 600 Ma.) have been recorded in the Slave Structural Province (McGlynn and Henderson, 1972). These include the northeasterly trending 2.23 Ga. Malley dikes, the east-west Mackay suite of 2.21 Ga., the north-trending 2.02 Ga. Lac de Gras dikes (2.02 Ga.) and the north-northwest-trending 1.27 Ga. Mackenzie set. These dyke sets form local positive relief where they intrude easily eroded

lithologies such as the metaturbidites and negative relief in areas where they are juxtaposed with granites and gneisses.

Proterozoic metasedimentary cover rocks, having limited aerial extent in the Slave Structural Province, are located near Rockinghorse Lake and northeast of Contwoyto Lake, straddling the Burnside River, and extending to Bathurst Inlet. These rocks comprise the Goulburn and Epworth groups and represent cratonic and marginal geosynclinal environments and lie unconformably on Archean basement (Bostock, 1980).

A compilation of the geology mapping of the Slave Craton was published in 1993 by Hoffman and Hall (Hoffman and Hall, 1993), reproduced below in Figure 8.

Over 300 kimberlites have been discovered in the Slave since 1991 (John Armstrong, C.S. Lord Centre 2003, pers. comm.). They range in age from Eocene (47 Ma.) at Lac de Gras, through to Cambrian (539 Ma.) at Kennedy Lake (Carlson et al, 1999). Intrusions of kimberlite are also represented at several intervening time periods including Paleocene and Cretaceous (Lac de Gras field), Jurassic (Jericho), Silurian (Orion), and Ordovician (Cross). The majority of kimberlite pipes in the Slave are in the 1 to 5 hectare surface area range (Carlson et al, 1999) though larger pipes such as the 11 hectare Ranch Lake and the 31 hectare Drybones Bay kimberlite are also present. There are currently three operating diamond mines (Ekati, Diavik, and Snap Lake) in the Slave Structural Province. De Beers Canada's Gahcho Kue project continues toward production. The Jericho mine is no longer operating.



**Figure 8. General Geology of Slave Structural Province**

**Note:** after Hoffman and Hall, 1993.

## 7.1 Regional Geology

The Ulu Mining Lease covers part of the central portion of the Archean-aged High Lake Volcanic Belt (HLVB) in the northern part of the Slave Structural Province. The High Lake Volcanic Belt (HLVB) has been characterized as a “Hacket River”-type volcanic belt (Padgham 1985) due to the predominance of felsic volcanic rocks. Early exploration activity in the HLVB focused on the potential for syn-volcanic massive sulphides in intermediate to felsic volcanic rocks. Government mapping includes work by Fraser (1964), Easton (1:125,000 scale; 1982), Jackson et al., (1:30,000 scale; 1985 and 1986) and Henderson et al., (1:20,000 scale; 1993, 1994, 1995, 1996). Henderson’s mapping and age dating by Villeneuve established that there are three domains in the belt.

The HLVB is part of a northerly trending complex of volcanic and sedimentary rocks bounded from the west and east by extensive granitic plutons. This belt is 7 – 15 km wide and 135 km long extending in a north-south orientation almost to the Coronation Gulf. The belt is noteworthy for its abundant pyritic siliceous gossans and major shear zones. The oldest domain is the felsic-dominated western section of the belt, which produced an age date of 2.70 Ga. (Henderson et al., 1995). Carbonate-rich sediments and banded iron formation are also found in the Western domain. The High Lake Volcanogenic Massive Sulphide deposit is found in rhyolitic flows and fragmental volcanics of this domain. The eastern domain with basalt, andesite, and dacitic flows and tuffs yielded the next youngest age of 2.67 Ga. Interestingly, the youngest domain is located in the sediment-dominated centre of the belt. A dacite sample, found between greywacke and graphitic argillite yielded an age of 2.62 Ga. (Villeneuve et al., 1997). In the southern half of the belt which hosts the Ulu project, massive and pillowed mafic and intermediate flows tend to be amygdaloidal and often porphyritic. Relatively thick accumulations of intermediate fragmentals, interbedded and interfingered with felsic equivalent rock and intermediate flows occur in the vicinity of Frayed Knots River (Jackson et al, 1986A).

The HLVB has been subject to greenschist metamorphism increasing to amphibolite-grade metamorphism in the vicinity of granitoid intrusions (Henderson et al., 1993). The northerly trending supracrustal rocks in the HLVB are surrounded and intruded by 2.62-2.58 Ga. granitic plutons and batholiths. High-grade deformed-metamorphosed rocks (including banded orthogneiss and paragneiss) are found on the western boundary of the central part of the HLVB (Kleespies 1994).

Regionally, the belt has been deformed into a major syncline with a subsidiary antiform in the central portion. There are three main deformation events recorded in the HLVB. Evidence for  $D_1$  is an early cleavage that parallels and is folded along with bedding ( $S_0$ ) in later  $D_2$  folds ( $F_2$ ). This second deformation event,  $D_2$ , produced north-trending isoclinal  $F_2$  folds, which lack an axial planar cleavage (Henderson et al., 1993). A well developed northeast-trending penetrative fabric records a third major deformation event,  $D_3$ . This  $S_3$  fabric postdates  $F_2$  folding and predates the emplacement of the granitoids (Kleespies 1994).

Post-Yellowknife Supergroup plutonic rocks include granodiorites and leucogranites. The coarse-grained granodiorites form the bulk of the plutonic rocks and have been dated at 2.605 Ma. (Villeneuve, 1997). Biotite and hornblende are present as the principle accessory phases.

Leucogranites, with biotite and muscovite as accessory minerals, are found as small coarse-grained plutons. One such pluton, located east of Ulu Lake in the central domain, has been dated at 2,588 Ma. (Villeneuve, 1997).

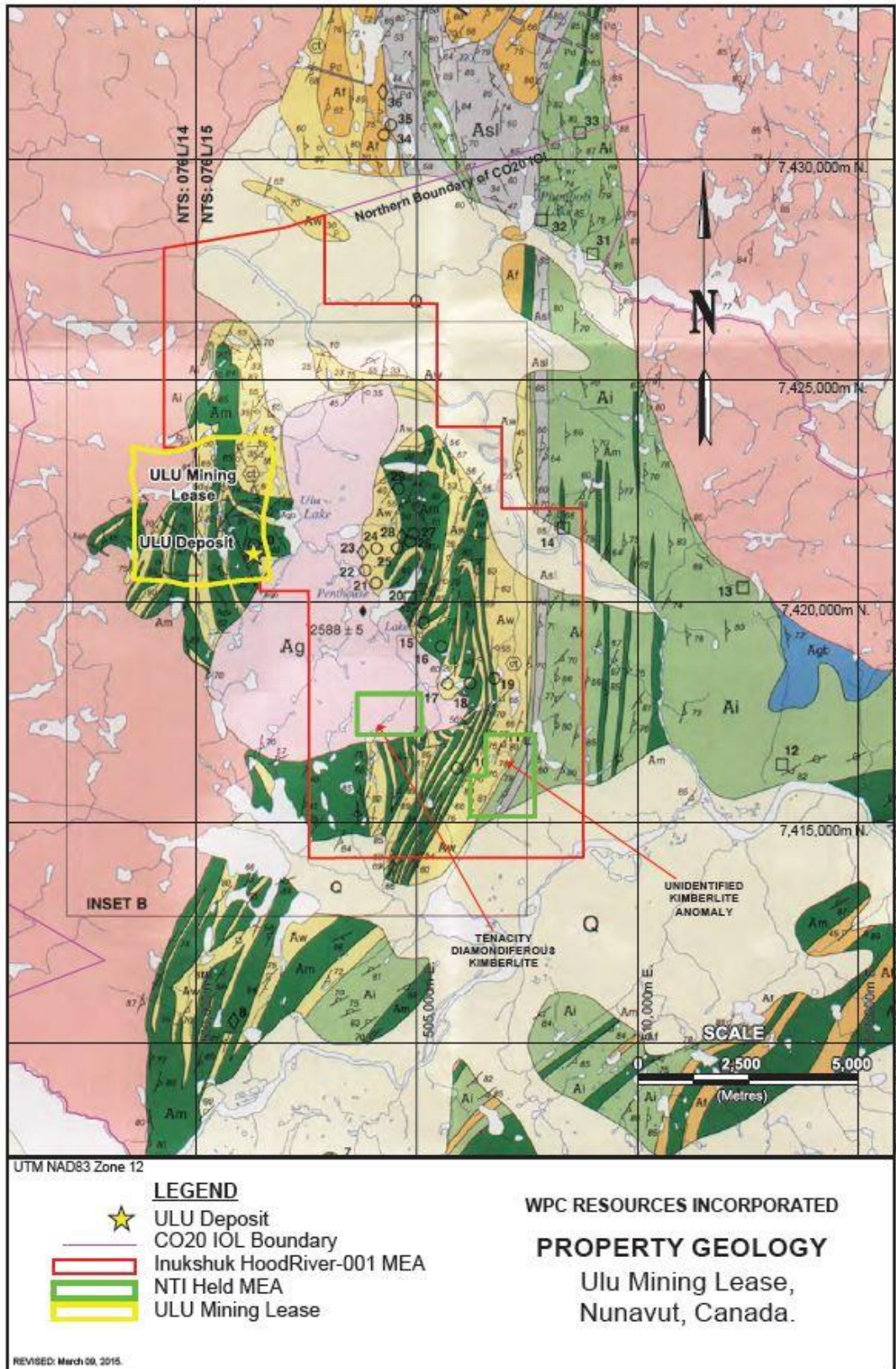
Three orientations of diabase dykes exist in the HLVB. The dominant NW trending ( $340^{\circ}$ ) dykes are interpreted to be correlative to the 1.27 Ga. Mackenzie swarm. East-northeast ( $070^{\circ}$ ) trending dykes are less common and may correspond to the similarly orientated swarm in the Lac de Gras area. The third diabase dyke set is east-west striking and plagioclase phyrlic. This set might be related to the Mackay suite of 2.21 Ga.

One kimberlite pipe, Tenacity, is known to occur within the High Lake Volcanic Belt. The surface expression is approximately 80 m by 100 m. Tenacity has a preliminary age date of 540 Ma. This pipe is covered by the southwestern internal Mineral Exploration Agreement (MEA) held by the NTI, surrounded by Inukshuk's Hood River Property (HOODRIVER-001 MEA, Figures 4 and 5).

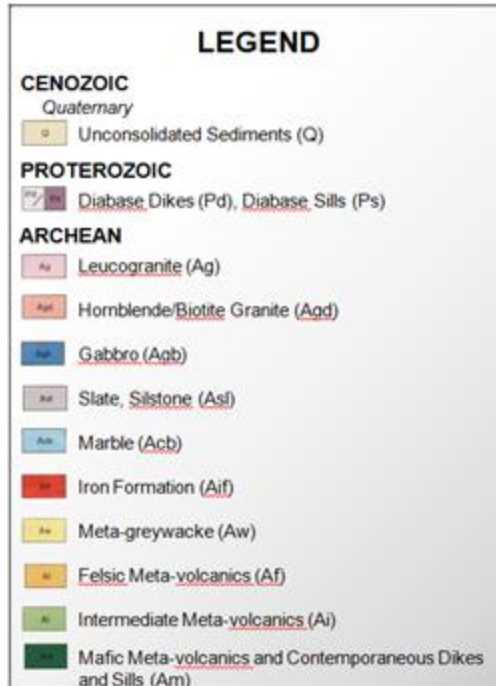
Quaternary surficial deposits in the Hood River area include glaciofluvial boulders, thin sandy-silty till deposits less than 2 m thick and locally thicker hummocky drift sheets composed of subglacial tills. These are interlayered with areas of extensive glaciofluvial sediments in eskers and deltas and kames.

Helicopter magnetic/EM surveys were flown over the property in 1996 and again in 1997 by previous operators of the Hood River ground (Tahera / Kennecott). The data as currently compiled are shown below as Figure 10 and support geological interpretations of lithological units and their projections.

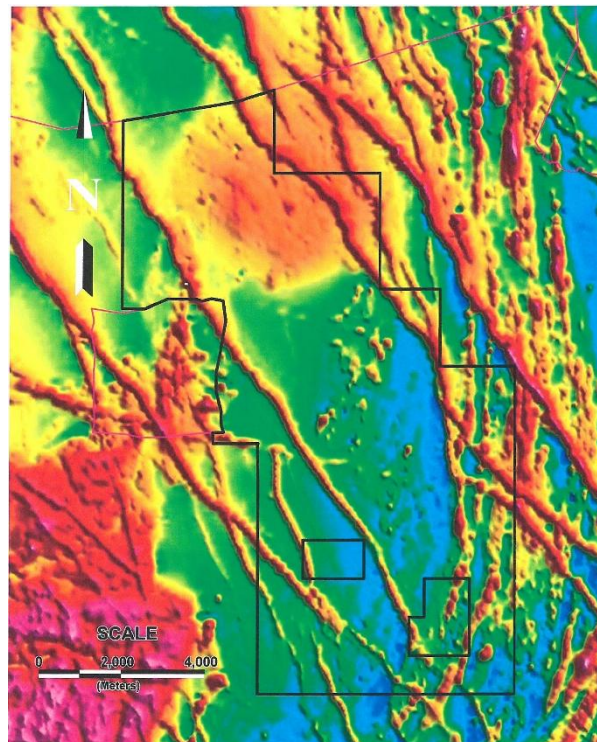




**Figure 9. General Geology of the Ulu Mining Lease and Hood River Property Area**  
adapted after Henderson et al. (2000).

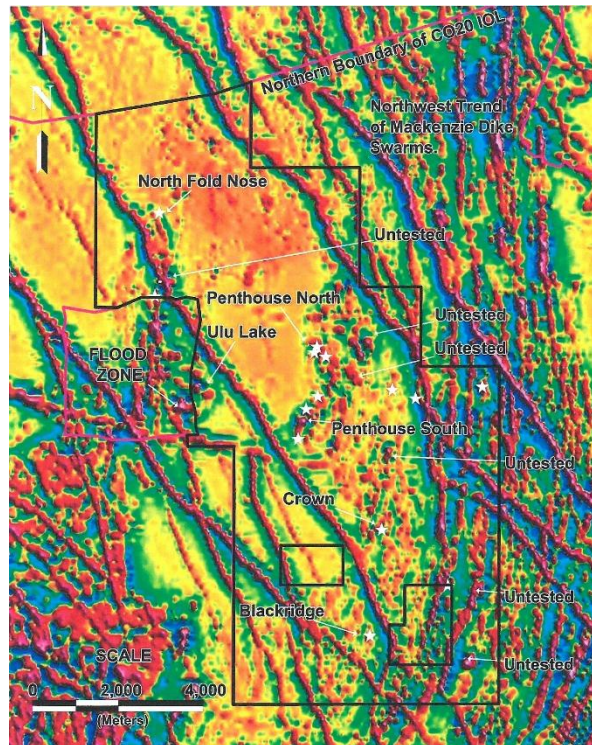


Legend to geological map above.



**Figure 10: Total Magnetics**

**Note:** Ulu Mining Lease magenta outlined and the adjacent Hood River Property boundary outlined in black.



**Figure 10: Magnetics – First Vertical Derivative - Ulu Mining Lease (lefthand side of page) and the adjacent Hood River Property boundary outlined in black.**

## 7.2 Property Geology

The Ulu Mining Lease is located in the central domain on the western margin of the HLVB where Yellowknife Supergroup rocks are in contact with an Archean granitic batholith. The property covers supracrustal rocks in a sequence of basalts (40%), greywackes (45%) and gabbroic sills (15%) that have been folded into a series of  $F_2$  anticlines and synclines, supported by remnant pillow structures indicating younging direction. There are no felsic volcanic rocks on the property. The supracrustal rocks have been metamorphosed to amphibolite grade. The supercrustals form a 2-3 km wide lobe separated from the bulk of the High Lake belt by a narrow embayment of granitic rocks, an apophysis of the granitic batholith. This apophysis is a leucogranite plug (informally named the “Peanut Intrusion”) and lies to the east of this volcanic/sedimentary sequence. Late stage feldspar porphyry, quartz diorite and diabase dykes locally intrude this sequence.

High-iron tholeiitic basalt units, 0.2 – 1.0 km thick, form topographically dominant plateaus. The basalts are typically very fine-grained light green, dark green to black, massive to poorly foliated flows with remnant pillows. Younging northwest directions from pillow structures are found on the western limb of the main  $F_2$  fold. The basalt units have associated gabbroic phases of fine to medium-grained appearing to be conformable to flow structures.

Gabbroic sills, 150–300 m thick were intruded prior to the main folding event. They are medium to dark green uniform, massive, medium to coarse-grained bodies with biotite metacrysts and are

occasionally feldspar phyric. The gabbro units appear concordant to the stratigraphic succession with both gradational and semi-sharp contacts. The gabbro bodies may represent the hypabyssal equivalents of the basaltic flows, or, in some cases may be the coarser-grained flow cores.

Sedimentary rocks underlie approximately 45% of the property, but given that they weather recessively, exposure is, for the most part, restricted to frost-heaved blocks. These rocks form intervals tens to hundreds of metres thick and consist of primarily quartz-biotite +/- cordierite schist (metamorphosed turbiditic greywacke) beds, with thin argillitic interbeds. The biotite schists are medium grey to dark grey-brown, fine-grained and well foliated. Andalusite, muscovite, and almandine garnets are also minor components in the sedimentary rocks producing a knotty texture. The protolith may be quartz-feldspar greywacke. Remnant sedimentary features are not generally preserved but upward fining sequences have been noted in drill core. The argillites are dark grey to black, foliated and may have white quartz veining or carbonate flooding. Minor concordant units of fine-grained intermediate and mafic tuff with thicknesses varying between 2-10 m are present within the basaltic domains and distinguished from the massive basalts by stronger foliation development accompanied by biotite and chlorite with alternating colour banding.

A greywacke unit appears to be the lowest unit encountered on the property forming the core of the main  $F_2$  Ulu fold. Its upper contact is both sharp and transitional (intercalated). This is overlain by a 100-300 m thick basalt unit which hosts the majority of the Flood Zone and other key outboard gold zones to the Flood Zone such as Central, West Limb, Axis and Battleship. This mafic unit is capped by a 5-15 m thick greywacke unit, which is then overlain by a 150-300 m thick gabbro unit (sill).

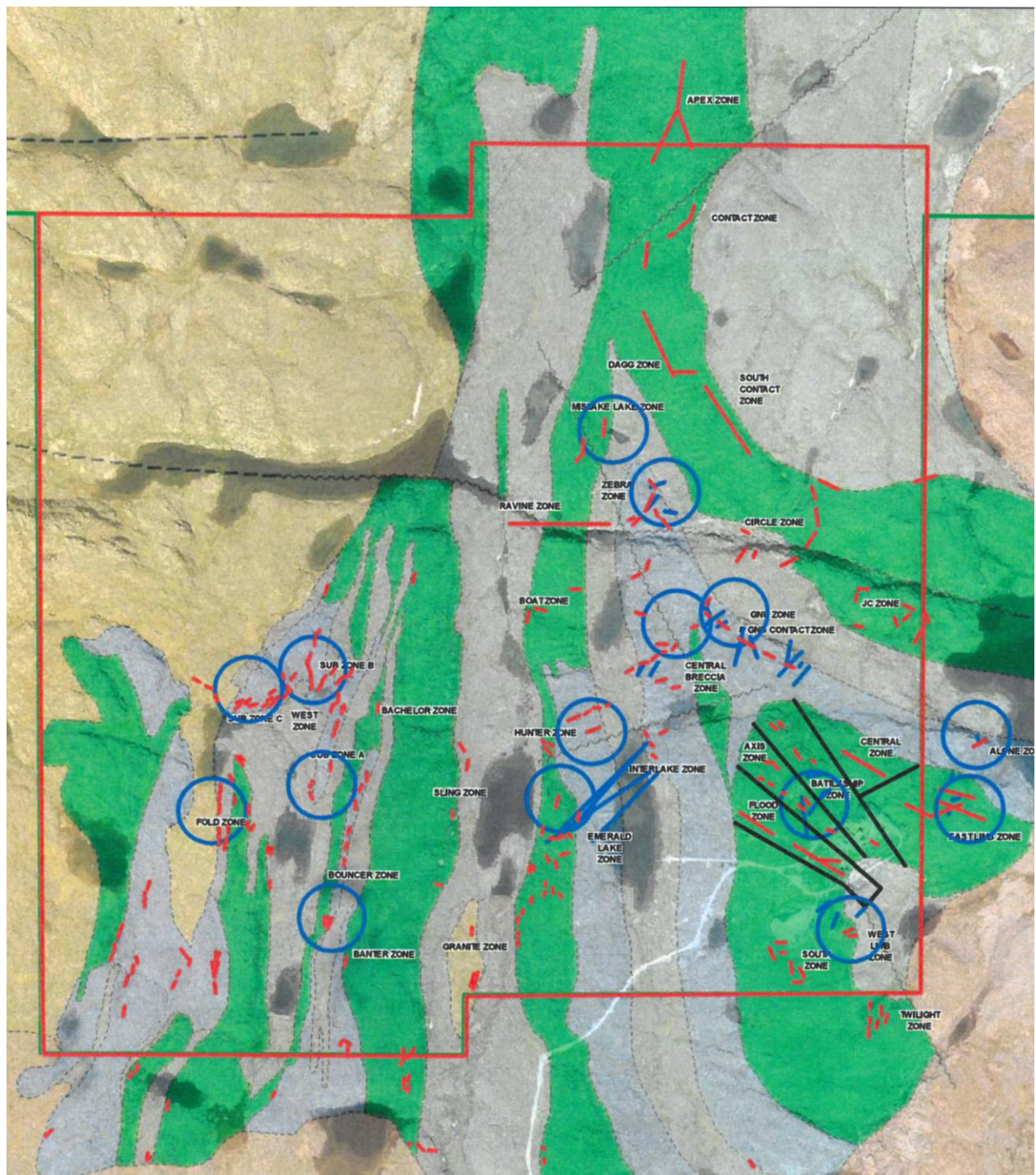
The 5 km long  $F_2$  Ulu fold is a particularly important fold on the property as essentially all of the known Ulu mineralization is associated with the fold in some form or another. Although the structural setting at Ulu appears to be a relatively simple folded sequence, the area is considerably more complex. The  $F_2$  Ulu fold is northwest-trending in its southern half, gradually bending to a northerly trend in its northern half. The southern part of the fold is anticlinal plunging steeply northwest to north. The northern part of the  $F_2$  Ulu fold appears overturned, synclinal and south plunging at its northern extent in an area called Northern Fold Nose, which lies approximately 2 km north of the Ulu Mining Lease (on the Hood River Property). The tipping point between the anticlinal and synclinal forms appears to be near the ravine (between the Gnu and Zebra Zone on Figure 11), where a pronounced east-west structure dissects the fold structure and extends into the surrounding granitic batholith. The eastern margin of this east-west ravine structure displays a 300 m sinistral offset (DIAND map EGS 1986-14). This fault appears to be dip-slip, which has downdropped the northern block. North of the Ravine, rocks display tight folding with a high concentration of gossans and discontinuous fracture-type quartz veins with Au-Ag-Bi associations. To the west of the  $F_2$  Ulu fold, the rock units appear north-trending and steeply dipping in a homoclinal succession. North of the ravine fault both dextral and sinistral northeast trending faults display offsets in the order of 20-60 m +/- 220 m (note the mineralized zones such as the Gnu, Zebra and Contact Zones on Figure 11 mimic this northeast orientation). South of the ravine fault, east-west faults cut the  $F_2$  fold with <25 m of offset. Apart from these orientations, the Flood, Gnu and Central Zone trend northwest reflect another set of faults/fractures. The northwest-trending Flood Zone appears to coincide with an interpreted northwest-trending offsetting structure supported by the partly disrupted sediment fold core and several other contact deflections and discontinuities and may represent a breached anticline.

Basalt units can be highly altered coinciding with areas intense structural deformation. The basalts may be sheared, brecciated and silicified or quartz-veined along lithological contacts, faults and near fold hinges. Rocks with higher concentrations of biotite and actinolite deform in a ductile fashion producing a distinctly banded shear texture. These units display mm to cm scale banding of biotite, quartz, actinolite and hornblende +/- chlorite. More pyroxene-hornblende-rich units respond to stress in a more brittle fashion with brecciation and quartz stockworking.

Northeast-trending, medium to coarse-grained quartz-feldspar porphyry (QFP) and feldspar porphyry (FP) dykes, 3 to 30 m wide, locally intrude the volcanic package (post folding). These dykes are dark grey to light grey. Quartz and feldspar phenocrysts occur in a fine to medium-grained biotite matrix. They display sharp contacts with chilled margins. These dykes are considered to have been emplaced very close to the end of the mineralising event. These dykes have similar geochemistry as high Al<sub>2</sub>O<sub>3</sub> trondjemite. They appear to crosscut Au-As mineralized zones, but can themselves be weakly sheared and contain minor arsenopyrite. A quartz-feldspar porphyry dyke cross-cuts the Flood Zone with an orientation of 060/50NW orientation. Another occurrence (in subcrop) is cutting the gabbro that hosts the Gnu Zone.

The bulk of the well-exposed granitoids nearly surrounding the lobe of supracrustal rocks at Ulu are typical S-type peraluminous granites. They are massive except at its contacts with the Supracrustals where it is sheared, faulted and quartz-veined. The granite is well exposed and forms low relief with flat exfoliation features. They are thought to originate as intraplate melts of sedimentary rocks.

The second type of mafic intrusive present is Proterozoic diabase dykes. These brown to purple medium-grained dykes have a strong magnetic signature, are typically 5–20 m thick, and generally trend 160°. The margins are chilled and contacts are sharp. These dykes are traceable for hundreds of metres strikelength. Often the plagioclase phenocrysts are stained with hematite. A single 15 m wide diabase dyke cross-cuts the Flood Zone.



**Figure 11. Detailed Geology of Ulu Mining Lease and Mineralized Zones**

Note: shows Flood Zone in southeast corner of Mining Lease, Gnu Zone and most peripheral gold showings; note that East Limb, North Fold Nose and parts of Twilight and Apex are off of the lease.

## **7.3 Mineralization**

### **7.3.1 Styles of Mineralization on Ulu**

High-grade gold values occur coincident with intense silicification which is accompanied by fine-grained needle arsenopyrite mineralization and forms the most important style of mineralization on Ulu. This style of mineralization is typically hosted in basalt units, although wackes and argillites can be a host. Secondary styles of mineralization found on Ulu are: (Style II) polymetallic quartz veins containing pyrite, pyrrhotite, sphalerite, galena and visible gold; (Style III) quartz-bismuth veins containing pyrite, pyrrhotite, native bismuth and visible gold; and (Style IV) propylitic alteration often found in breccias containing pyrite, pyrrhotite, epidote and magnetite. Disseminated pyrite and pyrrhotite (<1%) generally occurs in the basalt and gabbroic units throughout the property. Locally these units have higher pyrite and pyrrhotite concentrations (1-2%) forming patchy gossans but are not generally gold-bearing.

Of the primary style of mineralization on Ulu, the Flood Zone is the principal gold zone on the property forming a deposit and resource in the southeast corner of the Ulu Mining Lease. The Flood Zone is located near the core of the fold. A detailed description of the Flood Zone follows in sub section 7.3.2. There are 15 other known gold showings similar in many respects to the Flood Zone on Ulu but these zones have not been drilled to the extent of the Flood Zone and have yet to be proven to have significant size potential. The zones will be described in proximal and distal sub sections. Four of these zones have defined strike lengths greater than 300 m on the Ulu Mining Lease. There is potential in each zone to demonstrate grade and tonnage continuity. Mineralized gold zones are identified in Figure 11 on the Ulu Mining Lease showing the strong association with axis and limbs of the F<sub>2</sub> structure.

There are several principal factors in the control and focus of gold mineralization on Ulu. A primary control of the mineralization on Ulu is structural, both from penetrative through-going structures with brittle and ductile features and with folding on the property. The more massive units such as basalt and gabbro form opportunities for brittle through-going breaks to develop. In addition, auriferous zones are preferentially located within or near to the north-trending anticlinal fold axis which is traceable for 5km within a block, 1 km wide and 5 km long both on Ulu and adjacent Hood River Concession). Basalt units may be sheared, brecciated and silicified or quartz-veined along lithological contacts, faults and near fold hinges. A secondary consideration to the control of mineralization is rock chemistry. A propensity of mineralized zones lies within basalt units and in particular, one of the basalt units near the core of the F<sub>2</sub> fold. The iron-rich tholeiitic nature of the basalt provides a primary geochemical reactive unit for hydrothermal solutions, favourable for gold and arsenopyrite deposition. A third consideration focusing or contributing to gold mineralization in the area is likely the “Peanut” Leucogranite plug which lies on the eastern part of the Ulu Mining Lease and onto the Hood River Property. Numerous gold-arsenopyrite showings lie within 1 km either side of the plug (see Adjacent Properties). The “Peanut” Leucogranite plug could have been an important heat source, fluid circulation and/or gold source.

### 7.3.2 Flood Zone

The Flood Zone is a northwest-trending, shear-controlled anastomosing vein/alteration system proximal to a basalt-metagreywacke contact at the core of the F<sub>2</sub> Ulu anticline. The Flood Zone exhibits a high degree of structural control with mineralization which post-dates folding. The Flood Zone is generally restricted to certain lithologies. The Flood Zone structure is hosted principally by tholeiitic basalt and marginally by metasediments and gabbroic sills. The Flood Zone is hosted by iron-rich rocks which have been deformed and altered. The zone of sulphide mineralization and associated gold content pinches, swells and rolls with unpredictable variability within the constraints of the alteration zone. The Flood Zone is epigenetic in origin. The description of the Flood Zone is principally taken from Kleespies (1994).

Gold is intimately associated with very fine-grained acicular arsenopyrite within zones of intense silicification and quartz veins. The typical alteration assemblage includes quartz + biotite + amphibole (actinolite) + titanite + epidote + clinopyroxene + tourmaline.

The Flood Zone has been exposed by trenching and reveals an essentially continuous zone of quartz-arsenopyrite lenses within an intensely contorted alteration fabric of quartz-actinolite-hornblende-biotite acicular arsenopyrite. The zone strikes 118° and dips steeply (70°-80°) to the southwest. This structure, which has been traced for 435 m on surface, is oblique to, and west of, the F<sub>2</sub> Ulu fold axis. The Flood Zone is generally thought to be restricted in strike length to no more than 435 m, by a gabbro sill to the northwest and sediments to the southeast; however, mineralization is known to bleed into the sediments as horsetails. Siliceous lenses of the Flood Zone are higher grade (>15 g/t Au) than adjacent lesser altered lenses which are still >7 g/t Au. The contact to the zones is undulatory. Orientations of individual lenses vary widely (135° to 200°). Various workers have suggested a variety of structural interpretations for the Flood Zone (Flood, Helmstaedt, Cullen, Harrison) employing a Reidel strain system.

In cross-section the Flood Zone resembles a large scale sigmoidal structure. Multiple anastomosing auriferous zones have been identified as part of the Flood Zone system or structure. Various workers (BHP, Echo Bay, Elgin) have interpreted between 4 and 14 zones. The principal zone averages 5 m thick with local thickening greater than 10 m. Individual zones range in accumulated true width from 2.0 m to 17.9 m. The deepest intersection of mineable width is 14.9 g/t Au over 7.7 m in drill hole 90VD-75 at 610 m below surface. Thickness isopach work exhibits at least 3 major areas of thickening, all subvertically plunging. Dimensions of these blow-outs are in the order of 100-150 m vertically and 100 m laterally. The position of the large dilational jogs may correspond or be influenced by two outboard internal gabbro bodies within the favoured basalt host unit. Increased thicknesses correspond to flexure points along the down-dip surface of the mineralized planes. Sympathetic hangingwall and footwall zones are preferentially developed outwards from these areas of greater dilatancy.

It is suggested that the mineralized zones have developed over a progressive deformation history. The Flood Zone lies in a mineralized structure that exhibits both brittle and ductile features



attributed to regime changes of pressure and temperature. Multiphase deformation is exhibited by re-brecciation and vein paragenesis suggesting zone development over an extended period of time, by the repeated hydraulic fracturing of adjacent wall rock. Typical vein textures display centimeter-scale wall rock fragments as both planar fragments parallel to vein walls and chaotic angular breccia fragments. The arsenopyrite occurs pervasively within wallrock fragments adjacent to quartz veins or silica flooding.

Arsenopyrite is the main sulphide in the Au-As zones constituting up to 40-60% of the sulfide content. The arsenopyrite constitutes approximately 5% of the zone occurring as needle aggregates within quartz veins, fractures and near complete replacement of brecciated basalt wallrock fragments. Crystal habits for the arsenopyrite include fine acicular needles (<25 µm), coarse or blocky needles (>50 µm) and blocky porphyroblasts (>200 µm). Arsenopyrite is the dominant sulphide in the auriferous zone occurring as disseminated needle aggregates within quartz veins, stringers within fractures, and densely matted replacements of brecciated basalt wallrock fragments. Arsenopyrite may be as isolated euhedral grains or as interlocking with pyrite and pyrrhotite. There is a direct positive correlation between arsenic concentrations and gold grades. The highest grades (7 to greater than 30 g/t Au) are always associated with the fine acicular arsenopyrite crystals. Pyrrhotite is the second most abundant sulphide (20-30% of sulfide content), with grain sizes of a few microns to a few millimetres as isolated grains or interlocked with arsenopyrite and pyrite. This sulphide is present as isolated crystals or interlocked with pyrite and arsenopyrite. Pyrrhotite commonly exceeds pyrite by a 3:1 ratio. Disseminated pyrite maintains a grain size of 4-20 microns. Where pyrite dominates over pyrrhotite, gold content is lower. The least abundant sulphide, chalcopyrite, has a grain size of 5-25 microns and occurs as inclusions in quartz, pyrrhotite, pyrite and arsenopyrite. Accessory sulphides in the auriferous zones include very fine-grained sphalerite and galena.

Native gold grains typically range from 3-300 microns, but they tend to cluster into two populations; 10-30 microns and 60-80 microns. Three distinct types of gold settings are recognised. Approximately 60% of the total gold forms along arsenopyrite-quartz boundaries, 30% within quartz, and 10% in open space fillings within fractured arsenopyrite crystals and at arsenopyrite-loellingite grain boundaries. In rare occurrences, gold is found within late fractures in pyrite. Metallurgical tests confirm that the gold is free milling. The small gold grain size indicates a low nugget effect.

High-grade gold values correspond to intense silicification and acicular arsenopyrite mineralization. The host basalt here is extremely silicified (up to 86% SiO<sub>2</sub>) and has undergone potassic enrichment (biotite+microcline) and sodic depletion (breakdown of plagioclase). Alteration minerals include biotite, chlorite, sericite, hornblende, actinolite-tremolite, and potassium feldspar (microcline) with minor calcite, epidote, tourmaline, clinozoisite and titanite. Biotite, sericite and titanite appear to be the earliest alteration minerals and are overprinted by clinozoisite and arsenopyrite. Arsenopyrite makes its first appearance in the proximal calc-silicate rich laminated replacement zone. Arsenopyrite occurs as fine euhedral acicular crystals, and deposition of arsenopyrite appears to have been an early sulphidization reaction with the wallrock.

Each of the mineralized zones is enveloped by distinct proximal alteration haloes, 1-20 m wide.

The most distal alteration is the presence of biotite knots or “books” in weakly altered host rocks up to 60 m from the Flood Zone. Alteration associated with the biotite includes titanite (rimming corroded ilmenite grains) and tourmaline. Silicification with actinolite + carbonate + sericite + clinopyroxene (diopsidic hedenbergite) becomes more prominent towards the auriferous zones. The hangingwall of the deposit contains no arsenopyrite or gold. Footwall alteration appears to be more intense than the hangingwall and often contains arsenopyrite. Interpillow areas are filled with quartz-arsenopyrite-pyrrhotite and the selvages are altered to hornblende +/- almandine garnets and chlorite. A strong north-northwesterly striking foliation fabric is restricted to the alteration zone and does not continue into the unaltered country rock.

Quartz-acicular arsenopyrite-gold mineralization is also present within the quartz-biotite schist unit at the core of the fold structure hosting the Flood Zone. Quartz stockworking and brecciation with acicular and blocky arsenopyrite develop in this unit. Gold values from this unit in the core of the fold tend to range between 9 and 31 g/t Au from grab sampled frost-heaved material. This style of mineralization occurs on trend with the Flood Zone (in the basalt), but extrapolated into the sediment. It is speculated that the open fracture-type structure that is typical in the massive basalt unit was not well developed in the more ductile deformed nature of the quartz-biotite schists.

### 7.3.3 Proximal Outboard Zone to Flood Zone

As mentioned above, the Flood Zone occurs in a basalt unit proximal to the core of the F<sub>2</sub> fold. This particular basalt unit is mapped and identified in Figure 11. There is a propensity of auriferous mineralized zones of several orientations within this particular basalt unit. The zones hosted by the same basalt unit as Flood Zone are the Central, Axis, Battleship, West Limb and South Zone. They are virtually all sub parallel to the trend of the Flood Zone and in most cases accompany acicular arsenopyrite in silicified zones. This section describes target areas/zones hosted by this particular basalt unit (Flood, et.al. 1993). It is the author’s opinion that there is excellent potential of finding more tonnage and grade on Ulu is within these particular proximal areas/zones.

**Table 4. Summary of Proximal Zones to Flood Zone**

Area Name	Distance from Flood Zone	Min. Style	Typical Surface Grade (g/t) Au /m	Drill Testing	Potential
Central	300 m NE	I, II	5.0-25.0/ 0.5-1.0m	20 DDH, 2,738 m	300 m length, 1 m wide, tested to 130 m depth
Axis	50-150 m NE	I	5.0-14.0/ 0.3-1.0 m	10 DDH, 1,106 m	Potential to widen at depth
Battleship	200 m NE	I	9.0-22.0/ grab	2 DDH, 212 m	330 m length, maybe 480 m length
West Limb	200 m S	I, II	4.0-9.0/ 0.3-0.7 m	5 DDH, 552 m	150 x 80 m area
Sediment Core	0-120 m SE	I	5.0-14.0/ grab	2 DDH, 257 m	120 m length
South Zone	320 m S	I	7.0-15.0/ 0.5-1.5 m	10 DDH, 1,395 m	200 m inferred length

The **Central** target area is an area 200 m wide by 350 m wide and is 300 m northeast of the Flood Zone (adjacent to the Battleship target area described below). Flood-style quartz-acicular

arsenopyrite is present in showings oriented sub parallel to the Flood Zone. Outcrop density is low in the target area. There appears to be at least 3 zones within this area and surface grab samples generally range between 5.0 and 34.6 g/t Au. Within the Central Area, the "A" Zone appears traceable along strike for 240 m and varies between 0.5 and 1.5 m in width (a resource has been estimated in this report for this zone). It has been traced by surface sampling every 20-30 m along strike with values between 2.6 g/t Au and 18.3 g/t Au. It has been drill tested by BHP in 8 holes with gold tenor generally 2.5 - 3.9 g/t Au over widths typically of 0.5 - 1.0 m, but there was an exceptional intercept of 21.75 g/t Au across 0.96 m in drill hole 90VD-78. Drill hole 90VD-78 encountered three arsenopyrite-gold-bearing mineralized zones, two of which had arsenopyrite content <1%. A second zone labelled "B" Zone lies 55 m west of the "A" Zone. It has been drill tested by 6 drill holes. Each hole encountered good widths (1.09 - 2.4 m) but gold grades are generally 1.0 - 2.9 g/t Au with a single high of 27.5 g/t Au. A third zone labelled "C" Zone tested by 3 drill holes by BHP returned one good intercept of 4.3 g/t Au across 2.68 m.

Echo Bay completed 5 diamond drill holes on the Central A Zone, returning intersections of 2.24 m @ 0.57 g/t Au, 8.59 m @ 0.47 g/t Au, 1.06m @ 0.82 g/t Au and 0.7 m @ 1.8 g/t Au.

The Central target area has promise because of the multiple zones identified in an area of low density outcrop near the Flood Zone, zones are reasonably wide and gold tenor although low to date have some high grade spikes. These zones have potential to host near surface mineralization because drill spacing is still broad and there is potential for these structures to improve in width and gold tenor at depth.

The **Axis** target is an area immediately northeast of the Flood Zone with dimensions of 300 m by 125 m and with orientations sub parallels the Flood Zone (50-150 m away from the Flood Zone). Outcrop and felsenmeer in the area is about 50%. Within the area are several <2 m wide poorly defined auriferous zones with quartz-acicular and blocky arsenopyrite mineralization sub paralleling the Flood Zone. To date six drill holes tested by BHP under 4 felsenmeer clusters of mineralized auriferous material. Two drill holes returned 9.5 g/t Au across 0.81 m and 6.1 g/t Au across 0.45 m. From the limited drilling it appears that the mineralized zones within this sector are <1 m wide, however, these structures have the potential to thicken with depth as in the Flood Zone and should be further evaluated, particularly since the site is so close to the Flood Zone.

The **Battleship** target is a 100 m wide by 450 m long area between the Axis and the Central Zone, and is proximal and sub parallel to the Flood Zone (200-300 m northeast of the Flood Zone). In this area four acicular arsenopyrite showings align along a northwest trend for 330 m in an area of very poor exposure. Its mineralization is characteristic of the Flood-style mineralization. Surface sampling returned values between 7.0 and 35.2 g/t Au from basalt-hosted felsenmeer blocks up to 50 cm in size. Quartz-actinolite-carbonate veining and breccia extends the Battleship trend a further 150 m of strike length in the northwest direction. This target area was drill tested in 2 holes by BHP. One of the holes returned 3 intercepts (0.97 m @ 3.42g/t Au, 0.89 m @ 1.51 g/t Au and 0.8 m @ 5.18 g/t Au.

The **West Limb** is a 100 m long east-trending gold-arsenopyrite mineralized zone at the basalt-sediment contact (lower contact of the hosting basalt to Flood Zone) and is 200 m south of the Flood Zone. Flood-style and Style II mineralization are encountered in both the basalt and the

sediments. 38 surface samples averaged 5.8 g/t Au including a 5 m chip sample of 8.6 g/t Au and a 1 m chip of 19.5 g/t Au. Limited drilling by BHP (3 holes) has produced thick (4.5 - 5.5 m) but low-grade gold values (<2 g/t Au). Blocky plus acicular arsenopyrite was encountered. Echo Bay completed 1 drill hole in the West Limb, generating thin low-grade intercepts; 0.85m of 0.95 g/t Au, 0.40 m of 2.12 g/t Au and 0.45 m of 1.5 g/t Au. Wolfden collared one drill hole in the West Limb. It returned an intercept of <2 g/t Au across 0.9 m.

In the core of the F<sub>2</sub> Ulu fold is a meta-sedimentary unit (the unit below the basalt unit hosting Flood). Quartz-acicular arsenopyrite-gold mineralization similar to the Flood Zone occurs within 100 m of that sediment-volcanic contact and is termed the **Core Zone**. Distinguishing this zone from the Flood Zone is the observation that the quartz in the Core Zone is generally in stockwork form. Surface grab samples are typically 5-14 g/t Au from felsenmeer blocks. Outcrop density is very poor in this area but the mineralization appears to line up with the projection of the Flood Zone. Only two drill holes have tested this target to date with one hole (90VD-35) returning 0.55 m of 1.2 g/t Au. This rock type is not found to be the best host of continuous gold mineralization due to its ductile nature discouraging distinct through-going large brittle breaks as in the basalt unit. Instead, dispersed horsetailing structures appear to be the form here. Regardless though, the site should not be overlooked due to the proximity to the Flood Zone, the gold tenor from grab sample and the low percentage of outcrop exposure.

The **South** target area is 350 m by 100 m and is located 320 m southwest of the Flood Zone. Flood-style mineralization (acicular arsenopyrite silicified and brecciated basalt) is poorly expressed by felsenmeer blocks: however, the zone appears to be 0.3-1.5 m wide and traceable for 220 m. The zone has been tested by 4 shallow drill holes (90VD-61, 64-66) by BHP. Two holes encountered 6.93 g/t Au across 0.35 m, and 6.31 g/t Au across 0.48 m. Echo Bay completed 6 holes in the South Zone encountering from 1 to 6 intercepts per hole typically thin (0.25-0.95 m) but moderate grade (1.84 to 5.51 g/t Au) intercepts. The two exceptions were 2.95 m @ 5.05 g/t Au and 5.95 m @ 3.27 g/t Au. The zones appear to be northeast trending.

### 7.3.4 Distal Peripheral Zones to Flood Zone

Further north within the F<sub>2</sub> fold are a number of other peripheral gold zones (Flood, et.al., 1993). These zones have a variety of lithological hosts (basalt or gabbro), structural orientations and mineralization styles including Flood-style acicular arsenopyrite in silicified zones. A number of diamond drill holes have explored the most promising areas and have generated several ore grade intercepts. Occasionally the gabbro sills host sporadic gold mineralization associated with narrow quartz veins and gold values of 9.7 to 40.6 g/t Au such as in the Gnu, Ulu West and Ravine Zones. The zones most promising are the Gnu, Zebra, Battleship and Axis. The most significant of these is the Gnu Zone. Here, gold values of 5 to 31 g/t Au are associated with acicular arsenopyrite mineralization, sporadically distributed along a trend 575 m long in gabbro. The Gnu is the only peripheral zone to date that hosts a mineral resource (see Section 14).

**Table 5. Summary of Distal Zones to Flood Zone**

Area Name	Distance from Flood Zone	Min. Style	Typical Surface Grade (g/t) Au /m	Drill Testing	Potential
GNU 1 & 2	600-750 m N	I, III, IV	7.9-14.0/ grab	17 DDH, 1,761 m	500 x 200 m area, gabbro host, open to NW for 275 m
Zebra	1 km N	I, III	7.0-17.0/ grab	3 DDH, 268 m	300 m length, > 1 m wide, tested to 75 m, gabbro host, open N and S
Contact	1.8 km N	I, III, IV	5.0-25.0/ 0.3-1.0 m	12 DDH, 1,828 m	2.8 km soil Au anomaly, tested to 140 m depth
Ulu West	2 km NE	II, III	7.0-11.0/ 1.0 m	n.a.	many quartz veins, maybe 1 km x 1 km, basalt, gabbro, sediment host rocks
Gabbro Breccia	530 m NW	II	3.5-31.0/ grab	2 DDH, 179 m	30 x 30 m breccia pipe, tested to 62 m, gabbro host rocks
Ravine	1.1 km N	III	22.8-89.1/ grab	1 DDH, 197 m	450 m length, merges with GNU, gabbro host
Emerald Lake	600 m NW	IV	6.0-12.0/ 1.0 m	n.a.	300 x 250 m area, basalt, gabbro, sediment host rocks

The **Gnu Zone** lies 600-750 m north of the Flood Zone. The Gnu Zone is the one peripheral zone that has been modelled with a resource established in this report. Its northern limit is 250 m south of the Ravine. Here, quartz with arcicular arsenopyrite and minor pyrrhotite mineralization visually identical to the Flood Zone has been intersected along a 575 m strikelength. Outcrop density is low (20%) in the area and the zone is generally expressed in felsenmeer blocks sized in the order of 20-40 cm spread out over patches 2 m x 5 m in dimensions. Alteration assemblage both in the zone and peripheral to the zone follows patterns of the Flood Zone. Banded and brecciated textures are present in the Gnu Zone. Mineralization Style III and IV are also present in Gnu. BHP interpreted the Gnu Zone to hold the same orientation as the Flood Zone. The zone demonstrates variable grades and widths. Surface sampling produced between 7.0 and 22.0 g/t Au. The zone was tested by BHP in 15 holes along a strikelength of 450 m and to a vertical depth of 65 m. A high grade Au bismuth polymetallic vein was intersected in 92VD-161 at 120 m vertical depth and gave a 3.22 m intercept of 14.7 g/t Au. Other intercepts include 10.1 g/t Au across 1.84 m, 3.5 g/t Au across 6.60 m and 4.7 g/t Au across 2.40 m. Echo Bay conducted 2 exploration holes in the Gnu Zone each encountering wide and lower grade intercepts (5.0-5.68 m wide and 1.12-3.77 g/t Au).

The **Zebra Zone** lies just north of the Ravine, and 170 m north of the Gnu Zone (1 km north of Flood) and near the axis of the F<sub>2</sub> fold. Here, quartz with acicular arsenopyrite has been traced by prospecting along a north-trending 300 m strikelength and is spatially focused in a gabbro near, within 20-40 m, its contact with sediments on the east limb of the F<sub>2</sub> Ulu fold. The zone dips steeply westward (70°). This stratigraphic positioning near the same gabbro-sediment contact is similar to the Gnu Zone. Surface grab samples have returned between 5.0 and 26.8 g/t Au. A 1 m chip sample returned 8.7 g/t Au. The target was tested by BHP in 3 holes. Two drill holes show encouragement and only tested to a 20 to 30 m depth. Hole 92VD-170 encountered an intercept of 2.5 m @ 8.31 g/t Au. Hole 92VD-174 returned 5.79 g/t Au across 2.21 m. Polymetallic and sediment-hosted acicular arsenopyrite style of mineralization are also present in this target (Style III).

The **Contact Zone** is located 1.8 km north of the Flood Zone and is focused on the east limb sediment-volcanic contact. It is somewhat complex in that there are a variety of styles of gold-bearing mineralization (Flood, and Style III and IV) as well as controls (sediment-volcanic contact and multiple fault orientations). The north-trending east limb sediment-volcanic contact is sporadically mineralized for 2.8 km. There is a 250 m long section where mineralization straddles the sediment-volcanic contact with a gold tenor from surface grab samples of typically 3-22 g/t Au. This segment appears to have some association or control from a NE trending late fault which offsets the limb stratigraphy. Mineralization also appears to occur along this late structure for 90-110 m. Northward, beyond the 250 m long Contact trend, mineralization changes to a polymetallic nature (Cu-Pb-Zn+/-Au) for a length of 1 km. Another northeast-trending offsetting structure to the north also has associated quartz-acicular arsenopyrite with gold (9.4-13.0 g/t Au in 2 surface grab samples). About 250-500 m south of the main 250 m long trend is sporadic poorly exposed Flood style gold mineralization that has been identified in rubble along the contact. BHP drilling tested the Contact Zone with nine holes under the most encouraging surface mineralization. Four noteworthy intercepts were 5.15 g/t Au across 1.89 m, 6.6 g/t Au across 1.82 m, 12.5 g/t Au across 0.65 m and 12.1 g/t Au across 0.69 m. Echo Bay tested the Contact Zone with 3 holes (97ULX-6, 7 and 8) which each returned multiple thin (0.25-0.50 m) intercepts between 1.09 and 6.88 g/t Au and one exception intersection of 16.66 g/t Au. This southern segment appears to have the best potential because drill hole intercepts are reasonably wide, typically 1.8 -3.64 m with intermediate grades typically 2.7 – 6.6 g/t Au.

The **Ulu West Area** roughly 2 km northwest of the Flood Zone is characterized by a widespread yet dispersed pattern of discontinuous small scale quartz veins with erratic gold-silver-bismuth mineralization. The quartz veins up to 1 m wide are found in a variety of lithologies (basalt, gabbro, sediments) and carry disseminated pyrite-pyrrhotite-chalcopyrite and lesser sphalerite and galena mineralization. Locally areas have higher density concentrations of quartz veins where gold values can range between 6.9-40.6 g/t Au from surface grab samples.

The **Gabbro Breccia** is an ellipsoid shaped breccia pipe with a 30 m x 15 m on surface expression and at least 80m vertical expression (from drilling). It lies 530m northwest of the Flood Zone where a gabbro unit is fragmented with a quartz matrix and host 1% disseminated pyrite-pyrrhotite-chalcopyrite. Variable gold values have been returned from surface grab samples ranging between 0.07 – 31.3 g/t Au. The body was tested with two drill holes which encountered 10.8g/t Au across 1.0 m and 5.6g/t Au across 1.61 m. The body appears limited in size and mineralization too erratic to justify further work.

Limited grab sampling of an iron stained gabbro at the **Ravine** target area returned 36.2 g/t Au with highly anomalous silver and bismuth. 450m away a 25 cm quartz vein within the gabbro also returned 26.0 g/t Au and anomalous silver and bismuth from a grab sample. Also in the vicinity was a separate 30 cm wide trend of quartz with chalcopyrite that returned 22.8 g/t Au. Elgin drilled 1 hole in the Ravine area but did not return a significant intercept.

The **Dagg Zone** 580 m north of the Zebra Zone is hosted by the east limb basalt. Here quartz-arsenopyrite mineralization is traced sporadically for 280 m in a northwest trend. This zone has only been tested by one drill hole. Elgin drilled the Dagg and returned 11.74 g/t Au across 2.25 m.

## 8 DEPOSIT TYPE

The Flood Zone and mineralization on the Ulu Property in general possesses many attributes common to other Archean gold deposits including:

1. Deformation of the host rocks has produced dilatant structures in which late hydrothermal fluids, rich in silica, arsenic and gold, have precipitated out and filled shear zones;
2. Hosted in high-iron host rock and a close spatial relationship with the mineralization to the hinge of an anticline, as well as the presence of late stage quartz-feldspar porphyry dykes;
3. The deposit is located at a zone of high competency contrast between a basalt-sediment contact;
4. Gold is intimately associated with very fine acicular arsenopyrite within zones of intense silicification and quartz veining. The typical alteration assemblage includes quartz + biotite + amphibole (actinolite) + titanite + epidote + clinopyroxene + tourmaline; and,
5. Multiphase deformation is exhibited by the presense of crack-seal veins, rebrecciation, and crosscutting mineralised zones. Both brittle and ductile features are often present.

However, mineralization at Ulu is unusual relative to the norm for Archean lode gold deposits, in that it is not associated with a significant, first-order, belt-scale structure. It is hosted in amphibolite grade rocks, and the inferred temperature of formation is relatively high (360 °C - 515 °C).

## 9 EXPLORATION

WPC has conducted a small surface exploration program on the Ulu Mining Lease based from the Ulu camp. The work conducted in late August and early September 2014 consisted of prospecting and rock saw channel cutting of a number of the gold showings on the lease. A total of 27 channel cuts were taken. Eleven channel cuts (0.90-2.1m) were performed on Flood Zone exposures and returned values of between 1.36 to 25.30 g/t Au. Five other targets (West Limb, Gnu, South Zone, Battleship and DAG) received saw channel cuts (0.60-1.90m), which returned 1.0 to 7.93 g/t Au (see WPC News Release December 4, 2014). As these zones are steeply dipping, the channel cuts, which cut perpendicular to the strike of each zone, are considered between 90-100% of true width.

Exploration work by previous owners is detailed in the History and Mineralization sections.

## 10 DRILLING

WPC has not performed any drilling on the Ulu Mining Lease to date.

Drilling conducted by previous owners has been summarized in the History and Mineralization Sections, however, details of procedures and practices known for each of the previous workers are presented below.

**Table 6. Summary of Drilling on Ulu by All Companies**

Year	Company	Surface or Underground	No of Holes	Metres	Core Size
1989	BHP	Surface	22	2,980	NQ
1990	BHP	Surface	71	18,899	NQ
1991	BHP	Surface	43	20,927	NQ
1992	BHP	Surface	37	7,117	NQ
1993	BHP	Surface	16	1,678	NQ
1996	Echo Bay	Surface	44	5,174	NQ
1997	Echo Bay	Underground	101	16,011	NQ
		Surface	13	2,375	NQ
2004	Wolfden	Surface	44	18,580	NQ
2005	Wolfden	Surface	1	148	NQ
2011	Elgin	Surface	13	3,931	NQ
<b>Total</b>			<b>405</b>	<b>97,820</b>	

### 10.1 BHP Minerals

#### 10.1.1 Drilling Procedure

BHP had Connors Drilling contracted to drill Ulu. The following drilling procedure is provided by P. Cowley who directly supervised or oversaw the drilling at Ulu for BHP. He assures that drilling was conducted to industry standards.

Extraction of core was performed using a wireline equipped core drilling rig. Drill core was recovered using a 10 foot long core barrel and placed sequentially in wooden core boxes. Wooden block metre markers recorded the depth at the end of each 10 foot run by the drillers. The core boxes were then covered and transported to the logging shack at the camp at Penthouse Lake by contract helicopter and subsequently directly to the core logging shack for the geologist to examine. Once in the core shack, core boxes were organized, labeled by aluminum tags on their ends with the hole number, box number and meterage recorded on the tag and core cleaned. The drill core was logged on site by BHP contractors trained using a common logging form and system established by BHP. Data collected includes, all drill collar location data, geology, geotechnical observations (including core angle, RQD and core recovery), structure, sample location information and occasionally specific gravity measurements.



Core recovery in the host rock and mineralization was generally excellent. RQD values were typically 90%-100%. Geotechnical logging was also performed. In addition, in 1990-1992 BHP conducted core orientation surveys on the core during drilling using a clay-impression system. They were able to collect properly oriented structural information regarding veins, contacts, faults and foliations to support geological interpretations. All core was photographed.

### **10.1.2 Collar Surveys**

Foresites and backsites were installed in the field by BHP supervisors. For the start of each drill hole, the rig was lined up for both azimuth and dip by BHP supervisors to ensure an accurate start. Drill anchors and collar stick-ups were generally left in the ground which were later picked up by surveyors for each hole's UTM coordinates and elevation, as well as azimuth and dip. None of the holes were cemented or plugged.

### **10.1.3 Down Hole Surveys**

During the 5 years of drill campaigns on Ulu (1989-1993) a variety of downhole surveying was performed by BHP. Systems used were acid tests in 1989 followed by Maxibor, multi shot Sperry Suns and Light Log. After 1989 typical spacing for these down hole survey measurements varied from 10 m to 50 m increments. It was found that due to the massive nature of the host rock and mineralization, drill hole deflection became predictable. This allowed collar set-up to compensate for the predicted trajectory and target the desired position of the zone with reasonable accuracy.

## ***10.2 Echo Bay Mines Ltd.***

### **10.2.1 Drilling Procedure**

Little information is available from records, however, it can be seen from the core stored at Ulu that similar practices were probably followed by Echo Bay. Core recovery in the host rock and mineralization appeared to be generally excellent as well. RQD values were typically 90% - 100%. Geotechnical logging was also performed.

Surface and underground wireline equipped core drilling rig were used. Boart Longyear was employed as drill contractor for 1996 work. Morissette drilled the 1997 holes. The core was placed sequentially in wooden core boxes. Wooden block metre markers recorded the depth at the end of each 10 foot run by the drillers. A core logging facility was present at the Ulu camp where Echo Bay personnel logged the core. Again, all core was photographed.

## **10.2.2 Collar Surveys**

No information is available regarding collar set-outs but the accuracy of the collar locations indicate appropriate surveying was performed on all surface and underground collars.

## **10.2.3 Down Hole Surveys**

The two drill campaigns (surface and underground) by Echo Bay used a combination of acid tests and single shot Sperry-Sun for downhole surveys in their holes with readings taken only at the bottom of their holes.

As it was found that due to the massive nature of the host rock and mineralization that hole deflection became predictable from both BHP and later workers, it was determined by the authors that for the Echo Bay drill holes, it was appropriate to assign the predictable trajectories to their drilling. This was more reasonable than to mix drill campaigns with downhole surveys with ones without, particularly since much of the Echo Bay drilling was infill and aided more accurate zone modelling. Drilling by Echo Bay was from both the northeast and southwest directions so deflection would have been contrary.

## **10.3 *Wolfden Resources Corp.***

### **10.3.1 Drilling Procedure**

Wolfden Resources had Major Drilling drill at Ulu. Little information is available from reports, however, it can be seen from the core stored at Ulu that similar practices were followed by Wolfden. Core recovery in the host rock and mineralization appeared to be generally excellent as well.

Surface wireline equipped core drilling rig were used. The core was placed sequentially in wooden core boxes. Wooden block metre markers recorded the depth at the end of each 10 foot run by the drillers. A core logging facility was present at the Ulu camp where Wolfden personnel logged the core.

All 2004 drill core was logged by geologists using the Lager 2002 logging software on IBM compatible laptop computers. Core was photographed.

Geomechanical logging recorded the physical properties of the core on approximately 50% of the holes drilled following following guidelines taken from the Geomechanical Core Logging Manual designed by BGC Engineering Inc., using a 3 meter interval recovery basis.

### **10.3.2 Collar Surveys**

All drill holes were spotted using a hand-held GPS utilizing the NAD 83, Zone 12 projection. At the end of the drill program, all drill collars were surveyed by Ollerhead & Associates Ltd., Canada Land Surveyors and Engineers of Yellowknife, NWT with an RTK GPS system for centimeter accuracy.

### **10.3.3 Down Hole Surveys**

Wolfden employed Maxibor for downhole surveys with reading every 3 metres. Wolfden completed Maxibor surveys for 31 of the 45 drilled holes.

## **10.4 Elgin Mining Inc.**

### **10.4.1 Drilling Procedure**

Little information is available as no reports were located on the drilling, however, it can be seen from the core stored at Ulu that similar practices were followed by Elgin. Surface wireline equipped core drilling rig were used. The core was placed sequentially in wooden core boxes. Wooden block metre markers recorded the depth at the end of each 10 foot run by the drillers. A core logging facility was present at the Ulu camp where Wolfden personnel logged the core.

### **10.4.2 Collar Surveys**

No information is available regarding collar set-outs but the accuracy of the collar locations indicate appropriate surveying was performed on all surface and underground collars. Elgin surveyed collars with a Leica survey instrument.

### **10.4.3 Down Hole Surveys**

Elgin used Easyshot and Gyro downhole survey instruments with readings every 5m.

## **11 SAMPLE PREPARATION, ANALYSES AND SECURITY**

WPC performed a small sampling program in late August and early September 2014 on Ulu from the Ulu campsite. WPC maintained a rigorous quality control and chain of custody program with respect to the acquisition, preparation, shipping, analysis and checking of all samples and data from the property. The following provides sample preparation, analyses and security of that

sampling program. A separate section follows with information known about sample preparation, analyses and security from previous workers.

## **11.1 WPC Resources**

### **11.1.1 Sampling Methods**

Samples were cut by a gas powered rock saw by contract professional geologists and Discovery Mining Services personnel. Two cuts 5cm apart were made and then using a chisel samples were removed systematically so as to make a continuous equal sample. Samples were placed in labelled plastic sample bags with sample tags, sealed by flagging tape and transported by backpack to the Ulu camp for organizing and dispatching. Each sample was shipped from the property in a secured numbered/tagged plastic sample bag that was subsequently sealed with other samples within a standard rice bag. The rice bag was then labeled, and secured with a numbered tamper- proof seal.

### **11.1.2 Analytical Procedures**

The samples arrived and were prepared in the ALS Minerals Yellowknife preparation lab. Upon reaching ALS Minerals, the samples were logged into an internal tracking system and the sample was weighed with the weight recorded. The sample was then dried and crushed in order to pulverize approximately 250 grams that pass through a 75 micron sieve. All of the crushed reject material was then weighed and stored; noting that ALS ensures thorough quality control that at least 85% of the pulp passes through a 75 micron sieve. The pulps were then dispatched by ALS Yellowknife to ALS Minerals of Vancouver, B.C., for analysis by ALS Methods multi-element ME - ICP41 and fire assay gold AuAA26. ALS Minerals is an accredited laboratory.

### **11.1.3 Quality Control and Quality Assurance**

ALS Minerals employed a program of quality control and quality assurance (“QA/QC”) by the insertion of standards and blanks into the sample stream. WPC relied on ALS Minerals for the running of duplicate samples. As part of a comprehensive QA/QC program, WPC also inserted standard and blank samples into the sample stream at source. One standard was inserted into the sample stream in each group of 20 samples; in addition, one blank was also inserted into each group of 20 samples; Mr. Bruce Goad, P.Geo., reviewed and confirmed the standard and blank results. On site quality control as carried out by WPC employees was under the supervision of Mr. Goad, P.Geo.

In the authors’ opinion, there was adequate sample preparation, security, analytical procedures and QA/QC protocols employed during WPC’s exploration program.

## **11.2 BHP Minerals**

### **11.2.1 Sampling Methods**

Assay and geochemical samples were marked by the geologist using coloured lumber crayons with the assay tag number from Acme Labs stapled to the core box. Assay tag books were filled out by the geologist as an additional record. Sample intervals were chosen to reflect either abrupt geological contacts or significant visually observed changes in grade, but where more evenly mineralized, a more uniform sample interval was preferred. Sample widths generally aimed at between 35 cm and 60 cm in the mineralized zone. Core was photographed after samples were laid out by the geologist. The drill core was then passed to samplers who split the sample intervals in half (lengthwise) by hydraulic splitter. One half of the drill core was placed inside a 6-mil poly sample bag along with the corresponding sample tag from Acme Labs. The other half of the drill core was then placed back into the core box for permanent record. The witness core was stacked and stored at the Penthouse Lake camp. The sample bag was then sealed by flagging tape and placed sequentially on the floor of the cutting room. Samples were then sequentially placed into pre-labelled rice sacks and then sealed by flagging tape and dispatched by contract float plane to Yellowknife and then to a laboratory. Acme Analytical Laboratories of Vancouver did the bulk of the analyses for BHP. In 1990, samples from 4 holes (90-VD-44, -51, -56 and -58) were sent to BHP's Sunnyvale, California laboratory. During the 1991 and 1992 field seasons, all well mineralized drill intercepts >5m wide were also sent to BHP's Sunnyvale, California laboratory.

### **11.2.2 Analytical Procedures**

Both labs used the same procedure. The samples arrived and were then dried and crushed in order to pulverize approximately 250 grams that pass through a 100 micron sieve. The pulps were then analysed by multi-element two acid digestion ICP and for gold with a 10 gram sample ignited at 600°C digested with hot aqua regia, extracted by MIBK and with an atomic absorption finish (the detection limit for gold was 1ppb). For core samples in the mineralized zone and its immediate hangingwall and footwall, a screen metallic fire assay procedure was used. In this procedure the whole sample was pulverized and sieved to -100 mesh. The coarse fraction remaining on the screen is separately weighed and assayed and a 30 gram sample of the fine fraction (the entire fine fraction is also weighed) was fire assayed with a gravimetric finish. The results were combined at the appropriate weighed proportion. Acme is an accredited laboratory.

### **11.2.3 Quality Control and Quality Assurance**

Both Acme and BHP's Sunnyvale laboratory inserted internal standards within each 25 sample batch as was the practice in those days. As BHP's programs were prior to the implementation of NI43-101 it did not insert independent standards, blanks and duplicates in its sampling procedure. Certificates are not available for the authors at the date of this report, however, P.

Cowley assures that the laboratories reported and checked to their standards and re-ran samples or batches in question.

### **11.3 *Echo Bay Mines***

#### **11.3.1 Sampling Methods**

No information is available for Echo Bay sampling method. Drill logs are available from which one can see that sample intervals were appropriate. A hydraulic core splitter was located in the Ulu logging shack in 2014 and core on site was mechanically split in half presumably with the other half sent to laboratory testing.

#### **11.3.2 Analytical Procedures**

Very few laboratory certificates are available for the Echo Bay drilling campaigns. It appears that Chemex was their preferred independent laboratory for all of its regional sampling which included the Ulu programs. It appears that gold concentration was determined using a fire assay atomic absorption finish on most of the samples and that samples with values greater than 10 g/t Au were Fire Assayed presumably with a gravimetric finish. For the Flood Zone infill drill program, both surface and underground, certificates are available to demonstrate that these samples were sent and assayed at Lupin's assay lab. This was not a certified lab; however, results are not unlike those from BHP's testing. From records, it appears that Echo Bay selectively did screen metallic assay procedures. Harron reported (2004) that a fire assay with atomic absorption finish was used.

#### **11.3.3 Quality Control and Quality Assurance**

Very little information is available for the Echo Bay QA/QC procedures but some records show that standards and duplicates were inserted every 18 samples on at least some of the sampling.

### **11.4 *Wolfdan Resources Corp.***

#### **11.4.1 Sampling Methods**

Core sampling for analytical purposes was conducted by geologists using a 0.5m to 1.5 m interval range, with a preferred interval of 1.0 m. Sample boundaries were defined using geological parameters interpreted by geologists. All sampled core was split lengthwise by core technicians with the use of two hydraulic core-splitters.

G. Wahl, P.Geol. (2006) inspected the sample handling, core cutting, logging and transport procedures during the main Wolfden 2004 drill campaign. He reports that all aspects of the core cutting, bagging and shipping were handled by Wolfden personnel to a high level of professionalism. Split core samples prepared by Wolfden's supervised on-site personnel were photographed and shipped in sealed containers by air freight to Accurassay in Thunder Bay, Ontario.

#### **11.4.2 Analytical Procedures**

Wolfden used Accurassay Laboratories of Thunder Bay, Ontario for their drill samples. Accurassay has ISO/IES 17025 accreditation and Standard Council of Canada Accredited Laboratory with Scope of Accreditation No. 434. Samples were crushed to <8 mesh, riffle split to 400 grams and pulverized with >95% passing -150 mesh. Silica sand washes were used between samples to minimize potential contamination. Pulps were analysed for 30 element ICP and 30 gram fire assay with atomic absorption finish. Accurassay inserted internal control samples into each batch to ensure acceptable analytical precision. Certificates are available.

Wolfden also submitted 113 samples to Accurassay Laboratories of Thunder Bay for gold analysis by gravimetric finish in 2005.

#### **11.4.3 Quality Control and Quality Assurance**

Wolfden initiated standard, blank and duplicate insertions late in their drill program at a rate of every 18 samples. Three standards were obtained from Rock Labs of New Zealand (SG 14, SN 16 and SP 17). Wolfden also sent a selection of the 2004 drill sample pulps to ALS Chemex Laboratories of North Vancouver to validate Accurassay's results.

### **11.5 Elgin Mining Inc.**

#### **11.5.1 Sampling Methods**

No information is available for Elgin sampling method. Drill logs are available from which one can see that sample intervals were appropriate. A hydraulic core splitter was located in the Ulu logging shack in 2014 and core on site was mechanically split in half presumably with the other half sent to laboratory testing.

### **11.5.2 Analytical Procedures**

Elgin used the ALS sample preparation lab in Yellowknife with pulp analysis done in ALS's lab in North Vancouver. Samples were prepared where 70% of the sample was crushed to <2mm, riffle split to 250 grams and pulverized with >85% passing <75um. Silica sand washes were used between samples to minimize potential contamination. Pulps were analysed for 51 element ICP (aqua regia digestion) and 30 gram fire assay with ICP-AES finish. ALS inserted internal control samples into each batch to ensure acceptable analytical precision.

### **11.5.3 Quality Control and Quality Assurance**

There is no information available as to the QA/QC practises of Elgin during the drill campaign, but one would presume standard industry practises of inserting standards and blanks were followed.

## **12 DATA VERIFICATION**

Technical information in this report has been derived from a review of existing reports, memos and data collected by previous exploration companies working on land in and around the Ulu Mining Lease, from data in government reports, assessment reports and public papers and records. It should be noted that some of the source records have been lost through the course of various owners but the majority is preserved and available. The available files are extensive. The authors have referenced these documents where applicable, but cannot verify the accuracy or completeness of the information given in these reports. Some of the reports do not report Quality Assurance and Quality Control practises now expected in the industry.

One author (Mr. Cowley, P.Geo. of Buena Tierra Developments Ltd.) has conducted research and numerous and extensive field investigations including mapping, prospecting, and drilling on the Ulu Mining Lease between 1987 and 1993. These 3-4 month field investigations were supported by helicopter from exploration field camps in the area while employed as a Project Geologist and later Program Manager of the Slave Gold Program for BHP Minerals. The field investigations were both direct and through crew members under the author's supervision. He can testify to the care and accuracy of the BHP Minerals work, regardless of any lacking source documents.

For all other reporting the authors are relying on data from internal and public reports provided by reputable professional exploration groups. One author (P. Cowley, P. Geo.) has met many of the authors of reports in the Reference section. This author is comfortable with their reports, expecting them to be a reasonable assessment with appropriate management and supervision and where their work was reported diligently and of high quality.



One author (P. Cowley, P.Geol.) has conducted a recent site visit of the Ulu Mining Lease between August 29<sup>th</sup> and September 3, 2014. He has re-visited the key showings to familiarize himself with the showings, style of mineralization, landscape, surface expressions and core storage at Ulu and Penthouse Lake. Because much of the exploration on Ulu was previously done under his supervision with BHP, the author does not believe that sample verification was necessary during his recent site visit. The small work program conducted by WPC in 2014 essentially verified sampling of the earlier BHP work, and agreed to the gold tenor found and sampled by BHP.

## **13 MINERAL PROCESSING AND METALLURGICAL TESTING**

Metallurgical testwork has been done by BHP Minerals (3 reports), Echo Bay Mines (4 reports) and Wolfden Resources. Zigarlik (2003) summarizes the BHP and Echo Bay testwork below.

*All reports indicate that the ore is amenable to cyanide leaching with the last by Lupin indicating that approximately 90% recovery could be expected at 100% passing 200 mesh grind size. Work completed by BHP suggested similar recoveries at a grind of 85% passing 400 mesh. These could well be similar grind sizes. The largest question regarding this result is whether or not Lupin can achieve a grinding product size of 100% passing 200 mesh at the proposed throughput. This will be a challenge and depending on the throughput may not be achievable without some modifications. According to the work completed at Lupin the grind recovery curve is not too steep. It is assumed, in a worst case scenario, that the Lupin plant is only able to achieve 65% passing 400 mesh, then leach recoveries will be in the range of 85%.*

*There have been a number of flotation tests completed on ore to date which suggest that it is very amenable to flotation recovery with single pass rougher concentrates recovering over 95% of the gold. This is not a viable option in Lupin unless the concentrates can be treated on site. Preliminary work by BHP suggested that only 90% of the gold in concentrates could be leached resulting in an overall gold recovery of approximately 85%.*

*Testwork also determined that leach tails were amenable to scavenger flotation where an additional 5% gold could be recovered to bring the overall gold recovery to 95%. Once again, however, the concentrate likely needs to be treated on site to make that option viable. At an estimated 10% weight recovery there will be between 120 and 170 tons of concentrate generated each day. BHP makes one statement suggesting that the concentrates at approximately 0.500 opt are not amenable to leaching even after ultra fine grinding. However, they do not provide any data or even discuss the testwork completed to support this conclusion. This may be an option worth investigating depending on the size of the project.*

*An alternative to using flotation to scavenge tailings could be the use of gravity although its effectiveness could be inhibited by the small particle sizes involved. If successful, gravity will have lower capital and operating costs.*

*BHP makes numerous references to the necessity of completing some gravity pre-concentration testwork to evaluate the benefits of producing a concentrate in the grinding circuit. There is no*

*indication that this was done even though it is suggested that as much as 70% of the gold is recoverable in this manner. This needs to be investigated because it could have a substantial impact on the overall recovery and could have implications with respect to the grinding circuit layout. Linton's size analysis work indicates that as the grade increases a proportionally higher percentage of coarse gold exits in the feed. It may be prudent to attempt to test the gravity recovery on multiple samples of differing grades and apply the results to the predicted percentage of the ore body that represents. This would be an indication of whether or not a pre-concentration gravity circuit makes sense.*

Zigarlik (2003) recommends further testwork for bond work index, variability leach testwork and optimization testwork including mineralogical tests on heads and tails, gravity pre-concentration, leach tails scavenger flotation-concentrate treatment and leach tails gravity scavenger work. He suggests that one or more of these options could reveal a reasonable way to increase recoveries to 95%.

Based on the results of their testing, BHP developed a preliminary process flowsheet for Ulu consisting of:

1. Grind to nominal 200 mesh. Coarse gold gravity separated in grinding circuit;
2. Pre-aeration of slurry in mild alkaline system;
3. Cyanide leaching of pre-aerated slurry;
4. Flotation of cyanide leach residue;
5. Regrind of flotation concentrate; Preoxidation, followed by cyanide leaching of flotation concentrate;
6. Gold recovery.

The metallurgical tests done to date, by both BHP and Echo Bay, have not revealed any major impediment to processing the ore at Lupin mill, although more test work needs to be done to better determine reagent and grinding media consumption.

Wolfden conducted metallurgical testwork through SGS Lakefield principally testing on the application of Gekko Inline Pressure Jig (IPJ) flowsheet amenability tests to the Ulu ore. In addition, general ore characterisation tests were also completed. These included head analyses, comminution and general environmental evaluation tests. Gravity concentrates were subjected to intensive cyanide leaching and flotation was evaluated both as a scavenger for the gravity tailing and as a primary recovery option for the whole ore. In addition, cyanide detoxification was briefly studied along with leach discharge settling and gold recovery by resin loading (McDonald, 2005). Wolfden also took 47kg from the surface stockpile from Echo Bay's 1997 bulk sample for gold gravity recovery. The Knelson Research and Technology Centre testwork suggested that approximately 50.8% of the gold was recoverable by a gravity step with a final grind size of 81 microns.

## **14 MINERAL RESOURCE ESTIMATES**

At the request of Stephen Wilkinson, President and CEO of WPC Resources Inc., Giroux Consultants Ltd. was retained to produce a resource estimate on the Ulu Gold Property,

Kitikmeot Area in Nunavut Territory. The effective date for this Resource is March 17, 2015, the day the data were received.

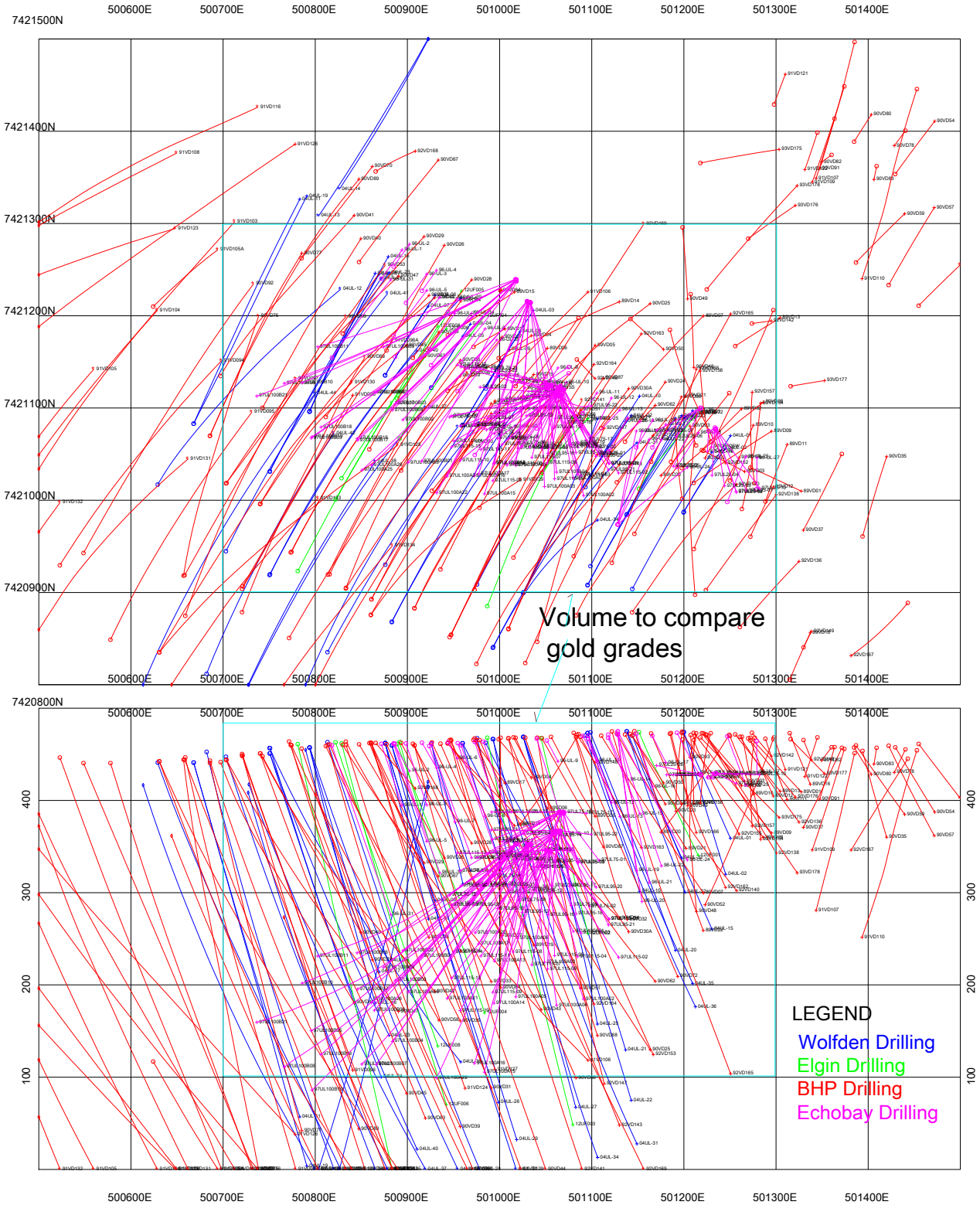
G.H. Giroux is the qualified person responsible for the resource estimate. Mr. Giroux is a qualified person by virtue of education, experience and membership in a professional association. He is independent of both the issuer and the vendor applying all of the tests in section 1.5 of National Instrument 43-101. Mr. Giroux has not visited the property.

The authors have prepared the Ulu Property resource estimation in compliance with CIM guidelines which supercedes all other historic resources including one most recent prepared by Richard Graham, P. Geol. and George Wahl, P.Geol. in 2011.

### ***14.1 Data Base for the Ulu Resource Estimation***

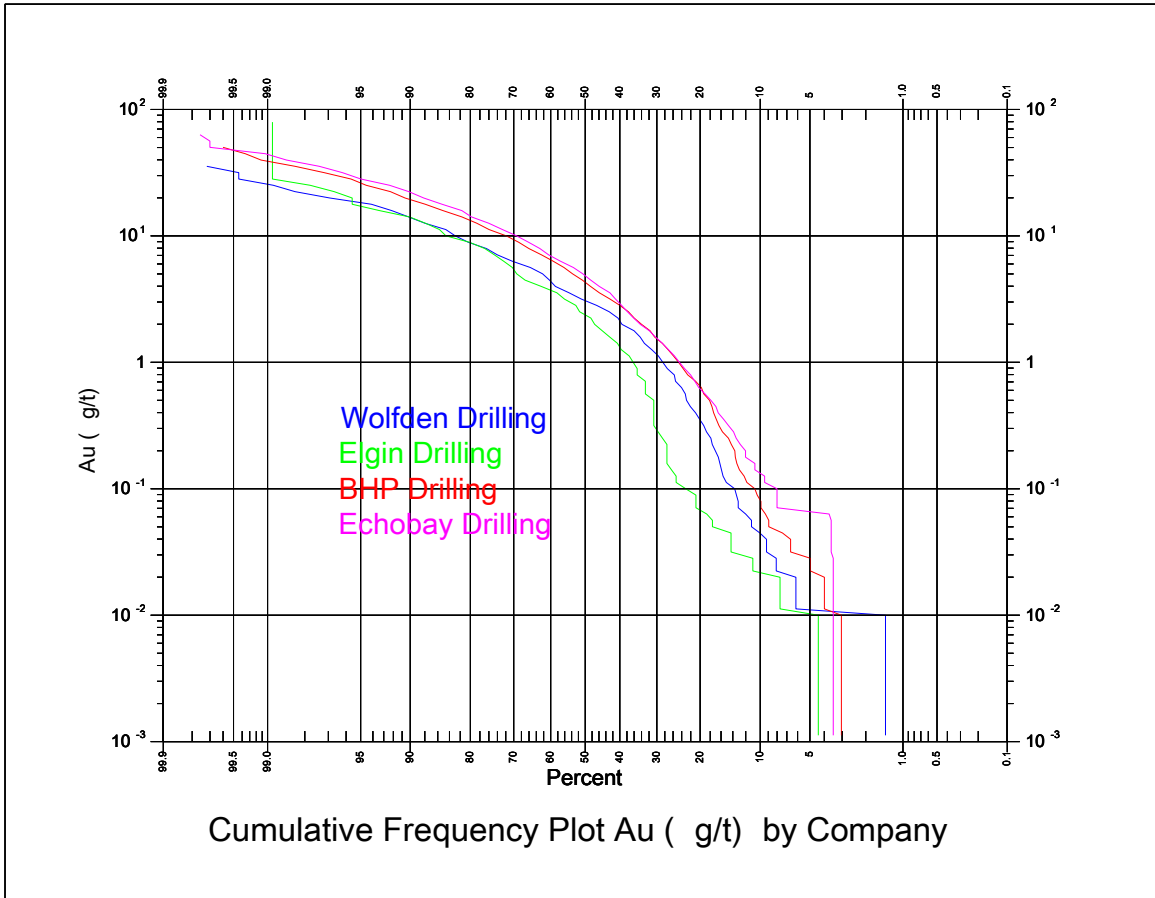
A total of 362 drill holes were supplied, for the Ulu Resource estimate, with 6,695 down hole surveys and 13,968 assays for gold. Gold assays reported as 0.000 g/t were set to 0.001 g/t in 786 samples. A total of 2,402 unsampled gaps in the “from – to” record were identified and values of 0.001 g/t Au were inserted.

The drilling on the Ulu Project was completed by four different companies over 4 different time frames. Verification on the various drill campaigns is presented in Section 12 of this report. As a further test to determine if any sampling bias was present the gold distributions from each of the drill programs within the same volume of rock was tested using a lognormal cumulative frequency plot. The volume tested is shown in Figure 12 within the cyan box.



**Figure 12. Plan and Front Section Showing Drill Holes**

**Note:** colour coded by Company with the volume being tested shown in the cyan box.

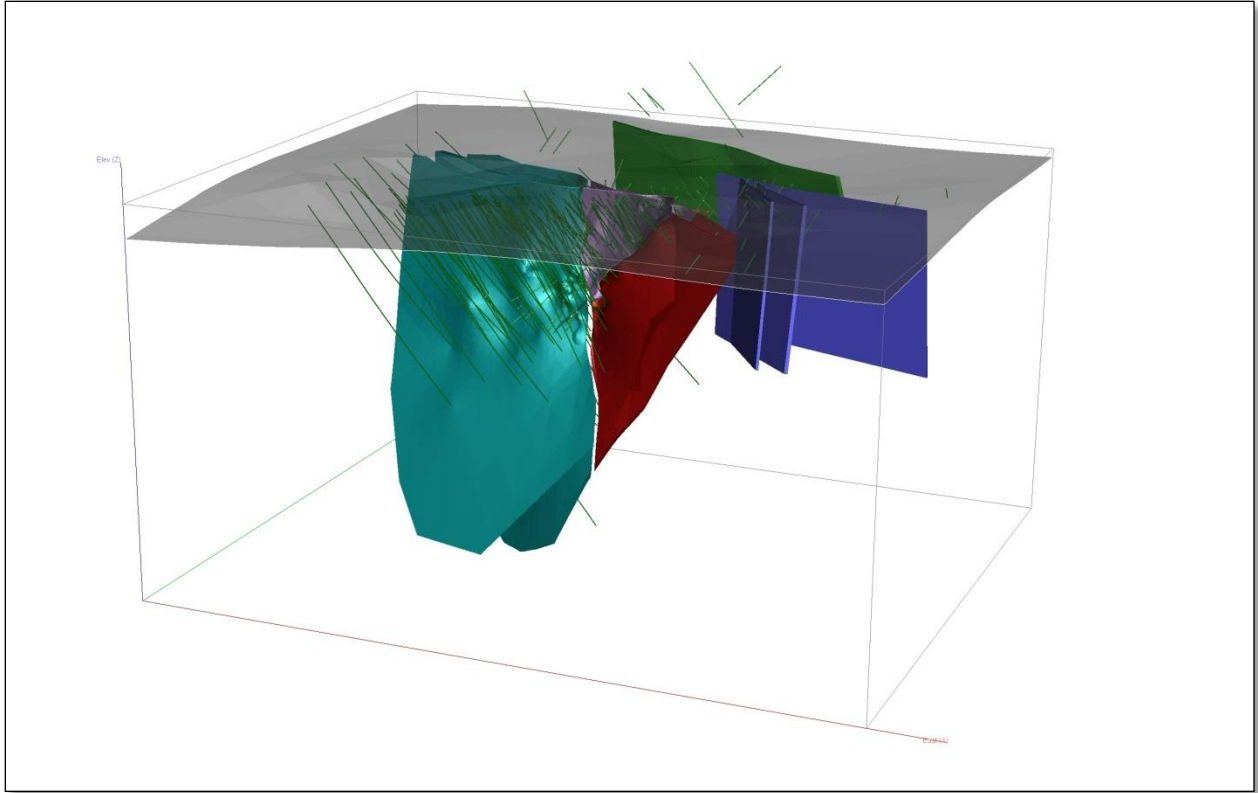


**Figure 13. Lognormal Cumulative Frequency Plots for Gold Assays from Different Campaigns**

There is no bias indicated with the gold grade distributions from BHP and Echo Bay almost being identical. Wolfden and Elgin show lower grades on average, but these companies were trying to locate the vein while the later campaigns of BHP and Echo Bay zeroed in on the mineralized sections.

There is no reason not to use all the drill hole data in the resource estimate.

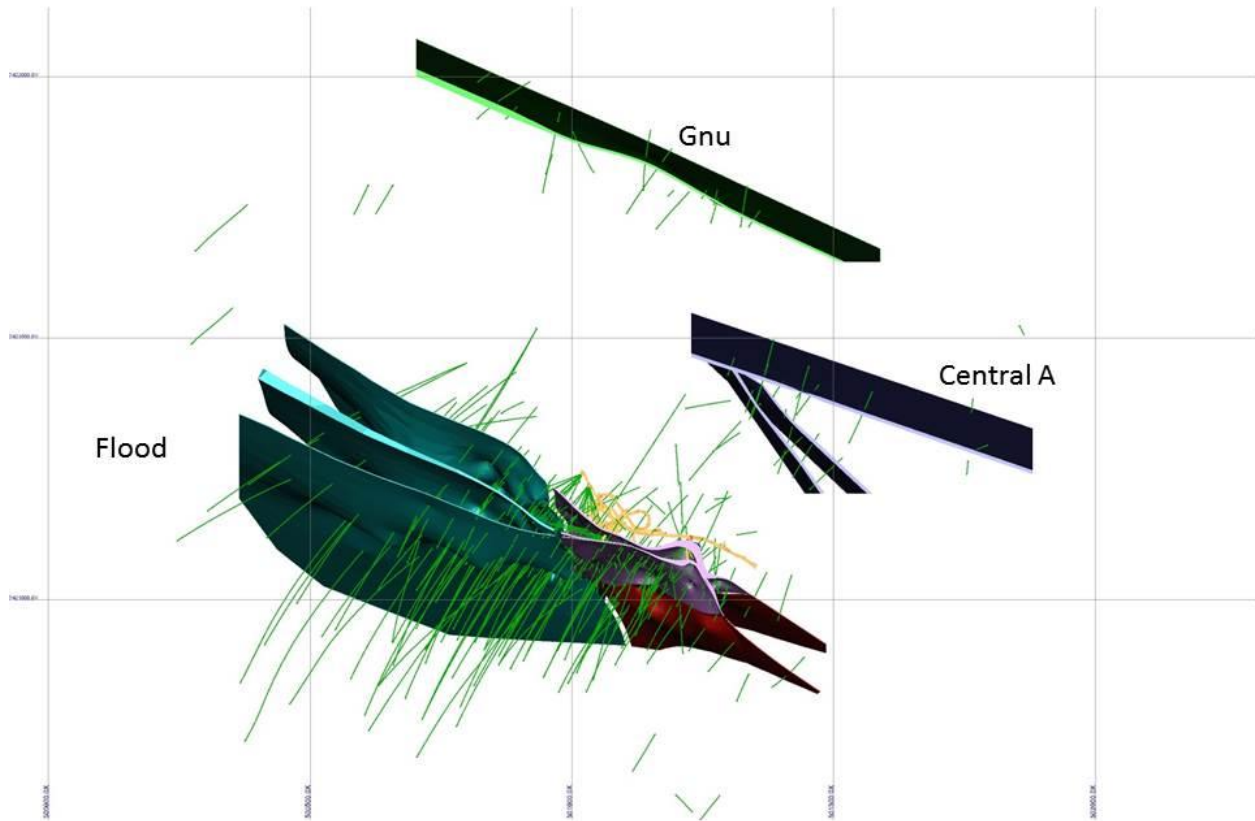
A 3 dimensional geologic model was developed in Leapfrog by Qualified Person Bob Singh, P.Geo. A single bifurcating vein structure was developed (Flood Zone), cut by two post-mineral barren dykes. Two other separate structures (Gnu and Central A) were also modelled to the northeast of the main vein (a resource was not developed on Central A). The various veins are shown on Figure 14 along with the drill hole traces.



**Figure 14. Orthogonal View Looking North Showing Flood Zone**

Note: Flood Zone segments in red, cyan and magenta, Gnu in green, Central A in blue, surface topography, and drill hole traces.

A second plan view of the vein segments is presented as Figure 15 where the underground workings are shown.



**Figure 15. Plan View Showing Flood Zone, Gnu and Central A**

Note: underground development in yellow and drill holes in green.

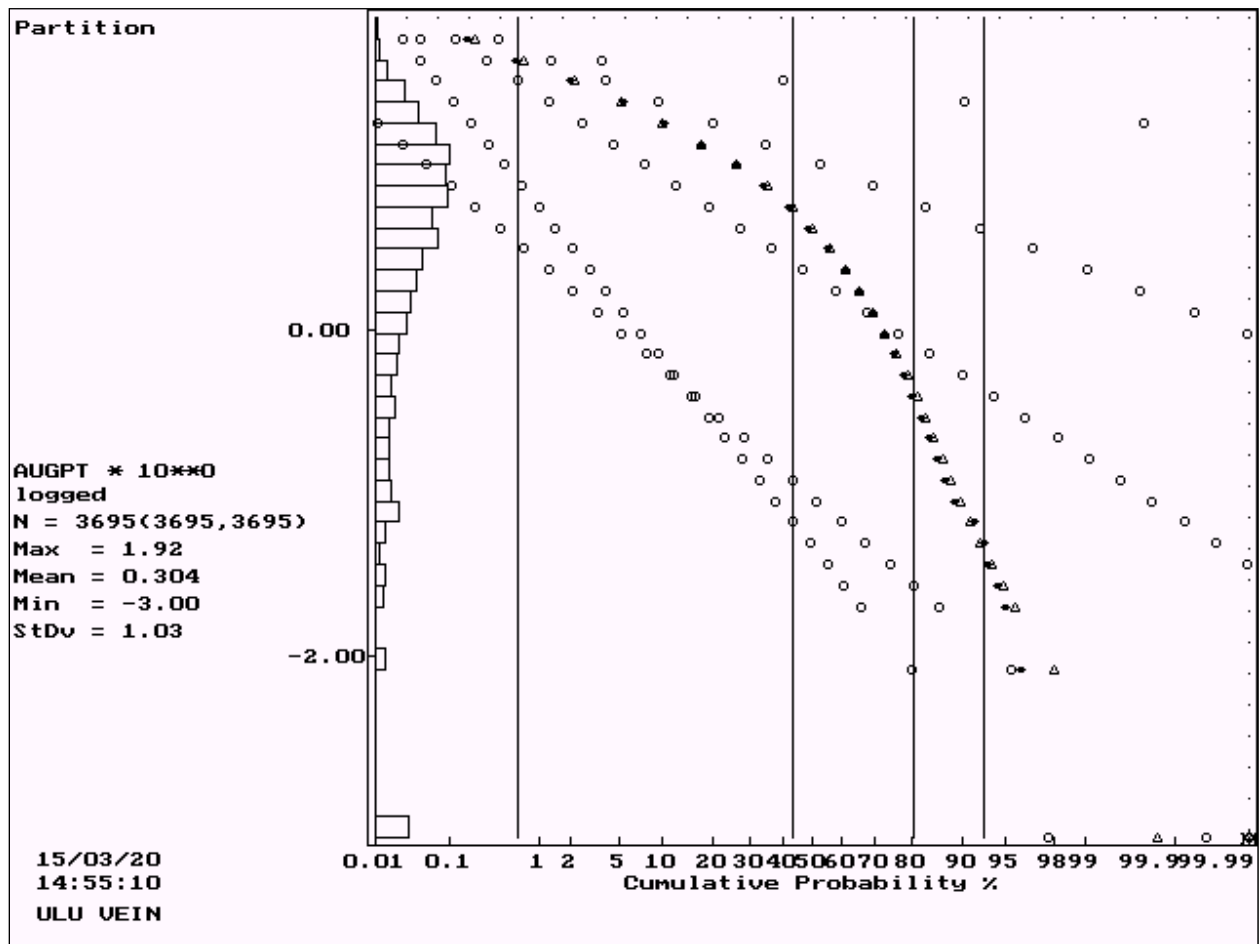
The drill holes were “passed through” the vein solids and assays were back tagged if inside or outside. A total of 313 of the supplied drill holes intersected the vein solids. Appendix A lists all drill holes supplied with the ones used in the estimate highlighted.

**Table 7. Assay Statistics for Domains**

Domain	Variable	Number	Mean Au (g/t)	Standard Deviation	Minimum Value	Maximum Value	Coefficient Of Variation
Flood Zone	Au	3,725	7.38	9.13	0.001	82.50	1.24
Gnu	Au	43	4.51	6.14	0.001	27.29	1.36
Central A	Au	87	2.00	6.39	0.001	53.00	3.19
Waste	Au	13,177	0.43	1.76	0.001	49.95	4.08

The gold grade distribution for each domain was examined, using lognormal cumulative frequency plots, to determine if capping was required and if so at what level. The cumulative

frequency plot for gold in the Flood Zone is shown below as Figure 16. A total of 5 overlapping lognormal gold populations are indicated as outlined in Table 8.



**Figure 16. Lognormal Cumulative Frequency Plot for Gold in Flood Zone**

**Table 8. Gold Populations Present in Flood Zone Grade Distribution**

Population	Au Grade (g/t)	Percentage Of Total	Number of Assays
1	32.37	0.61 %	23
2	10.74	42.80 %	1,581
3	2.15	37.20 %	1,374
4	0.09	12.20 %	451
5	0.05	7.20 %	266

Population 1 does not appear to be erratic high outliers and as a result only the top part of this population was capped. A cap level of 54.0 g/t Au, representing two standard deviations above the mean of population 1, was used to cap 7 assays. Populations 1 to 3 represent the mineralized parts of the vein while populations 4 and 5 represent internal waste.

For the Gnu Zone a single assay was capped at 19.0 g/t Au while in Central A Zone three assays were capped at 8.0 g/t Au.



There are a significant number of high-grade assays in waste that are most likely other small veins that at this time could not be modelled. In the material, considered waste, outside the mineralized solids a cap level of 0.50 g/t Au capped 1,762 assays. The cap levels are summarized below.

**Table 9. Capping Level at Ulu**

Domain	Variable	Cap Au Value (g/t)	Number Capped
Flood Zone	Au	54.0	7
Gnu	Au	19.0	1
Central A	Au	8.0	3
Waste	Au	0.5	1,762

The results of capping are tabulated below with slight changes in mean grade and coefficient of variation for the veins and large reductions in the mean and coefficient of variation for waste.

**Table 10. Capped Assay Statistics for Domains**

Domain	Variable	Number	Mean Au (g/t)	Standard Deviation	Minimum Value	Maximum Value	Coefficient Of Variation
Flood Zone	Au	3,725	7.35	8.94	0.001	54.00	1.22
Gnu	Au	43	4.32	5.51	0.001	19.00	1.28
Central A	Au	87	1.16	1.99	0.001	8.00	1.72
Waste	Au	13,177	0.13	0.18	0.001	0.50	1.38

## 14.2 Composites

Sampled assay lengths within the veins ranged from 0.04 to 2.1 m in length. Drill hole intervals that intersected the vein solids, that were not assayed were assigned nominal values. Uniform down hole composites 2 m in length were produced that honoured the solid boundaries. Intervals at the solid boundaries that were less than 1 m in length were combined with adjoining samples to produce a uniform support of  $2 \pm 1$  m.

**Table 11. Composite Statistics for Domains**

Domain	Variable	Number	Mean Au (g/t)	Standard Deviation	Minimum Value	Maximum Value	Coefficient Of Variation
Flood Zone	Au	2,239	4.34	6.60	0.001	45.34	1.52
Gnu	Au	32	1.57	3.28	0.001	16.41	2.09
Central A	Au	89	0.45	1.33	0.001	8.00	2.95
Waste	Au	41,973	0.02	0.07	0.001	0.50	3.71

### 14.3 Variography

Pairwise relative semivariograms were produced for gold in the Flood Zone solids and Waste. In the case of Flood Zone, geometric anisotropy was demonstrated along the strike and dip of the structures. The maximum continuity of 110 m was found along azimuth 120° plunging -60° with the second largest range of 70 m down dip along azimuth 210° and dipping -75°.

There were insufficient composites in either Gnu or Central A Zone to model so the Flood Zone model was used. The directions of anisotropy were adjusted to match the strike and dip of Gnu and Central A Zone respectively.

For gold samples in waste an Isotropic model with range of 45 m was applied.

In all cases nested spherical models were fit to the data. The semivariogram parameters are tabulated below and the semivariograms are shown in Appendix B.

**Table 12. Semivariogram Parameters for Gold**

Domain	Az / Dip	C <sub>0</sub>	C <sub>1</sub>	C <sub>2</sub>	Short Range (m)	Long Range (m)
Flood Zone	120 / -60	0.50	0.50	0.29	6.0	110.0
	30 / -15				5.0	30.0
	210 / -75				18.0	70.0
Gnu	115 / 0	0.50	0.50	0.29	6.0	110.0
	25 / -10				5.0	30.0
	205 / -80				18.0	70.0
Central A	110 / 0	0.50	0.50	0.29	6.0	110.0
	20 / -10				5.0	30.0
	200 / -80				18.0	70.0
Waste	Omni Directional	0.18	0.09	0.21	18.0	45.0

### 14.4 Block Model

A block model with blocks 5 x 5 x 5 m in dimension was created to cover the mineralized solids. For each block within the model, the percentage below topography, percentage inside each vein and the percentage inside underground development was recorded. The block model origin is shown below.

Lower Left Corner of Model

500300 East

Column size = 5 m

318 columns

7420780 North

Row size = 5 m

260 rows

Top of Model

475 Elevation

Level size = 5 m

225 levels

No Rotation

For blocks containing some percentage of underground development and some percentage of vein, all of the underground development was assumed to be within the vein and the percentage vein was adjusted accordingly.

### **14.5 Bulk Density**

Two specific gravity data sets were available for the Ulu Project. The first consisted of 327 measurements completed by BHP during the period 1990-92. These specific gravity determinations were made by the Archimedes weight in air – weight in water methodology. The results are tabulated below.

**Table 13. BHP Specific Gravity Measurements from 1990-92 Drill Core**

<b>Number of Samples</b>	<b>Minimum SG</b>	<b>Maximum SG</b>	<b>Average SG</b>
326	1.95	3.97	2.95

The second set of data was submitted to Chemex by Wolfden Resources in 2005. This set of 50 specific gravity determinations, was made on pulps from drill holes 04UL-02 to 04UL-40, which would ignore any porosity in the original samples.

**Table 14. Chemex Specific Gravity Measurements on Sample Pulps**

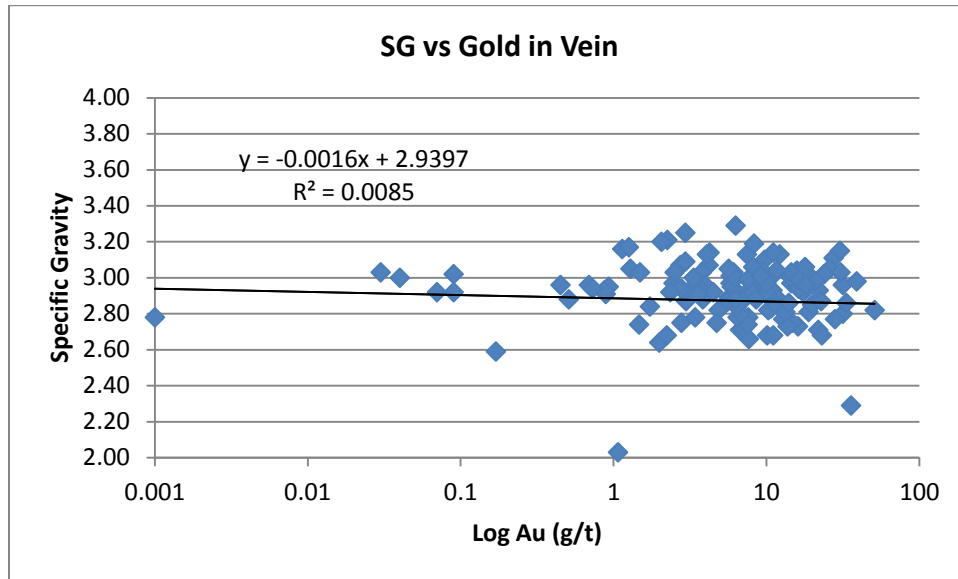
<b>Number of Samples</b>	<b>Minimum SG</b>	<b>Maximum SG</b>	<b>Average SG</b>
50	2.66	3.28	2.99

As the average SG is similar in both data sets the effects of porosity appears to be low. The SG measurements from both data sets were matched with the gold assays. Some of the specific gravity measurements were made on holes from outside the project area and in some cases two SG measurements were made from the same assay interval so the total number of samples in Table 15 is less than the sum of the two previous tables.

**Table 15. Specific Gravity Measurements Sorted by Gold Grades**

<b>Domain</b>	<b>Number of Samples</b>	<b>Minimum SG</b>	<b>Maximum SG</b>	<b>Average SG</b>
Veins	135	2.03	3.29	2.92
Waste	126	1.95	3.35	2.96

A scatter plot of specific gravities versus gold grades (see Figure 17) shows very poor correlation. As a result, the average specific gravity values were applied to both vein and waste material in the block model.



**Figure 17. Scatter Plot of Specific Gravity vs. Log Au Grades in Flood Zone**

## **14.6 Grade Interpolation**

Gold grades were interpolated by Ordinary Kriging (OK) into blocks containing some percentage of each vein using only the appropriate vein composites. The kriging was completed in a series of four passes with the search ellipsoid dimensions for each pass a function of the semivariogram range. The search ellipsoid was orientated in the three principal directions of the anisotropy. The first pass used search dimensions equal to  $\frac{1}{4}$  of the semivariogram range to find a minimum of 4 composites, a maximum of 12 composites with a maximum of 3 composites from any given drill hole allowed. For blocks not estimated in pass 1 a second kriging run was completed using dimensions equal to  $\frac{1}{2}$  the semivariogram ranges. A third pass using the full range and a fourth pass using twice the range completed the kriging exercise.

In order to determine the edge dilution, estimated blocks containing some percentage of waste were kriged in a similar manner using composites outside the vein solids. A fifth pass was required in waste to fill all the estimated blocks.

The kriging parameters for each run and the number of blocks estimated are tabulated below.

**Table 16. Kriging Parameters**

Domain	Pass	Number Estimated	Az/Dip	Dist. (m)	Az/Dip	Dist. (m)	Az/Dip	Dist. (m)
Flood Zone	1	10,174	120 / -60	27.5	30 / -15	7.5	210 / -75	17.5
	2	26,787	120 / -60	55.0	30 / -15	15.0	210 / -75	35.0
	3	41,433	120 / -60	110.0	30 / -15	30.0	210 / -75	70.0
	4	62,254	120 / -60	220.0	30 / -15	60.0	210 / -75	140.0
Gnu	1	34	115 / 0	27.5	25 / -10	7.5	205 / -80	17.5
	2	585	115 / 0	55.0	25 / -10	15.0	205 / -80	35.0
	3	2,569	115 / 0	110.0	25 / -10	30.0	205 / -80	70.0
	4	7,773	115 / 0	220.0	25 / -10	60.0	205 / -80	140.0
Central A	1	90	110 / 0	27.5	20 / -10	7.5	200 / -80	17.5
	2	1,095	110 / 0	55.0	20 / -10	15.0	200 / -80	35.0
	3	8,195	110 / 0	110.0	20 / -10	30.0	200 / -80	70.0
	4	12,522	110 / 0	220.0	20 / -10	60.0	200 / -80	140.0
WASTE	1	5,543	Omni Directional			11.25		
	2	22,186	Omni Directional			22.50		
	3	41,681	Omni Directional			45.00		
	4	55,108	Omni Directional			90.00		
	5	27,450	Omni Directional			180.00		

## 14.7 Classification

Based on the study herein reported, delineated mineralization of the Ulu Deposit is classified as a resource according to the following definitions from National Instrument 43-101 and from CIM (2014):

*“In this Instrument, the terms "mineral resource", "inferred mineral resource", "indicated mineral resource" and "measured mineral resource" have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council on May 10, 2014, as those definitions may be amended.”*

### Mineral Resource

*Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.*

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

and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

*Material of economic interest refers to diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal and industrial minerals.*

*The term Mineral Resource covers mineralization and natural material of intrinsic economic interest which has been identified and estimated through exploration and sampling and within which Mineral Reserves may subsequently be defined by the consideration and application of Modifying Factors. The phrase “reasonable prospects for economic extraction” implies a judgement by the Qualified Person in respect of the technical and economic factors likely to influence the prospect of economic extraction. The Qualified Person should consider and clearly state the basis for determining that the material has reasonable prospects for eventual economic extraction. Assumptions should include estimates of cut-off grade and geological continuity at the selected cut-off, metallurgical recovery, smelter payments, commodity price or product value, mining and processing method and mining, processing and general and administrative costs. The Qualified Person should state if the assessment is based on any direct evidence and testing.*

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

The terms Measured, Indicated and Inferred are defined by CIM (2014) as follows:

### **Inferred Mineral Resource**

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

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

*An Inferred Mineral Resource is based on limited information and sampling gathered through appropriate sampling techniques from locations such as outcrops, trenches, pits, workings and drill holes. Inferred Mineral Resources must not be included in the economic analysis, production schedules, or estimated mine life in publicly disclosed Pre-Feasibility or Feasibility Studies, or in the Life of Mine plans and cash flow models of developed mines. Inferred Mineral Resources can only be used in economic studies as provided under NI 43-101.*

*There may be circumstances, where appropriate sampling, testing, and other measurements are sufficient to demonstrate data integrity, geological and grade/quality continuity of a Measured or Indicated Mineral Resource, however, quality assurance and quality control, or other information may not meet all industry norms for the disclosure of an Indicated or Measured Mineral Resource. Under these circumstances, it may be reasonable for the Qualified Person to report an Inferred Mineral Resource if the Qualified Person has taken steps to verify the information meets the requirements of an Inferred Mineral Resource.*

### **Indicated Mineral Resource**

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

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

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

*Mineralization may be classified as an Indicated Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such as to allow confident interpretation of the geological framework and to reasonably assume the continuity of mineralization. The Qualified Person must recognize the importance of the Indicated Mineral Resource category to the advancement of the feasibility of the project. An Indicated Mineral Resource estimate is of sufficient quality to support a Pre-Feasibility Study which can serve as the basis for major development decisions.*

### **Measured Mineral Resource**

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

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

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

*Mineralization or other natural material of economic interest may be classified as a Measured Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such that the tonnage and grade of the mineralization can be estimated to within close limits and that variation from the estimate would not significantly affect potential economic viability. This category requires a high level of confidence in, and understanding of, the geology and controls of the mineral deposit.*

## **Modifying Factors**

Modifying Factors are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

Within the Ulu mineralized zones the geological continuity has been established through surface and underground mapping and drill hole interpretation. Grade continuity can be quantified by semivariogram analysis. By tying the classification to the semivariogram ranges through the use of various search ellipses the resource is classified as follows:

### **For Flood Zone**

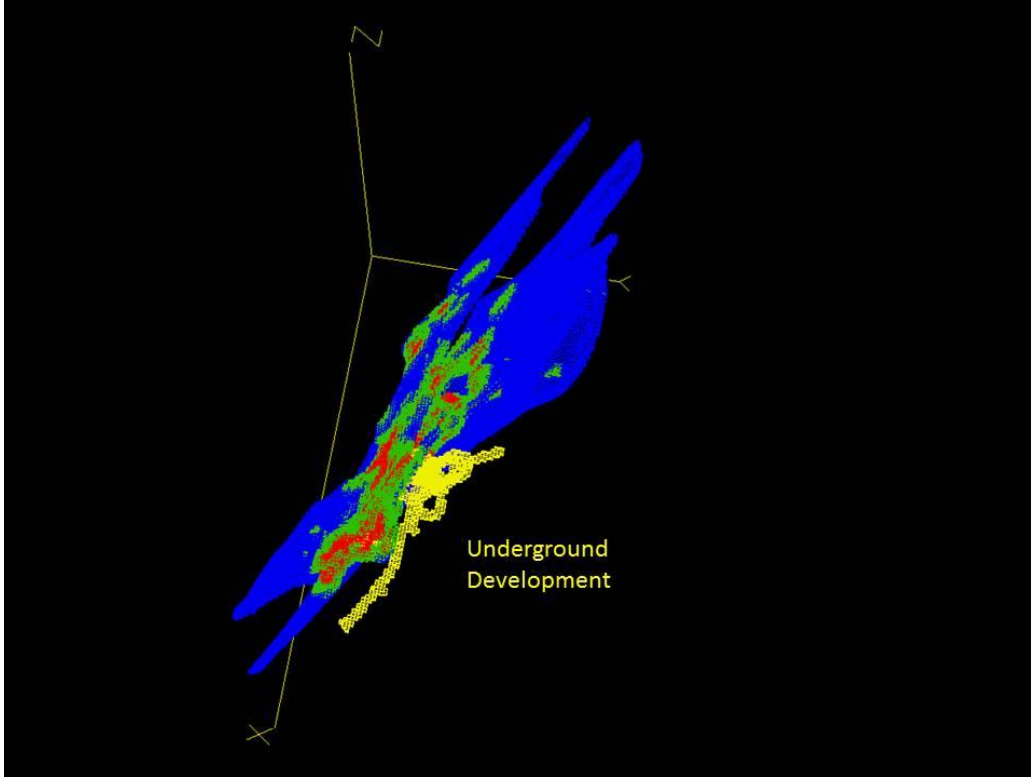
- Blocks containing the vein estimated in the first pass, that formed contiguous zones were classified as Measured.
- Blocks containing the vein estimated in the second pass, that formed contiguous zones were classified as Indicated.
- All blocks containing the vein estimated in the third or fourth passes were classified as Inferred.

### **For Gnu**

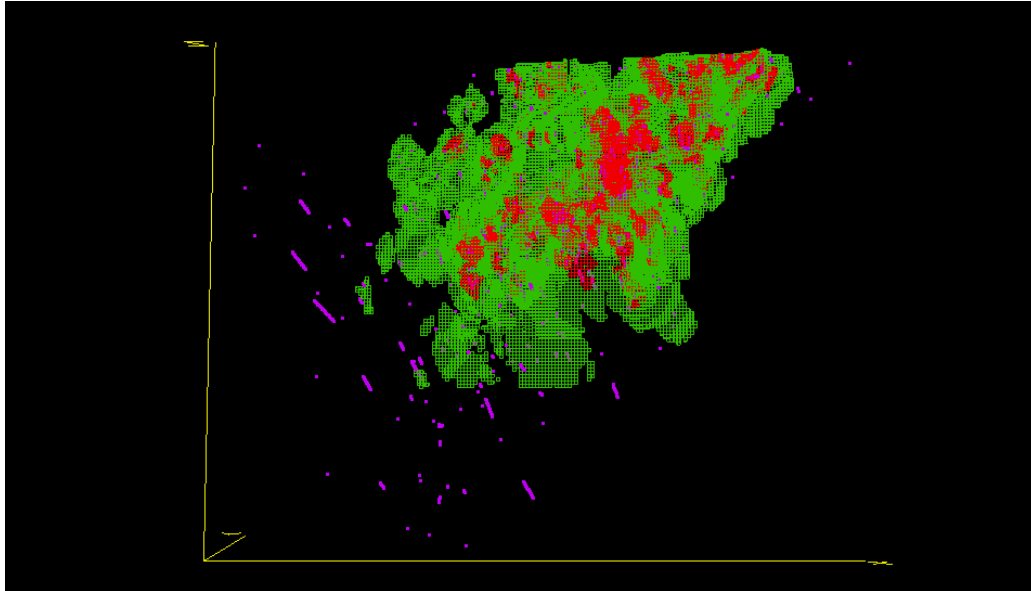
- The drill hole density did not allow for any blocks to be classified as measured or indicated. All estimated blocks were classified as Inferred. The small resource outlined in the Central A Zone is not considered material at this time.

Figure 18 shows an isometric view of the colour coded classified blocks in Flood Zone. Figure 19 shows a longitudinal view looking north showing the measured and indicated blocks in Flood Zone.





**Figure 18. Isometric View Showing Blocks Classed as Measured in Red, Indicated in Green and Inferred in Blue**



**Figure 19. View Looking North Showing Blocks Classed as Measured in Red, Indicated in Green and Composites in Magenta**

At this time no economic studies have been completed by WPC. A 4 g/t Au cut-off has been highlighted in the grade-tonnage tables as a possible underground cut-off. This is based on the following assumptions:

- CDN\$100/t mining, CDN\$25/t processing and CDN\$10/t G&A
- transporting gravity and flotation concentrate to the Lupin to produce dore-CDN\$25/t transport costs
- CDN \$1500/oz gold price
- Process recoveries of 90%
- Smelter payables of Au at 96%
- Refining charges of Au CDN\$12/oz

**Table 17. Ulu Project Measured Resource within Flood Zone**

Au Cut-off (g/t)	Tonnes > Cut-off (tonnes)	Grade > Cut-off	
		Au (g/t)	Oz. Gold
1.0	1,430,000	6.66	306,000
2.0	1,290,000	7.24	300,000
2.5	1,210,000	7.56	294,000
3.0	1,140,000	7.86	288,000
3.5	1,070,000	8.15	280,000
<b>4.0</b>	<b>1,000,000</b>	<b>8.48</b>	<b>272,000</b>
4.5	940,000	8.74	264,000
5.0	870,000	9.06	253,000
5.5	790,000	9.45	240,000
6.0	710,000	9.85	225,000
7.0	570,000	10.67	196,000
8.0	450,000	11.54	167,000
9.0	350,000	12.46	140,000
10.0	270,000	13.28	115,000

**Table 18. Ulu Project Indicated Resource within Flood Zone**

<b>Au Cut-off (g/t)</b>	<b>Tonnes &gt; Cut-off (tonnes)</b>	<b>Grade &gt; Cut-off</b>	
		<b>Au (g/t)</b>	<b>Oz. Gold</b>
1.0	2,770,000	4.90	436,000
2.0	2,380,000	5.46	418,000
2.5	2,150,000	5.80	401,000
3.0	1,940,000	6.13	382,000
3.5	1,720,000	6.50	360,000
<b>4.0</b>	<b>1,500,000</b>	<b>6.90</b>	<b>333,000</b>
4.5	1,280,000	7.37	303,000
5.0	1,070,000	7.89	271,000
5.5	910,000	8.35	244,000
6.0	770,000	8.82	218,000
7.0	550,000	9.75	172,000
8.0	380,000	10.76	131,000
9.0	260,000	11.83	99,000
10.0	180,000	12.86	74,000

**Table 19. Ulu Project Measured plus Indicated Resource within Flood Zone**

<b>Au Cut-off (g/t)</b>	<b>Tonnes &gt; Cut-off (tonnes)</b>	<b>Grade &gt; Cut-off</b>	
		<b>Au (g/t)</b>	<b>Oz. Gold</b>
1.0	4,200,000	5.50	743,000
2.0	3,670,000	6.09	718,000
2.5	3,360,000	6.43	695,000
3.0	3,080,000	6.77	670,000
3.5	2,790,000	7.14	640,000
<b>4.0</b>	<b>2,500,000</b>	<b>7.53</b>	<b>605,000</b>
4.5	2,220,000	7.95	567,000
5.0	1,930,000	8.42	522,000
5.5	1,700,000	8.86	484,000
6.0	1,480,000	9.32	443,000
7.0	1,120,000	10.22	368,000
8.0	830,000	11.18	298,000
9.0	600,000	12.19	235,000
10.0	450,000	13.11	190,000

**Table 20. Ulu Project Inferred Resource within Flood Zone**

<b>Au Cut-off (g/t)</b>	<b>Tonnes &gt; Cut-off (tonnes)</b>	<b>Grade &gt; Cut-off</b>	
		<b>Au (g/t)</b>	<b>Oz. Gold</b>
1.0	7,560,000	2.41	586,000
2.0	3,777,000	3.39	411,000
2.5	2,484,000	3.99	319,000
3.0	1,790,000	4.49	258,000
3.5	1,202,000	5.10	197,000
<b>4.0</b>	<b>891,000</b>	<b>5.57</b>	<b>160,000</b>
4.5	659,000	6.04	128,000
5.0	487,000	6.50	102,000
5.5	355,000	6.98	80,000
6.0	268,000	7.39	64,000
7.0	129,000	8.40	35,000
8.0	55,000	9.68	17,000
9.0	25,000	11.07	9,000
10.0	15,000	12.06	6,000

**Table 21. Ulu Project Inferred Resource within Gnu Zone**

<b>Au Cut-off (g/t)</b>	<b>Tonnes &gt; Cut-off (tonnes)</b>	<b>Grade &gt; Cut-off</b>	
		<b>Au (g/t)</b>	<b>Oz. Gold</b>
1.0	1,230,000	3.27	129,000
2.0	780,000	4.47	112,000
2.5	770,000	4.50	111,000
3.0	720,000	4.61	107,000
3.5	640,000	4.78	98,000
<b>4.0</b>	<b>370,000</b>	<b>5.57</b>	<b>66,000</b>
4.5	320,000	5.76	59,000
5.0	270,000	5.96	52,000
5.5	200,000	6.19	40,000
6.0	80,000	6.77	17,000
7.0	12,000	7.47	2,900
8.0	900	8.73	300
9.0	200	9.29	100

## 14.8 Model Verification

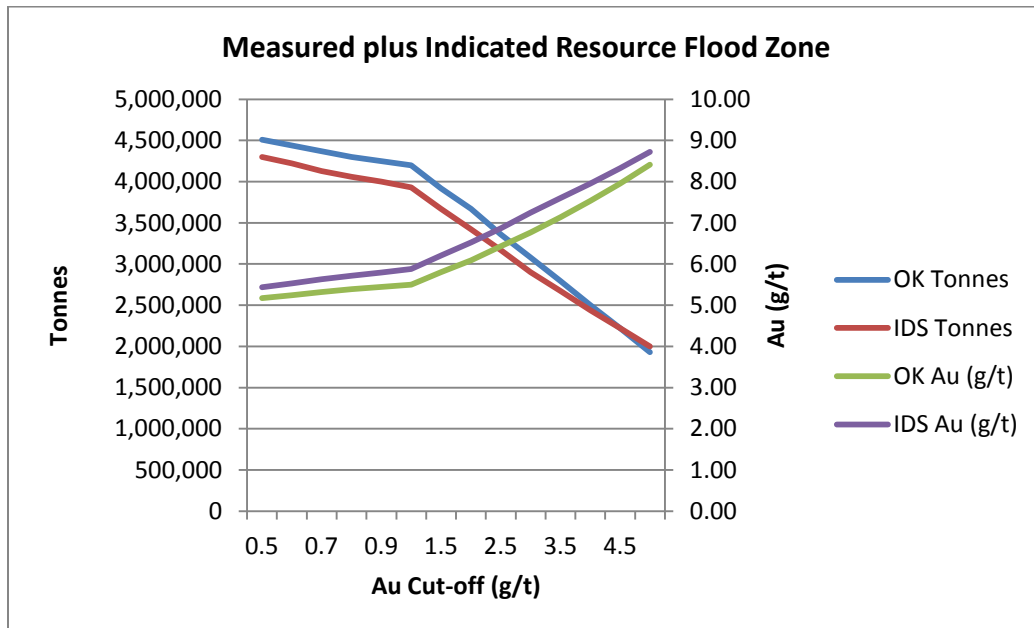
The block model results were verified in a number of ways. The Flood Zone block model was re-estimated using Inverse Distance Squared (ID<sup>2</sup>) interpolation with the same parameters as used in OK. Table 22 shows a comparison between the two estimation methods.

**Table 22. Comparison of Gold Grades from Kriging and ID<sup>2</sup> Estimated Flood Zone Blocks**

Domain	Ordinary Kriging		Inverse Distance Squared	
	Number	Mean Au (g/t)	Number	Mean Au (g/t)
Flood Zone	140,648	2.26	140,648	1.98
Waste	122,173	0.03	122,173	0.03

The differences in the two estimation techniques can also be shown in a grade-tonnage plot for Measured plus Indicated and Inferred blocks (see Figures 20 and 21). The main reason for the differences involves the ability of OK to restrict the number of composites from a single hole to 3 thereby forcing the program to find a minimum of two drill holes for every block estimated. The ID<sup>2</sup> program did not have this restriction so many blocks were estimated particularly in the Inferred category, where data was more widely distributed, using a single drill hole. Thus the ID<sup>2</sup> estimate would be closer to a nearest neighbour estimate which results in overestimating grades and underestimating tonnes.

The results for Ordinary Kriging were also verified by comparing estimated gold grades to composite grades on cross sections.



**Figure 19. Grade-Tonnage Plot for Au Measured plus Indicated Blocks in Flood Zone**

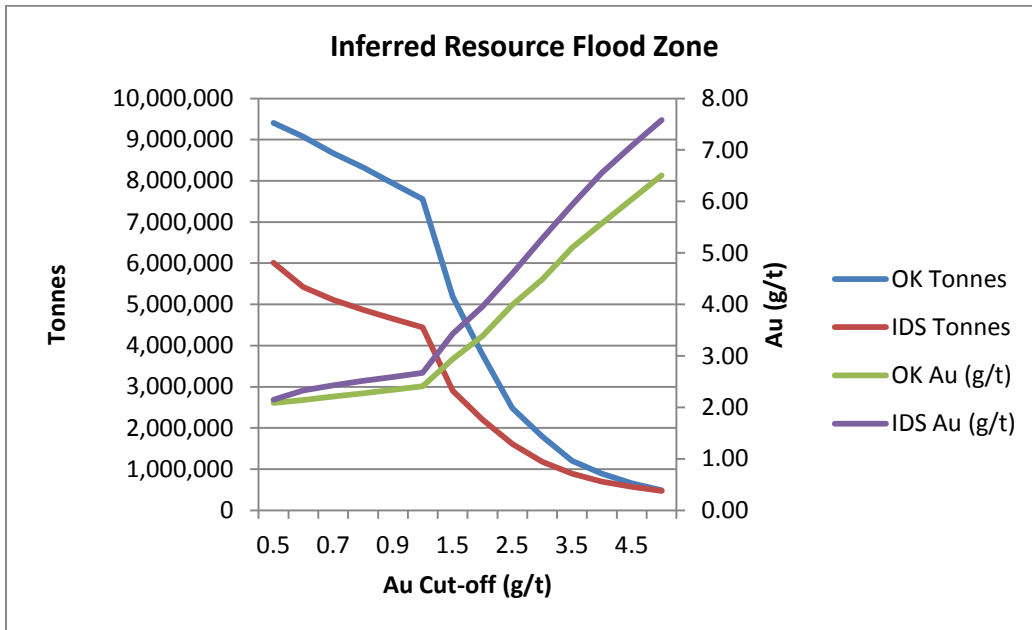


Figure 20. Grade-Tonnage Plot for Au for Inferred Blocks Flood Zone

## 15 MINERAL RESERVE ESTIMATES

There are no mineral reserve estimates on Ulu.

## 16 ADJACENT PROPERTIES

### 16.1 Summary of 1970-1988 Exploration Near Ulu

Borealis Exploration conducted a field program in 1970 in the “Penthouse” area (part of what became the current Hood River Property). The program consisted of mapping, trenching, sampling, and drilling. Trenching on the “Penthouse gossan” returned values up to 1.37 g/t Au, 92.57 g/t Ag, 6.48% Cu, and 1.10% Pb. Details of the density and quantity of sampling during this campaign are not available. An X-ray sized drill hole drilled under the trench intersected 1.37 g/t Au, 15.09 g/t Ag, and 0.18% Pb over 0.9 m. The PH 1-13 claims were staked over this showing and these had lapsed by 1983.

The Blackridge area (on the southern part of what has become the current Hood River Property) was first investigated between 1965 and 1970 by Borealis Exploration (Siddle, 1985). Borealis conducted an airborne EM / mag / gamma ray spectrometer survey over their Permit 62 (NTS 76L/15). The actual auriferous zone was discovered in 1974 by Long Lac Minerals as the North Mare prospect during regional prospecting in the Hood River area. A claim was staked here in 1975 as a result of reconnaissance prospecting returned two surface grab samples of 6.86 g/t Au and 9.26 g/t Au (Johnson, W., Robinson, P., 1975). No details are available as to the density or

quantity of other samples during this prospecting effort. Noranda Exploration Ltd. is reported to have completed airborne geophysics and ground follow up in 1981.

Aber Resources Ltd. was the next company to have filed assessment work for the showing, having staked the Blackridge claim (F10283) in 1983, along with a contiguous claim BR1-2. A program of gridding, geophysical surveys (magnetics and VLF), and drilling (6 holes totaling 199 m) was undertaken in 1985. A mineralized zone was traced for at least 700 m northeast in a 2.5 - 3.5 m wide zone within gabbro at a gabbro/sediment contact. No information is available as to the density and quantity of sampling along this trend, however, a chip sample of 7.5 g/t Au across 9 m was reported. The drilling tested a 300 m strike of the trend with 6 holes.

Hy-Tech Resources Ltd. conducted an exploration program in 1988 on the HY 17-19 claims (southern part of what became the Hood River Property) to the west of Aber's claims. These claims, which belonged to Expedito Resource Group Ltd., were staked on January 13, 1988. The rationale for staking these claims appears to be a 1986 report by DIAND geologists noting a gold value of 866 ppb Au along a sediment-volcanic contact to the northeast of the HY 17 claim (Karchmar, K., Lyman, D.A., 1989). The work by Hy-Tech included 113 grab rock samples from small (1-2 m wide) oxidized discontinuous gossans and 60 soil samples all over an area of 2.5 km x 4.5 km. Approximately 2/3 of the rock samples were focused on three areas but sampling density was still at a broad spacing of roughly 1 per 25 m strikelength test along linear gossans. Eleven rock samples returned values between 60 and 610 ppb Au. The best value of 610 ppb Au (with 4.3 % As) was located at a volcanic-sediment contact in the southeast corner of historic HY 17.

The above exploration activity occurred on what became the Hood River Property, adjacent to Ulu. One author (P. Cowley, P.Geo.) has verified the information provided on the Hood River Property by way of site visits and involvement in exploration campaigns in the 1990's. A good description of the showings on the Hood River Property is found in the "Technical Report on the Hood River Property, Nunavut," prepared in accordance with NI 43-101, dated June 13, 2014 and revised August 30, 2014 and authored by Paul Cowley, P.Geo. The information related to the adjacent Hood River Property is not necessarily indicative of the mineralization on the Ulu Property that is the subject of the technical report.

## **16.2 Summary of 1988-1995 Exploration Near Ulu (Aber and BHP)**

### **16.2.1 Crown**

BHP Minerals Canada Ltd. staked the Crown and Crown 2 claims in 1987 (central part of what became the Hood River Property) following the discovery of auriferous mineralization during reconnaissance scale prospecting and traversing. Grab samples of silicified rock with arsenopyrite and pyrrhotite at a sediment/volcanic contact returned values to 4 g/t Au. This "Main zone" was intermittently traced for 800 m. Further work on the Crown Claims in 1988 and 1989 included 63 km of gridding (Cream, Mine and Gravy grids), geological mapping (1:2,500 and 1:5,000 scale), rock chip sampling (181 samples), limited soil geochemical sampling (4 samples), 55 kilometres of ground Mag-VLF surveys and 77.5 m of trenching

(Cullen R.D., Ord R., 1989). BHP carried out some drilling (up to 13 short holes) on the Crown Claims (as witnessed by core stored at Penthouse Lake) but no assessment reports were filed that cover this drilling.

The above exploration activity occurred on what became the Hood River Property, adjacent to Ulu. One author (P. Cowley, P.Geo.) has verified the information provided on the Hood River Property by way of site visits and involvement in exploration campaigns in the 1990's. A good description of the showings on the Hood River Property is found in the "Technical Report on the Hood River Property, Nunavut," prepared in accordance with NI 43-101, dated June 13, 2014 and revised August 30, 2014 and authored by Paul Cowley, P.Geo. The information related to the adjacent Hood River Property is not necessarily indicative of the mineralization on the Ulu Property that is the subject of the technical report.

### **16.2.2 Den**

Aber Resources staked the DEN 1 to 16, 19 and 20 Claims in 1987 (the northern part of what became the Hood River Property). They were located to the west of BHP's Crown Claims. Covello, Bryan, and Associates then staked the JEB 1-3 and FIDO 1-3 Claims (further north) during 1988, which were also included in the Aber Claim Group. Work by Covello, Bryan and Associates in 1988 included gridding, mapping, sampling, VLF and Mag. A total of 262 rock samples were taken during this program within an area of 6 km by 24 km. All rock samples were grab samples. Widths of sampled material were not generally given in the filed assessment reports. Geochemical results of 59 of the 262 (22.5%) samples returned gold values greater than 1 g/t Au and 17 samples were greater than 5 g/t Au. Elevated values (up to 15.63 oz/t Au from grab samples) were returned from these claims (Siddle, 1988), which prompted BHP to enter into a joint venture with Aber. Between 1989 and 1991 BHP drilled 951.87 m in eighteen diamond drill holes and collected 253 drill core samples, 1,109 rock samples and 573 soil samples. During the 1989 program reconnaissance-scale exploration and more focused exploration work on three grids, Penthouse, Last and Pro, returned 5-10% of the grab samples with greater than 2 g/t Au with a high grade sample of 33.9 g/t Au. Gossan/vein widths of material sampled are again generally not described in the assessment reports. The 1990 surface reconnaissance and grid area rock sampling program returned 15% of the grab samples greater than 1 g/t Au but rarely above 3 g/t Au. The completion of 55 km of grid layout allowed for 56 km of Magnetic surveys, 53.3 km of VLF, EM surveys, and 9.9 km of pole-dipole IP surveys (Hewgill et al., 1990, Cullen et al., 1992). The Longspur / North Penthouse Grid was extended 700 m to the east. Several of the northernmost claims were relinquished from the Joint Venture after the 1990 field season including FIDO 1-2, JEB 1-3, and DEN 3-9 Claims. Despite recommendations for further drilling on the Spent and Pro Zones and receiving results from surface grab samples which returned 76.8 g/t Au and an intersection of 7.8 g/t Au over 0.5 m in drilling, BHP did not recommend keeping the DEN claims in the Aber Joint Venture (Cullen et al., 1992).

The above exploration activity occurred on what became the Hood River Property, adjacent to Ulu. One author (P. Cowley, P.Geo.) has verified the information provided on the Hood River Property by way of site visits and involvement in exploration campaigns in the 1990's. A good description of the showings on the Hood River Property is found in the "Technical Report on the



Hood River Property, Nunavut,” prepared in accordance with NI 43-101, dated June 13, 2014 and revised August 30, 2014 and authored by Paul Cowley, P.Geo. The information related to the adjacent Hood River Property is not necessarily indicative of the mineralization on the Ulu Property that is the subject of the technical report.

### **16.3 Hood River Property**

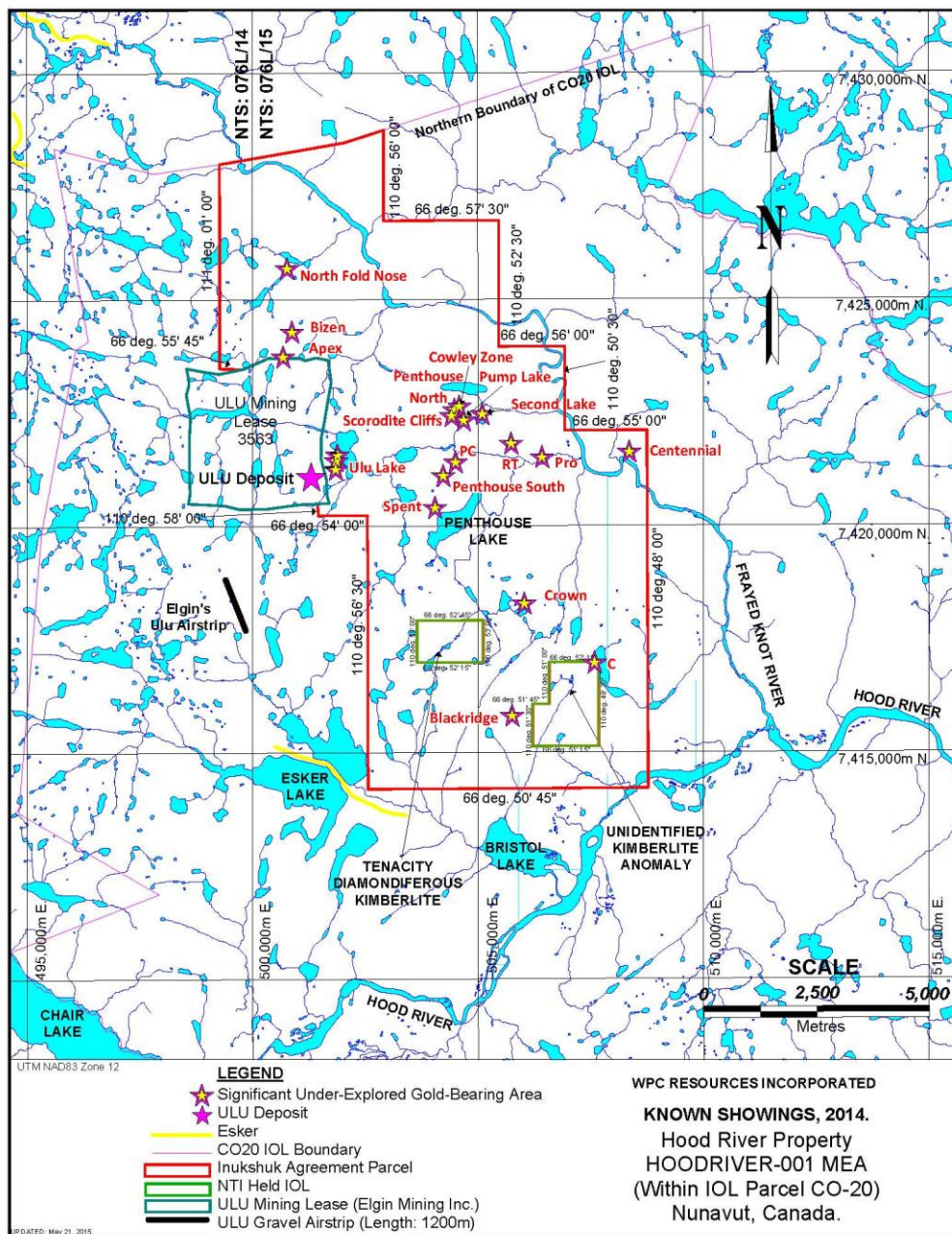
The 8,015 hectare Hood River Property adjacent to the Ulu Mining Lease covers 22 known gold showings within an 11 by 8 km area identified from available historical assessment reports. Mineralization in the area was initially identified in 1969 with a subsequent major exploration focus being undertaken between 1989 and 1993.

The 22 gold-bearing showings in the North Fold Nose, Penthouse North, Penthouse South, Blackridge, Crown, Ulu Lake, Last, Pro and Southern Fold Areas have been identified on the property indicating the potential for hosting significant gold mineralization. Figure 22 and 23 locate the areas and showings on a map. In addition, several of the gold zones discovered by BHP on the original Ulu claims now lie on the Hood River Concession, including Apex, East Limb, Twilight and Northern Fold Nose, which have been lightly tested by drilling by BHP.

Examples from the showings are as follows. A 1 m wide quartz vein at the North Fold Nose returned surface grab samples of 66 g/t Au and 27.5 g/t Au which was drilled in 1990 and returned 6.88 m @ 9.16 g/t Au. A surface grab sample from Penthouse South returned 220.09 g/t Au; here a 2 m wide silicified shear zone is reported to be traceable for at least 200 m. A chip sample from the 700 m long intermittent exposed Blackridge Showing returned 7.5 g/t Au across 9 m. Chip samples from the 800m long intermittently exposed Main Zone at Crown returned 24 g/t Au over 1 m. The Hood River Property also has reported other sites of shear-hosted gold with values of 13 g/t Au over 2 m (chip), and 130 g/t Au, 176 g/t Au, 76.8 g/t Au and 21.2 g/t Au from grab samples.

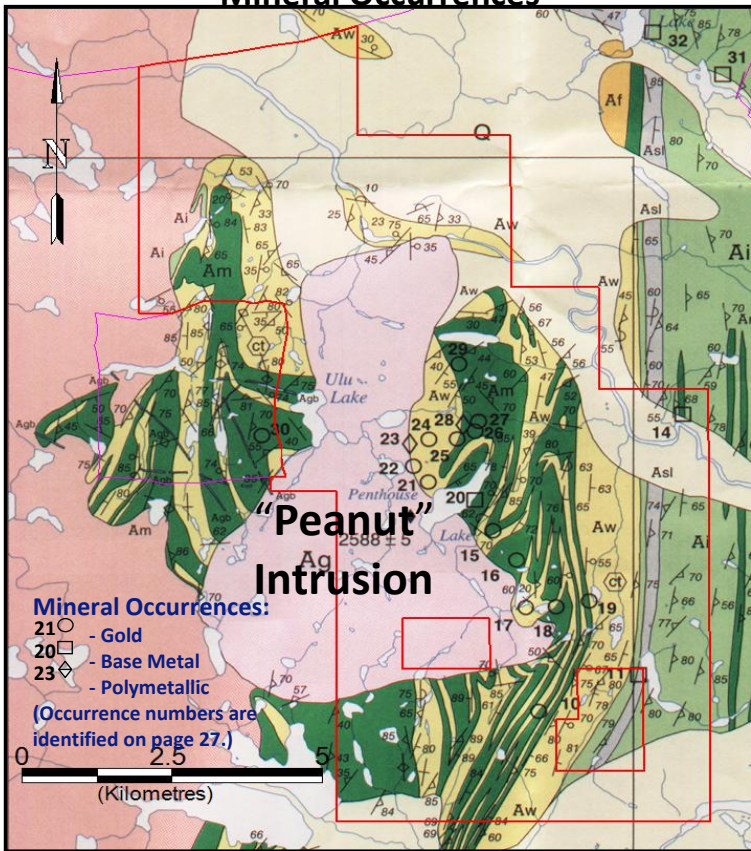
The showings are principally located on either side of the “Peanut” Leucogranite plug in folded metavolcanics and metasediments. One grouping of showings is associated with the F2 Uluanticline (which hosts the Flood Zone Gold Deposit). There exists a close spatial association of the gold-arsenopyrite zones (Flood Zone and others) on the Ulu mining lease with the axial trace of the F2 Ulu anticline. The Hood River Property covers the northernmost 2 km of this fold axis (Figure 24). The second grouping of showings lies to the east of the “Peanut” Leucogranite. The mineral prospects on the Hood River Property occur in rocks of the same age and composition as those hosting the adjacent Flood Zone Gold Deposit. In most cases, gold occurs in brecciated basaltic wall rock clasts which are replaced by acicular arsenopyrite + quartz + potassium feldspar.

The above description is a summary of the Hood River Property, adjacent to Ulu. One author (P. Cowley, P.Geol.) has verified the information provided on the Hood River Property by way site visits and involvement in exploration campaigns in the 1990's. A good description of the showings on the Hood River Property is found in the "Technical Report on the Hood River Property, Nunavut," prepared in accordance with NI 43-101, dated June 13, 2014 and revised August 30, 2014 and authored by Paul Cowley, P.Geol. The information related to the adjacent Hood River Property is not necessarily indicative of the mineralization on the Ulu Property that is the subject of the technical report.

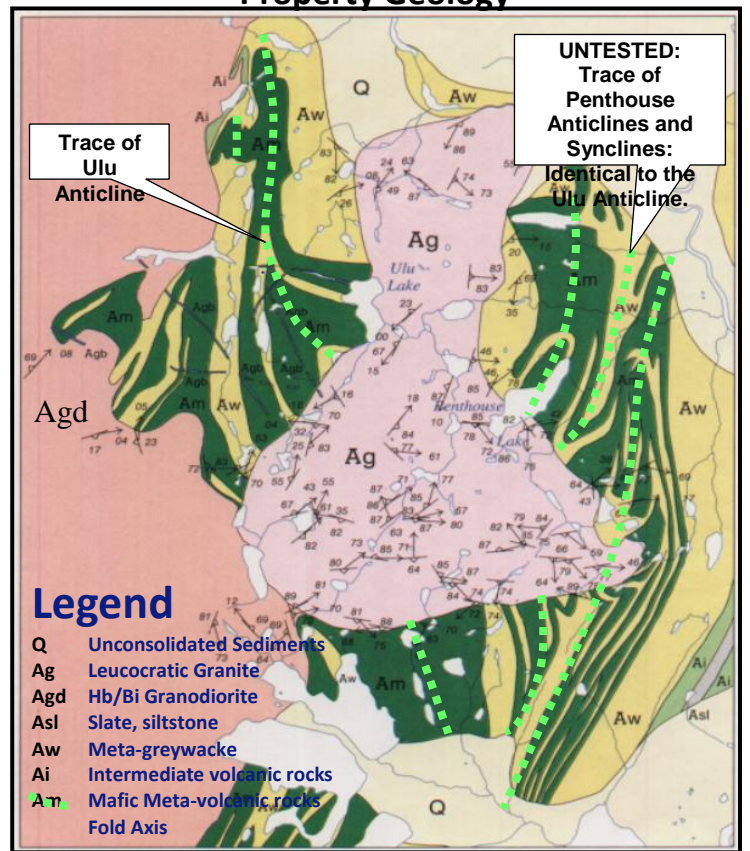


**Figure 21: Known Showings within Hood River Property**

### Mineral Occurrences



### Property Geology

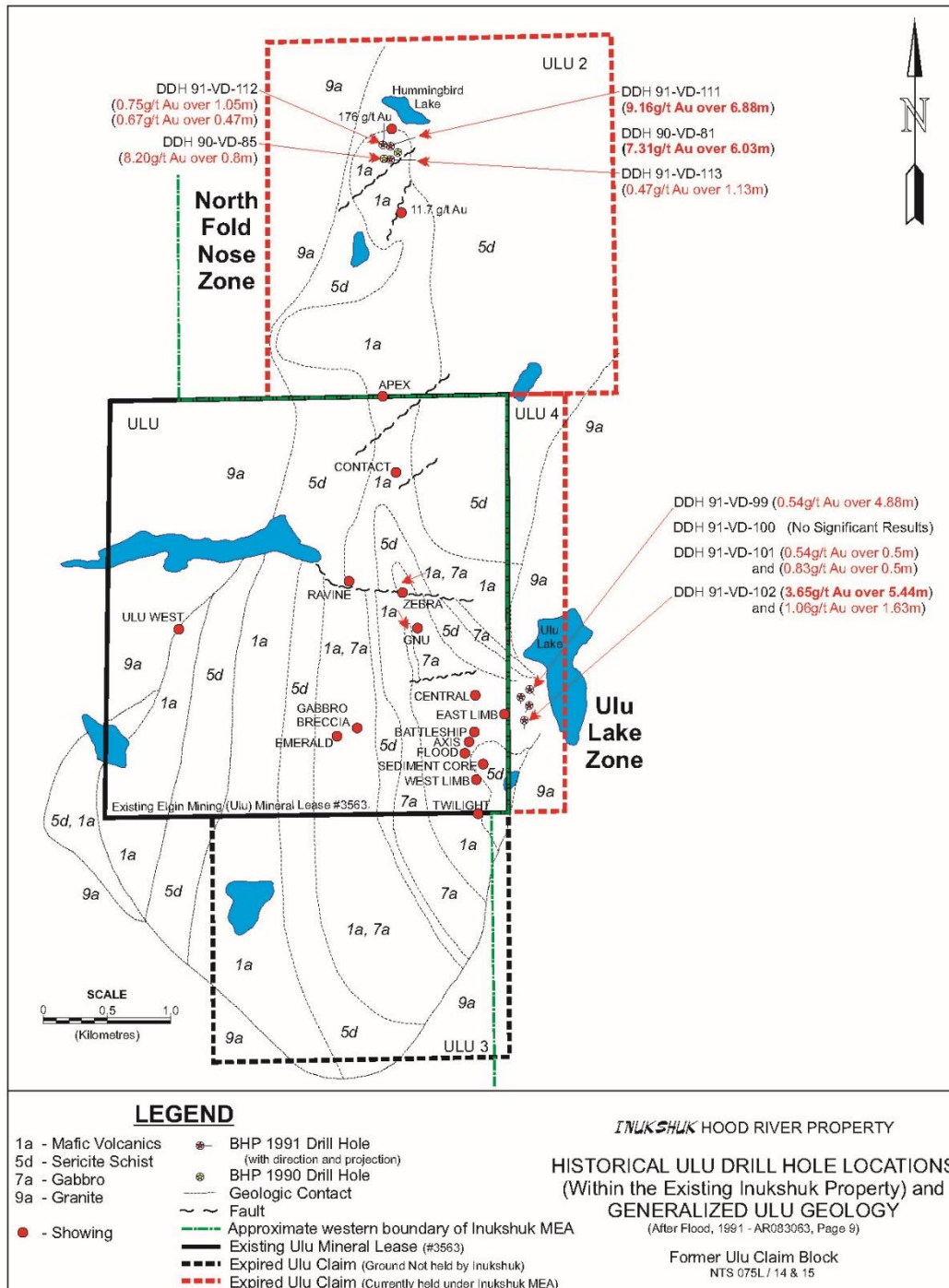


After: Henderson, J.R., Henderson, M.N., Kerswill, J.A., and Dehis, J.F. (2000): Geology, High Lake Greenstone Belt, Nunavut; GSC Map 1945A.

See Previous map for Approximate Scale.

**Figure 22. Mineral Occurrences in Area by GSC**

Note: relative to geology and structure of the Ulu Mining Lease and Hood River Property, after Henderson.



**Figure 23. Historic BHP Drilling at East Zone and North Fold Nose Area on Hood**

Note: drill hole locations and significant assay results. Data from Flood, (1991); AR083063.

## **16.4 High Lake Deposit**

Kennarctic discovered the High Lake Cu-base metals deposit (50 km north of what became the Ulu Mining Lease) in 1955 by airborne reconnaissance prospecting. 7,149 m of drilling in 52 drill holes in 1956 and 1957 led to a historic resource estimate of 3.57 million tonnes @ 4.02 % Cu in addition to significant gold, silver and zinc credits. Further drilling done by Aber Resources Ltd. in the early 1990s increased the historic resource to 5.37 million tonnes @ 4.05 % Cu, 2.36% Zn, 1.76 g/t Au, and 31.73 g/t Ag.

Readers are cautioned that the reference to the above resource estimate on the High Lake Deposit is a historical resource estimate and does not conform to the requirements and rules of the National Instrument 43 - 101. While the resource estimates and analysis were undertaken by competent professionals, the qualified persons of this technical report have not done sufficient work to classify the historical estimate as current mineral resources. WPC is not treating the historical estimate as current mineral resources and the historical estimate should not be relied upon.

Wolfden acquired the High Lake deposit in 2003 and conducted extensive drilling and geophysics. In January 2005, Wolfden Resources Inc. complete a technical report prepared in accordance with NI 43-101 which included a resource estimate of the High Lake deposit with an Indicated Resource of 14.3 million tonnes grading 2.34% Cu, 3.53% Zn, 1.01 g/t Au and 75.69 g/t Ag and an Inferred Resource of 1.3 million tonnes grading 1.17% Cu, 3.35% Zn, 0.78% g/t Au and 764.52 g/t Ag both based on a 2% Cu equivalent lower cut-off and preformed by G.H. Wahl, P.Geo.

Readers are cautioned that the reference to the above resource estimate on the High Lake Deposit, although conform to the requirements and rules of the National Instrument 43 – 101 and written and published by qualified professionals, the estimates and analyses were not verified by the qualified presons of this technical report.

The authors have not verified the information provided on the High Lake Deposit. The information related to the High Lake Deposit is not necessarily indicative of the mineralization on the Ulu Property that is the subject of this technical report. The High Lake Property is owned by third parties.

## **17 OTHER RELEVANT DATA AND INFORMATION**

The authors are unaware of any further data or relevant information that could be considered of any practical use in this report. The authors are not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.

## 18 INTERPRETATION AND CONCLUSIONS

In addition of the existing Ulu Option Agreement between WPC, Elgin Mining Inc. and Bonito Capital, WPC has signed a non-binding Letter of Intent (LOI) with Mandalay Resources Corporation, to acquire Mandalay's 100% owned subsidiary, Lupin Mines Incorporated which owns the historic past producing Lupin Gold Mine and its attendant mill and processing plant and the Ulu Gold Property both in Nunavut, Canada. The LOI is subject to a number of conditions yet to be completed. The advancement of the Ulu Gold Project could be positively benefitted by utilizing the Lupin Gold Mine infrastructure. WPC is listed on the TSX-V with the trading symbol: WPQ.

The Ulu Gold Property, covered by a renewable 21-year Crown mining lease covering 947.403 hectares, is 130 km north-northeast of the Lupin Mine (which was in production between 1982 and 2004). Ulu received approximately 1.7 kilometres ("km") of underground development and approximately 98 km of diamond drilling, completed between 1989 and 2012. Most of the past work undertaken has been focused on the Flood Zone Gold Deposit but there are 15 other gold zones/showings on the property. This report provides the results of a re-evaluation of historic Ulu data, re-modelling of the Flood Zone and 2 other peripheral zones (Gnu and Central A) and their resultant updated current resource.

The Ulu Property has been subject to various exploration programs including surface and underground drilling programs carried out under the supervision of Qualified Persons. The authors are satisfied that the drill sample database and geological interpretations are sufficient to enable the estimation of Mineral Resources. Accepted estimation methods have been used in the generation of a 3D block model of Au and assigned densities.

The estimates have been classified with respect to CIM Standards as Measured, Indicated and Inferred, according to the geological confidence and sample spacings that currently define the deposit.

Should WPC elect to do so, the Ulu resource estimate can be used in a Preliminary Economic Assessment or Scoping Study. Feasibility Studies that require a component of Measured Resources will necessitate additional programs of infill drilling and closer spaced drilling in representative regions of the deposit. A Preliminary Economic Assessment would indicate any regions of the deposit that might be potentially mineable, and guide the placement of infill and extension drilling.

Potential to expand the resource base is excellent, within the Flood Zone itself and within a number of the 16 other peripheral gold zones/showings. Potential in the Flood Zone exists to find additional thickened blow-outs where drill density is sparse. In-fill drilling with attention to following locally thickened shoots could strengthen the resource. Additional resources could be found at depth as the deposit is open at depth where drill spacing is broad. These deep intercepts albeit thin, do demonstrate continuity of the main structure which could re-open into wider zones at depth. For example DDH 90VD-75 (14.9 g/t Au across 7.7m) at the 600 m level may represent a second dilational jog. The strikelength limits of Flood are assumed to be restricted by the

overlying and underlying gabbro and sediment units. These restrictions may not be entirely true – there is bleeding of gold mineralization into the sediments. For the first time, the Gnu Zone has demonstrated a resource. Mineralization potential within its current resource (with in-fill drilling), along strike and at depth on Gnu is good as the zone shows good widths and reasonable grades. The Dagg Zone drill tested by only one drill hole shows ore grades and widths and has excellent potential. A number of other showings and targets continue to hold promise including Zebra and several zones within the same basalt unit hosting the Flood Zone. Several of these zones have only been tested with broad-spaced drilling and have not been tested at depth. The Flood Zone geometry would that any of these other zones may have dilational jogs at depth (and along strike) which would result in widened zone development and gold enrichment.

## **19 RECOMMENDATIONS**

It is recommended that WPC, upon completion of the agreement with Mandalay, focus on expanding and delineating the Flood Zone and the other 15 gold showings on Ulu with the aim to potentially expand resources.

A two-stage success-contingent exploration program is recommended. The Phase 1 program designed for the 2015 field season should include geologic mapping, sampling, prospecting and drilling for an estimated cost of \$775,000. Surface prospect and detailed map the area between Gnu, Zebra and Dagg along the fold hinge. Field examine the zones within the basalt unit that hosts the Flood Zone that have only received broader drill spacing such as Axis, Battleship and Central to develop and prioritize drill targets.. Multiple zones lie within these areas and any one could develop along strike or at depth into meaningful resources. A 1,500m diamond drill program is recommended in Phase 1 prioritizing on Gnu, Zebra, Dagg, Axis, Battleship and Central areas. These zones have received drilling but warrant more to determine grade and tonnage continuity for resource augmentation. Drilling on the Flood Zone should be postponed to Phase 2 as its drill testing will be more costly. Phase 1 would see a technical crew of four mobilized to the Ulu camp to conduct the detailed mapping, sampling, prospecting and drilling program over a 30 day period. A table itemizing the principal costs for that program follows.



**Table 23. Phase 1 Cost Estimate**

<b>Personnel</b>				
	<b>Days</b>	<b>Rate/Day</b>		<b>Cost</b>
Party Chief	30	\$ 700		\$ 21,000
Intermediate Geo	30	\$ 500		\$ 15,000
Intermediate Geo	30	\$ 500		\$ 15,000
Junior Geo	30	\$ 280		\$ 8,400
Cook/First Aid	30	\$ 500		\$ 15,000
Camp Manager	30	\$ 500		\$ 15,000
			<b>Subtotal</b>	<b>\$ 89,400</b>
<b>Mobilization</b>	<b>Trips</b>	<b>Cost/Trip</b>	<b>Drums</b>	
Flight to YK	9	\$ 600		\$ 5,400
Crew: YK to site and Back	2	\$ 8,800		\$ 17,600
Supply Trips	3	\$ 8,800		\$ 26,400
Drill and Crew	7	\$ 8,800		\$ 61,600
			<b>Subtotal</b>	<b>\$ 111,000</b>
<b>Fuel</b>				
Purchase: Diesel and JetB		300	68	\$ 20,400
Placement of fuel to site	9	8800		\$ 79,200
			<b>Subtotal</b>	<b>\$ 99,600</b>
	<b>Days</b>	<b>Cost/unit</b>	<b>Units</b>	
Helicopter Support	25	\$ 1,350	3.5	\$ 118,125
Drilling		\$ 200	1500	\$ 300,000
Assays		\$ 30	1000	\$ 30,000
Expediting	30	\$ 600		\$ 18,000
Food	30	\$ 29.7	10	\$ 8,875
			<b>Subtotal</b>	<b>\$ 475,000</b>
				<b>\$ 775,000</b>

Phase 2 should continue to evaluate and delineate the Flood Zone and other higher priority peripheral gold zones developed in Phase 1. A 5,000 metre diamond drill program is designed to further test the higher priority drill targets developed in Phase 1. Some of this drilling should be earmarked for in-fill drilling to upgrade Inferred resources to the Indicated category. Consideration should be put towards selective drilling on Flood Zone principally to develop thickened shoots where drill spacing is broad. Phase 2 is estimated to cost \$2.5 million designed for the 2016 field program and is itemized in Table 24.

The proposed Phase 1 and 2 programs and their budgets over two years are reasonable and warranted.

**Table 24. Phase 2 Cost Estimate**

<b>Personnel</b>				
	<b>Days</b>	<b>Rate/Day</b>		<b>Cost</b>
Party Chief	80	\$ 700		\$ 56,000
Intermediate Geo	75	\$ 500		\$ 37,500
Intermediate Geo	75	\$ 500		\$ 37,500
Junior Geo	75	\$ 280		\$ 21,000
Cook/First Aid	80	\$ 500		\$ 40,000
Camp Manager	80	\$ 500		\$ 40,000
			<b>Subtotal</b>	<b>\$ 232,000</b>
<b>Mobilization</b>	<b>Trips</b>	<b>Cost/Trip</b>	<b>Drums</b>	
Flight to YK	10	\$ 600		\$ 6,000
Crew: YK to site and Back	2	\$ 8,800		\$ 17,600
Supply Trips	13	\$ 8,800		\$ 114,400
Drill and Crew	11	\$ 8,800		\$ 96,800
			<b>Subtotal</b>	<b>\$ 234,800</b>
<b>Fuel</b>				
Purchase: Diesel and JetB		300	225	\$ 67,500
Placement of fuel to site	26	8800		\$ 228,800
			<b>Subtotal</b>	<b>\$ 296,300</b>
	<b>Days</b>	<b>Cost/unit</b>	<b>Units</b>	
Helicopter Support	75	\$ 1,350	3.5	\$ 354,375
Drilling		\$ 200	5000	\$ 1,000,000
Assays		\$ 30	4000	\$ 120,000
Expediting	75	\$ 600		\$ 45,000
Food	75	\$ 30	11	\$ 24,750
			<b>Subtotal</b>	<b>\$ 1,544,125</b>
Contingency				\$ 192,775
				<b>\$ 2,500,000</b>

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# CERTIFICATE OF QUALIFIED PERSONS

I, Paul S. Cowley, P.Geol. of West Vancouver, Canada, do hereby certify that:

1. I am currently an Independent Consultant residing at:  
5765 Westport Road, West Vancouver, B.C. V7W 2X7, Telephone: 604-926-6440, Email:  
cowleypgeo@gmail.com
2. This certificate applies to the technical report entitled “Technical Report on the Ulu Gold Property, Nunavut, dated May 26, 2015 (the “Technical Report”).
3. I graduated with Honours with a Bachelor of Science degree in Geology, from University of British Columbia, Canada, in 1979. I am a registered Professional Geoscientist with the association of Professional Engineers and Geoscientists of the Province of British Columbia, Canada, Registration Number 24350, since June 1999. My relevant experience includes 34 years of experience in exploration, including 13 years working in the Archean Slave Structural Province. I have had prior involvement with exploration programs on what is now the Ulu Mining Lease while employed with BHP Minerals between 1987 and 1993 that are the subject of the Technical Report.
4. 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, past relevant work experience and affiliation with a professional association (as defined in NI 43-101), I fulfill the requirements to be a “qualified person” for the purposes of NI 43-101.
5. I visited various parts of the Ulu Mining Lease while employed with BHP Minerals between 1987 and 1993. My most recent visit to the property was August 29<sup>th</sup> to September 3, 2014.
6. I am responsible for the preparation of all sections except Section 14 of the technical report titled “Technical Report on the Ulu Gold Property, Nunavut, dated May 26th, 2015 (the “Technical Report”).
7. As of the effective date of the Technical Report, to the best of my knowledge, information and belief, the portions of the Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make the portions of the Technical Report for which I am responsible not misleading.
8. I am independent of the issuer applying all of the tests in section 1.5 of NI 43-101.
9. I have read NI 43-101, and the portions of the Technical Report for which I am responsible have been prepared in compliance with NI 43-101.

Signed and dated at Vancouver, B.C. this 26th day of May, 2015.

“Original document signed and sealed by

Paul S. Cowley, P.Geol.”

Paul S. Cowley, P.Geol.  
Consulting Geologist

I, Gary H. Giroux, of 982 Broadview Drive, North Vancouver, British Columbia, Canada do hereby certify that:

- 1) I am a consulting geological engineer with an office at #1215 - 675 West Hastings Street, Vancouver, British Columbia.
- 2) I am a graduate of the University of British Columbia in 1970 with a B.A. Sc. and in 1984 with a M.A. Sc., both in Geological Engineering.
- 3) I am a member in good standing of the Association of Professional Engineers and Geoscientists of the Province of British Columbia.
- 4) I have practiced my profession continuously since 1970. I have had over 30 years' experience estimating mineral resources. I have previously completed resource estimations on a wide variety of precious metal deposits both in B.C. and around the world, many similar to the Ulu Gold Project.
- 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, past relevant work experience and affiliation with a professional association (as defined in NI 43-101), I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
- 6) I am responsible for the preparation of Section 14 of the technical report titled "Technical Report on the Ulu Gold Property, Nunavut, dated May 26, 2015 (the "Technical Report"). I have not visited the property.
- 7) Prior to being retained by WPC Resources Inc. (the "issuer"), I have not had prior involvement with the property that is the subject of the Technical Report.
- 8) As of the effective date of the Technical Report, to the best of my knowledge, information and belief, the portions of the Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make the portions of the Technical Report for which I am responsible not misleading.
- 9) I am independent of the issuer applying all of the tests in section 1.5 of NI 43-101.
- 10) I have read NI 43-101, and the portions of the Technical Report for which I am responsible have been prepared in compliance with NI 43-101.

Dated this May 26, 2015.

(signed) Gary H. Giroux

[Seal]

Gary H. Giroux, P. Eng., M.A. Sc.

I, R. (Bob) Singh, P.Geo., do hereby certify that:

1. I am a self-employed geological consultant with an office at 302-750 West Pender Street, Vancouver, British Columbia, Canada V6C 2T7.
2. I am a graduate of the University of British Columbia (1991) with a B.Sc. degree in Geology.
3. I am a member in good standing of the Association of Professional Engineers and Geoscientists of the Province of British Columbia and the Association of Professional Geoscientists of Ontario.
4. I have worked in Mineral Exploration intermittently over the past 23 years as a consulting geologist in various jurisdictions. My relevant experience includes 10 years of high grade Archean gold vein exploration and modelling in the Red Lake District, Ontario as well as consulting on numerous exploration projects for due diligence, data validation, data compilation and 3D geological modelling.
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 fulfill the requirements to be a “qualified person” for the purposes of NI 43-101.
6. I have not visited the property that is the subject of the Technical Report.
7. I am responsible for portions of sections 1, 7, 10, 12, 14, 18 and 19 of the Technical Report.
8. As of the effective date of this Technical Report, to the best of my knowledge, information and belief, the parts of the Technical Report I am responsible for contain all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.
9. I do not hold securities of the reporting issuer (WPC Resources Inc.) and am independent of WPC Resources Inc. as defined by Section 1.5 of the Instrument.
10. I have no prior involvement with the property that is the subject of the Technical Report.
11. I have read National Instrument 43-101 and Form 43-101F1, and my portions of the Technical Report have been prepared in compliance with that instrument and form.

Signed and dated at Vancouver, B.C. this 26th day of May, 2015.

Original document signed and sealed by

“R. (Bob) Singh”  
R. (Bob) Singh, P.Geo.

## APPENDIX A: LIST OF DRILL HOLES

The drill holes used in the resource estimate are highlighted.

HOLE	EASTING	NORTHING	ELEVATION	HLENGTH	COMPANY
04UL-01	501199.64	7420986.80	474.08	151.00	Wolfden
04UL-02	501199.96	7420987.37	474.11	175.00	Wolfden
04UL-03	500984.92	7421121.13	462.42	139.00	Wolfden
04UL-04	500925.97	7421121.94	461.48	160.00	Wolfden
04UL-05	500926.03	7421122.21	461.46	165.50	Wolfden
04UL-06	500875.80	7421135.37	461.85	199.00	Wolfden
04UL-07	500875.85	7421135.53	461.83	210.00	Wolfden
04UL-08	500960.03	7421081.75	462.01	169.00	Wolfden
04UL-09	500959.61	7421081.04	461.98	188.00	Wolfden
04UL-10	501093.15	7421014.27	470.26	204.30	Wolfden
04UL-11	500668.00	7421083.00	441.00	469.00	Wolfden
04UL-12	500629.00	7421017.00	441.00	601.00	Wolfden
04UL-13	500932.43	7421517.75	459.48	808.00	Wolfden
04UL-14	500932.56	7421518.04	459.40	889.00	Wolfden
04UL-15	501144.08	7420903.87	470.23	271.00	Wolfden
04UL-16	500794.00	7421096.60	457.38	298.00	Wolfden
04UL-17	500793.69	7421096.21	457.33	295.00	Wolfden
04UL-18	500793.65	7421095.97	457.27	323.30	Wolfden
04UL-19	500668.00	7421083.00	441.00	517.00	Wolfden
04UL-20	501098.65	7420928.58	473.71	300.40	Wolfden
04UL-21	501025.63	7420899.46	468.73	403.00	Wolfden
04UL-22	501025.76	7420899.92	468.83	454.00	Wolfden
04UL-23	500750.56	7421031.10	450.97	396.00	Wolfden
04UL-24	500750.78	7421031.46	450.91	426.00	Wolfden
04UL-25	501025.87	7420900.05	468.90	373.00	Wolfden
04UL-26	500875.90	7420930.16	462.45	457.30	Wolfden
04UL-27	500975.56	7420908.74	467.40	451.00	Wolfden
04UL-28	500813.18	7420835.31	463.17	619.00	Wolfden
04UL-29	500883.03	7420867.95	459.60	505.00	Wolfden
04UL-30	500883.11	7420868.35	459.66	567.50	Wolfden
04UL-31	500992.64	7420840.08	466.53	517.00	Wolfden
04UL-32	501137.92	7420984.37	474.86	213.75	Wolfden
04UL-33	501138.16	7420984.88	474.85	184.00	Wolfden
04UL-34	500993.17	7420840.91	466.34	488.00	Wolfden
04UL-35	501095.66	7420908.18	473.00	350.00	Wolfden
04UL-36	501095.49	7420907.91	473.08	370.00	Wolfden
04UL-37	500714.38	7420771.50	454.72	738.00	Wolfden
04UL-38	500714.24	7420771.26	454.69	757.25	Wolfden

04UL-39	500750.42	7420918.90	456.84	500.00	Wolfden
04UL-40	500750.86	7420919.80	456.56	523.00	Wolfden
04UL-41	500703.10	7420944.77	447.33	598.00	Wolfden
04UL-42	500682.11	7420811.87	452.55	718.00	Wolfden
04UL-43	500787.44	7420795.14	462.62	700.00	Wolfden
04UL-44	500604.39	7420778.61	444.15	739.00	Wolfden
12UE001	500244.00	7422378.00	445.00	197.20	ELGIN
12UE002	500580.00	7422966.00	468.00	319.00	ELGIN
12UE003	500843.00	7423141.00	445.00	214.00	ELGIN
12UE004	500281.00	7421667.00	452.00	190.00	ELGIN
12UE005	500273.00	7421489.00	448.50	151.00	ELGIN
12UF001	501151.31	7421012.48	474.00	170.00	ELGIN
12UF002	501045.06	7421028.13	467.47	226.00	ELGIN
12UF003	500986.68	7420885.24	468.00	476.00	ELGIN
12UF004	500891.57	7421066.99	463.27	335.00	ELGIN
12UF005	500888.87	7421110.34	461.22	220.00	ELGIN
12UF006	500828.50	7421023.90	461.87	439.00	ELGIN
12UF007	500780.92	7420923.24	460.99	599.00	ELGIN
12UF008	500822.00	7421001.00	463.00	395.00	ELGIN
89VD01	501272.28	7421035.34	467.90	84.43	BHP
89VD02	501219.56	7421054.28	472.90	84.43	BHP
89VD03	501221.19	7421053.59	472.73	72.24	BHP
89VD04	500999.00	7421154.06	466.24	60.00	BHP
89VD05	501055.81	7421092.78	468.89	124.05	BHP
89VD06	501017.41	7421123.69	467.89	93.57	BHP
89VD07	501110.31	7421078.22	470.15	237.13	BHP
89VD08	501197.72	7421034.91	473.29	160.63	BHP
89VD09	501210.75	7421018.84	473.24	148.44	BHP
89VD10	501250.00	7421021.25	469.82	90.53	BHP
89VD11	501288.47	7420998.66	466.82	93.57	BHP
89VD12	501272.22	7420960.56	464.89	84.43	BHP
89VD13	501255.75	7421167.09	471.55	84.43	BHP
89VD14	500943.63	7421118.78	461.86	283.10	BHP
89VD15	500943.91	7421178.75	461.88	124.05	BHP
89VD16	501314.88	7420805.59	472.90	78.33	BHP
89VD17	500971.75	7421166.31	465.58	61.05	BHP
89VD18	501085.53	7421197.56	471.81	144.89	BHP
89VD19	500926.53	7421010.22	462.84	276.54	BHP
89VD20	501249.22	7421116.13	471.06	157.09	BHP
89VD21	501127.25	7421019.47	472.40	172.82	BHP
89VD22	501146.34	7420963.63	475.05	263.83	BHP
90VD23	501198.13	7421001.69	474.51	121.92	BHP
90VD24	501136.16	7421063.44	471.45	108.51	BHP

90VD25	500978.16	7420991.88	465.44	445.31	BHP
90VD26	500877.31	7421162.41	461.02	179.53	BHP
90VD27	500893.13	7421032.28	462.39	277.06	BHP
90VD28	500905.94	7421154.41	461.42	151.49	BHP
90VD29	500829.75	7421180.84	460.26	188.06	BHP
90VD30A	501015.06	7420937.81	468.39	306.63	BHP
90VD31	500860.97	7420892.63	461.68	444.09	BHP
90VD32	501080.50	7420939.34	473.19	258.28	BHP
90VD33	500860.94	7420892.59	461.79	358.77	BHP
90VD34	500858.69	7421055.22	462.13	294.74	BHP
90VD35	501393.94	7420960.75	453.68	130.15	BHP
90VD36	500815.63	7420919.72	460.68	405.15	BHP
90VD37	501371.44	7421050.19	457.03	126.68	BHP
90VD38	500811.41	7421090.28	458.94	270.40	BHP
90VD39	500813.69	7420919.50	460.31	489.81	BHP
90VD40	500742.72	7421100.22	447.80	285.60	BHP
90VD41	500697.22	7421134.69	441.52	346.56	BHP
90VD42	500740.44	7420996.31	450.94	392.28	BHP
90VD43	500907.63	7420882.91	459.74	386.18	BHP
90VD44	500907.69	7420882.94	459.46	578.21	BHP
90VD45	500740.13	7420995.78	450.92	438.05	BHP
90VD46	501207.34	7421223.41	470.90	108.75	BHP
90VD47	500703.69	7421018.66	444.03	400.51	BHP
90VD48	501212.19	7420897.63	469.61	273.71	BHP
90VD49	501198.56	7421295.75	465.95	105.77	BHP
90VD50	501142.13	7421196.53	472.12	72.23	BHP
90VD51	500947.31	7420854.16	464.56	389.21	BHP
90VD52	501297.09	7421206.09	466.43	252.08	BHP
90VD53	500703.13	7421018.28	443.88	617.83	BHP
90VD54	501429.44	7421353.59	457.56	100.27	BHP
90VD55	501573.13	7421395.63	446.50	148.44	BHP
90VD56	500947.31	7420853.97	465.69	458.09	BHP
90VD57	501422.28	7421233.28	459.26	137.85	BHP
90VD58	500774.13	7420944.03	459.85	414.53	BHP
90VD59	501386.78	7421257.72	459.58	105.77	BHP
90VD60	501454.84	7421210.94	461.17	117.96	BHP
90VD61	501158.34	7420741.47	465.21	114.91	BHP
90VD62	501009.66	7420860.84	467.28	393.50	BHP
90VD63	500773.38	7420943.41	459.95	480.71	BHP
90VD64	501199.28	7420625.94	463.02	60.05	BHP
90VD65	501277.16	7420536.31	456.23	60.05	BHP
90VD66	501228.66	7420556.44	460.18	121.01	BHP
90VD67	500847.53	7421258.22	460.79	200.28	BHP

90VD68	501009.56	7420860.34	467.29	386.49	BHP
90VD69	500720.53	7420878.72	450.30	589.40	BHP
90VD70	500785.19	7421262.31	456.13	261.21	BHP
90VD72	501083.00	7420875.22	468.55	325.53	BHP
90VD75	500657.06	7420918.22	444.15	712.01	BHP
90VD77	500685.63	7421069.88	440.62	456.26	BHP
90VD78	501440.41	7421400.63	455.29	32.13	BHP
90VD80	501384.78	7421388.69	457.37	45.41	BHP
90VD81	500702.88	7425676.59	473.30	99.67	BHP
90VD82	501360.31	7421374.38	457.59	19.51	BHP
90VD83	501409.19	7421362.19	457.01	23.08	BHP
90VD84	501001.13	7421227.19	467.89	270.97	BHP
90VD85	500612.88	7425602.59	477.30	154.53	BHP
90VD86	501164.47	7421041.72	472.63	108.81	BHP
90VD87	501045.97	7421030.06	467.29	169.77	BHP
90VD88	500658.22	7420918.72	444.15	562.97	BHP
90VD89	500685.72	7421069.84	443.13	514.19	BHP
90VD90	500779.63	7420757.44	461.13	620.88	BHP
90VD91	501363.50	7421413.66	457.78	79.86	BHP
90VD92	500548.44	7420942.75	440.45	698.91	BHP
90VD93	501213.25	7421059.50	472.75	34.14	BHP
91VD094	500522.78	7420929.53	446.54	969.87	BHP
91VD095	500577.75	7420848.81	440.45	862.58	BHP
91VD096	500721.19	7420906.84	448.75	416.66	BHP
91VD096A	500720.59	7420903.91	448.24	622.71	BHP
91VD097	500658.91	7420874.72	446.60	742.49	BHP
91VD098	500771.56	7420850.63	463.86	604.11	BHP
91VD099	501854.88	7421523.59	463.86	28.65	BHP
91VD100	501765.88	7421382.59	468.30	37.19	BHP
91VD101	501793.88	7421294.59	468.30	35.62	BHP
91VD102	501756.88	7421264.59	468.30	36.58	BHP
91VD103	500474.75	7420992.75	442.85	743.10	BHP
91VD104	500413.16	7420913.94	480.19	1067.10	BHP
91VD105	500366.78	7420841.03	481.67	1349.96	BHP
91VD105A	500624.09	7421209.97	116.97	427.66	BHP
91VD106	500833.16	7420904.41	463.70	541.60	BHP
91VD107	501385.28	7421496.72	451.18	229.50	BHP
91VD108	500304.63	7421170.13	476.06	876.00	BHP
91VD109	501374.16	7421448.63	455.75	154.83	BHP
91VD110	501452.91	7421445.75	454.32	295.05	BHP
91VD115	500610.88	7421792.59	468.30	88.39	BHP
91VD116	500382.72	7421219.88	466.10	720.24	BHP
91VD117	500657.88	7421792.59	468.30	90.83	BHP

91VD121	501297.88	7421429.09	468.30	49.38	BHP
91VD122	501344.88	7421398.59	468.30	60.04	BHP
91VD123	500246.28	7421112.59	463.57	1035.41	BHP
91VD124	500833.38	7420905.09	460.30	461.14	BHP
91VD125	500630.81	7420835.13	442.45	793.09	BHP
91VD126	500417.59	7421118.06	453.10	612.04	BHP
91VD127	500860.31	7420875.72	462.44	444.40	BHP
91VD129	500860.31	7420875.72	462.44	624.23	BHP
91VD130	500630.66	7420835.22	442.40	714.76	BHP
91VD131	500461.66	7420800.59	473.81	944.99	BHP
91VD132	500375.44	7420728.97	443.30	1053.69	BHP
91VD133	500612.31	7420749.75	444.95	929.03	BHP
91VD134	500703.88	7420698.59	452.92	743.10	BHP
92VD135	501271.28	7421756.41	441.06	39.01	BHP
92VD136	501260.88	7420862.59	468.92	133.20	BHP
92VD137	501248.56	7421767.50	442.68	25.57	BHP
92VD138	501223.88	7420902.59	471.60	181.96	BHP
92VD139	501184.06	7421772.19	443.97	21.95	BHP
92VD140	501143.88	7420878.59	470.32	246.27	BHP
92VD141	500945.88	7420851.59	465.40	572.11	BHP
92VD142	501273.88	7421191.59	473.30	32.92	BHP
92VD143	500974.88	7420822.59	465.50	495.91	BHP
92VD144	500820.19	7421990.19	444.19	46.63	BHP
92VD145	500950.47	7421814.28	447.93	54.86	BHP
92VD146	500874.47	7421919.78	446.97	43.59	BHP
92VD147	501040.88	7420846.59	468.04	447.14	BHP
92VD148	501083.88	7421152.59	471.09	41.50	BHP
92VD149	501329.88	7420840.59	465.44	28.96	BHP
92VD150	501265.56	7421721.28	441.57	69.49	BHP
92VD151	501322.47	7421713.50	435.06	110.33	BHP
92VD152	500944.56	7421779.50	449.04	218.53	BHP
92VD153	501027.88	7420823.59	468.03	447.14	BHP
92VD154	501262.97	7420990.59	469.00	161.24	BHP
92VD155	501210.88	7420947.09	465.30	150.27	BHP
92VD156	501229.13	7421063.59	472.87	108.81	BHP
92VD157	501276.88	7421018.59	467.90	137.77	BHP
92VD158	500819.28	7421919.50	448.11	174.35	BHP
92VD159	501001.47	7421895.00	446.38	130.15	BHP
92VD160	501161.38	7421709.00	444.28	136.25	BHP
92VD161	501104.88	7421738.91	447.64	213.36	BHP
92VD162	501184.88	7421184.69	472.25	229.21	BHP
92VD163	501088.06	7421081.50	469.03	169.16	BHP
92VD164	500972.97	7420902.91	467.28	399.90	BHP



92VD165	501121.88	7420932.19	474.78	477.14	BHP
92VD166	501186.06	7421041.69	473.01	150.00	BHP
92VD167	501443.06	7420888.69	445.24	130.25	BHP
92VD168	500865.56	7421356.41	462.29	69.19	BHP
92VD169	500935.88	7420925.00	461.46	800.00	BHP
92VD170	500672.56	7422356.59	473.30	53.34	BHP
92VD171	501136.88	7421782.59	469.30	169.77	BHP
93VD172	501337.88	7421713.59	434.30	52.43	BHP
93VD173	500606.88	7422356.59	473.30	117.04	BHP
93VD174	500622.88	7422438.59	473.30	98.45	BHP
93VD175	501217.88	7421365.59	468.30	122.83	BHP
93VD176	501269.88	7421283.59	467.30	89.31	BHP
93VD177	501315.88	7421123.59	466.30	52.73	BHP
93VD178	501224.88	7421228.59	470.80	211.23	BHP
96-UL-1	500871.69	7421240.09	461.30	77.00	Echobay
96-UL-10	501040.31	7421077.78	467.00	119.00	Echobay
96-UL-11	501090.09	7421094.38	469.90	38.00	Echobay
96-UL-12	501096.09	7421060.88	466.60	89.00	Echobay
96-UL-13	501096.09	7421060.88	469.90	101.00	Echobay
96-UL-14	501117.91	7421052.59	471.20	65.00	Echobay
96-UL-15	501117.91	7421052.59	467.90	95.00	Echobay
96-UL-16	501148.41	7421057.19	472.30	67.00	Echobay
96-UL-17	501165.81	7421057.19	470.00	41.00	Echobay
96-UL-18	501192.50	7421036.09	473.30	62.00	Echobay
96-UL-19	501128.31	7420973.78	471.40	180.00	Echobay
96-UL-2	500885.00	7421253.28	461.70	42.00	Echobay
96-UL-20	501128.31	7420973.78	471.40	209.00	Echobay
96-UL-21	501128.31	7420973.78	474.70	191.00	Echobay
96-UL-22	501128.31	7420973.78	471.40	176.00	Echobay
96-UL-24	501128.31	7420973.78	474.70	170.00	Echobay
96-UL-25	501247.19	7420998.19	469.50	75.00	Echobay
96-UL-27	501279.09	7421012.19	464.30	47.45	Echobay
96-UL-3	500898.50	7421214.00	461.70	77.00	Echobay
96-UL-31	500818.09	7421154.59	459.70	212.00	Echobay
96-UL-33	500886.41	7421155.50	461.40	161.60	Echobay
96-UL-34	500925.69	7421146.38	461.60	143.00	Echobay
96-UL-35	500954.59	7421118.19	462.10	140.00	Echobay
96-UL-37	500982.50	7421078.69	463.70	131.00	Echobay
96-UL-38	500973.09	7421049.09	463.30	182.00	Echobay
96-UL-4	500915.81	7421227.09	462.50	38.50	Echobay
96-UL-5	500885.00	7421178.19	461.30	122.00	Echobay
96-UL-6	500943.91	7421203.78	463.00	25.00	Echobay
96-UL-7	500923.69	7421164.00	458.90	95.00	Echobay

96-UL-8	500958.31	7421149.78	459.80	89.00	Echobay
96-UL-9	501051.31	7421124.38	464.90	32.00	Echobay
97CHP115N	501075.00	7421144.41	346.00	34.00	Echobay
97CHP115S	501075.00	7421137.59	346.00	30.00	Echobay
97CHP135N	501050.00	7421134.00	328.00	14.60	Echobay
97CHP135S	501050.00	7421127.19	328.00	9.80	Echobay
97CHP23E	501226.81	7421075.00	425.00	22.00	Echobay
97CHP25W	501231.59	7421075.00	425.00	17.40	Echobay
97UL100A01	501033.59	7421214.31	352.92	219.00	Echobay
97UL100A02	501033.78	7421214.28	352.56	276.00	Echobay
97UL100A03	501032.88	7421214.47	352.89	240.00	Echobay
97UL100A04	501033.13	7421214.47	352.56	256.50	Echobay
97UL100A05	501032.16	7421214.66	352.81	243.00	Echobay
97UL100A06	501032.16	7421214.59	353.00	189.00	Echobay
97UL100A13	501031.63	7421214.59	352.90	219.00	Echobay
97UL100A14	501031.63	7421214.75	352.74	249.00	Echobay
97UL100A15	501031.63	7421214.72	352.62	327.00	Echobay
97UL100A16	501031.28	7421214.91	352.33	309.00	Echobay
97UL100A17	501031.22	7421214.63	352.82	222.00	Echobay
97UL100A20	501030.69	7421214.75	352.82	174.00	Echobay
97UL100A21	501030.75	7421214.91	352.64	270.00	Echobay
97UL100A22	501030.78	7421215.00	352.43	342.00	Echobay
97UL100A25	501029.84	7421215.88	352.62	351.00	Echobay
97UL100A26	501029.75	7421215.75	352.82	300.00	Echobay
97UL100A56	501029.97	7421215.19	352.46	270.00	Echobay
97UL100B01	501018.38	7421237.16	353.18	252.00	Echobay
97UL100B02	501018.13	7421238.13	353.41	227.00	Echobay
97UL100B03	501018.19	7421238.44	353.16	240.02	Echobay
97UL100B04	501018.31	7421238.59	353.14	291.00	Echobay
97UL100B05	501017.97	7421238.78	353.16	348.00	Echobay
97UL100B06	501018.13	7421238.91	353.05	267.00	Echobay
97UL100B07	501018.13	7421238.94	352.99	309.00	Echobay
97UL100B08	501017.53	7421239.22	352.68	369.12	Echobay
97UL100B09	501017.47	7421239.19	353.00	210.00	Echobay
97UL100B10	501017.38	7421239.16	353.23	300.10	Echobay
97UL100B11	501017.25	7421239.63	352.90	261.00	Echobay
97UL100B16	501018.22	7421238.44	353.17	273.00	Echobay
97UL100B17	501018.38	7421238.63	352.95	297.00	Echobay
97UL100B18	501018.06	7421238.88	353.11	351.00	Echobay
97UL100B19	501018.16	7421238.94	352.96	387.00	Echobay
97UL100B21	501017.47	7421239.19	352.99	369.06	Echobay
97UL115-01	501055.94	7421124.44	354.08	134.00	Echobay
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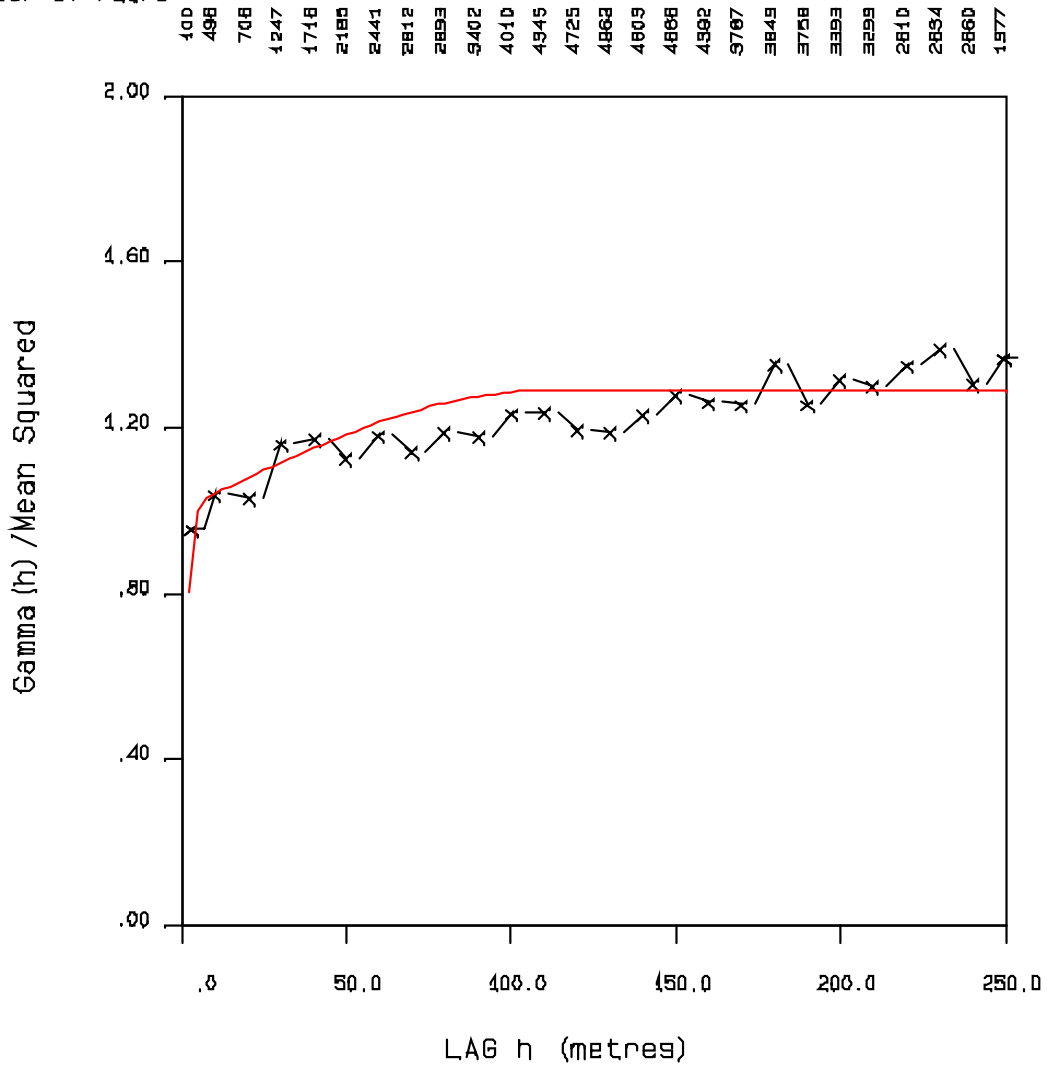
97UL115-03	501054.94	7421124.56	345.54	137.00	Echobay
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97UL115-06	501053.97	7421124.38	344.88	153.00	Echobay
97UL115-07	501053.41	7421124.09	344.89	147.00	Echobay
97UL115-08	501052.00	7421123.41	345.41	143.00	Echobay
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97UL115-10	501051.50	7421124.31	344.96	213.00	Echobay
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97UL115-13	501050.97	7421124.81	345.33	185.00	Echobay
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97UL25-01	501234.88	7421077.44	429.19	75.00	Echobay
97UL25-02	501234.34	7421076.94	429.20	72.00	Echobay
97UL25-03	501233.78	7421076.72	429.15	62.00	Echobay
97UL25-04	501233.69	7421078.84	429.17	52.00	Echobay
97UL25-05	501218.34	7421100.09	427.71	70.00	Echobay
97UL25-06	501218.25	7421100.09	427.70	41.00	Echobay
97UL25-07	501218.38	7421100.16	427.69	45.00	Echobay
97UL25-08	501218.19	7421100.19	428.34	54.50	Echobay
97UL25-09	501234.34	7421076.94	428.90	72.00	Echobay
97UL25-10	501234.88	7421077.44	429.19	80.00	Echobay
97UL75-01	501069.88	7421120.09	386.56	95.00	Echobay
97UL75-02	501069.69	7421120.00	385.83	122.00	Echobay
97UL75-03	501069.13	7421119.63	386.41	83.50	Echobay
97UL75-04	501067.63	7421119.50	386.32	101.00	Echobay
97UL75-05	501066.88	7421119.56	386.45	86.00	Echobay
97UL75-06	501065.25	7421120.31	386.85	89.00	Echobay
97UL75-07	501066.28	7421119.88	386.39	109.30	Echobay
97UL75-08	501065.81	7421120.25	386.46	120.00	Echobay
97UL75-09	501068.78	7421119.78	386.20	117.00	Echobay
97UL75-10	501064.53	7421121.28	387.42	101.00	Echobay
97UL75-11	501064.25	7421121.66	386.88	131.00	Echobay
97UL75-12	501064.63	7421122.28	386.50	152.00	Echobay
97UL75-13	501065.66	7421119.91	387.10	105.00	Echobay
97UL75-14	501064.97	7421120.38	387.14	92.00	Echobay
97UL75-15	501064.44	7421121.25	387.10	89.00	Echobay
97UL75-16	501064.81	7421121.03	386.65	110.00	Echobay
97UL75-17	501069.53	7421120.19	387.58	60.11	Echobay
97UL75-18	501068.44	7421118.88	387.57	35.00	Echobay
97UL75-19	501066.09	7421123.56	387.23	35.00	Echobay
97UL75-20	501065.66	7421123.50	387.61	53.00	Echobay

97UL75-21	501066.09	7421123.97	387.62	77.00	Echobay
97UL95-01	501061.63	7421117.22	366.89	95.00	Echobay
97UL95-02	501061.06	7421117.09	366.42	122.00	Echobay
97UL95-03	501060.94	7421116.41	366.23	101.00	Echobay
97UL95-04	501061.13	7421115.75	366.63	35.00	Echobay
97UL95-05	501061.28	7421115.66	366.70	64.00	Echobay
97UL95-06	501061.41	7421115.34	366.45	141.00	Echobay
97UL95-07	501061.50	7421114.88	366.34	98.00	Echobay
97UL95-08	501061.53	7421114.88	366.05	125.00	Echobay
97UL95-09	501062.03	7421114.16	366.30	50.00	Echobay
97UL95-10	501062.13	7421114.13	366.18	116.00	Echobay
97UL95-11	501062.19	7421113.69	366.16	91.00	Echobay
97UL95-12	501062.88	7421113.13	365.86	110.00	Echobay
97UL95-13	501063.47	7421112.94	365.75	86.00	Echobay
97UL95-14	501064.44	7421113.03	367.01	25.00	Echobay
97UL95-15	501064.50	7421113.16	365.97	47.00	Echobay
97UL95-16	501064.50	7421113.31	365.70	110.00	Echobay
97UL95-17	501065.38	7421113.81	365.87	80.00	Echobay
97UL95-18	501065.50	7421113.97	365.77	110.00	Echobay
97UL95-19	501065.75	7421113.97	366.59	65.00	Echobay
97UL95-20	501066.03	7421114.22	366.38	98.00	Echobay
97UL95-21	501066.00	7421114.28	366.11	140.00	Echobay
97UL95-22	501066.31	7421114.44	367.21	45.00	Echobay
97UL95-23	501061.38	7421117.31	367.33	74.00	Echobay

## **APPENDIX B: SEMIVARIOGRAMS FOR GOLD**

C0 = .500  
 C1 = .500  
 C2 = .290  
 A1 = 6.0  
 A2 = 110.0

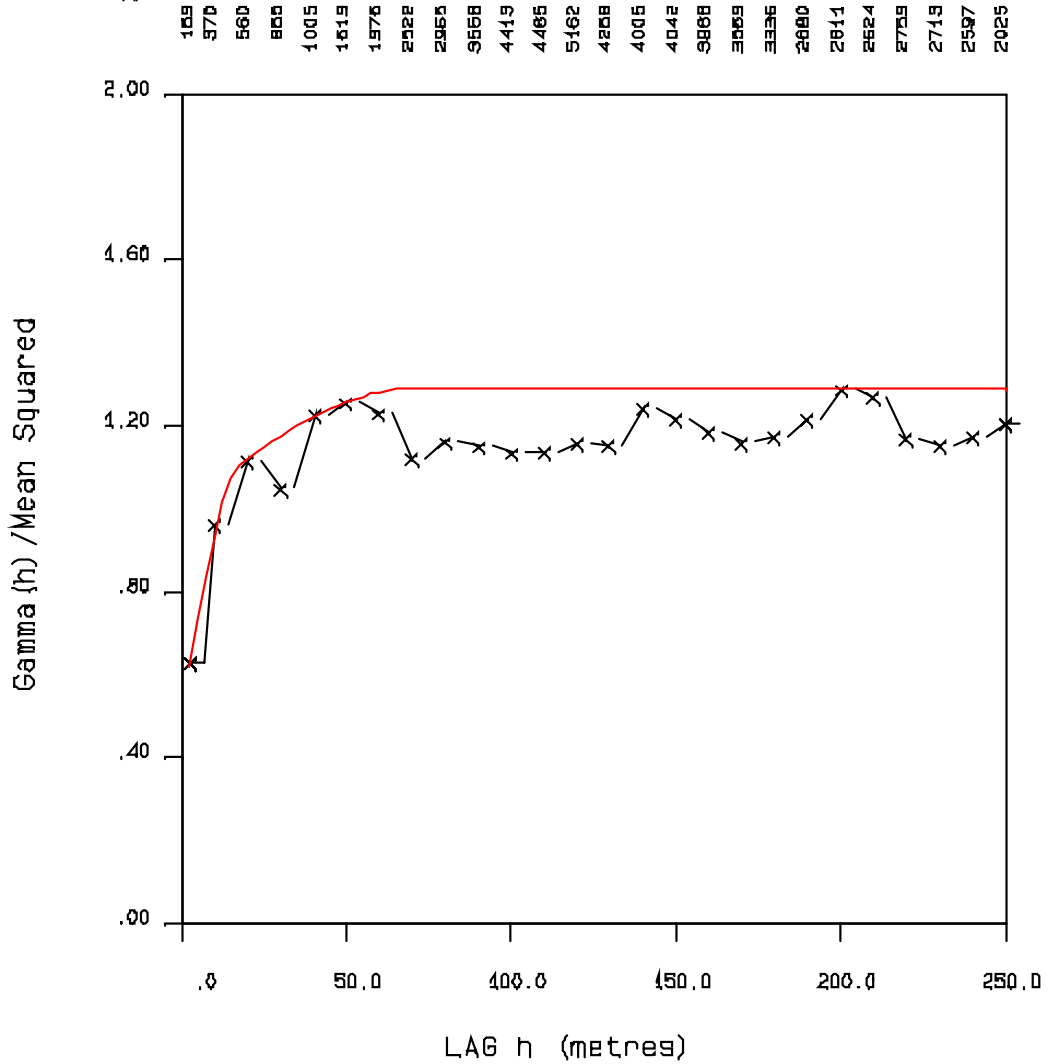
Number of Pairs



ULU VEIN AU - AZ 120 DIP -60

C0 = .500  
 C1 = .500  
 C2 = .290  
 A1 = 18.0  
 A2 = 70.0

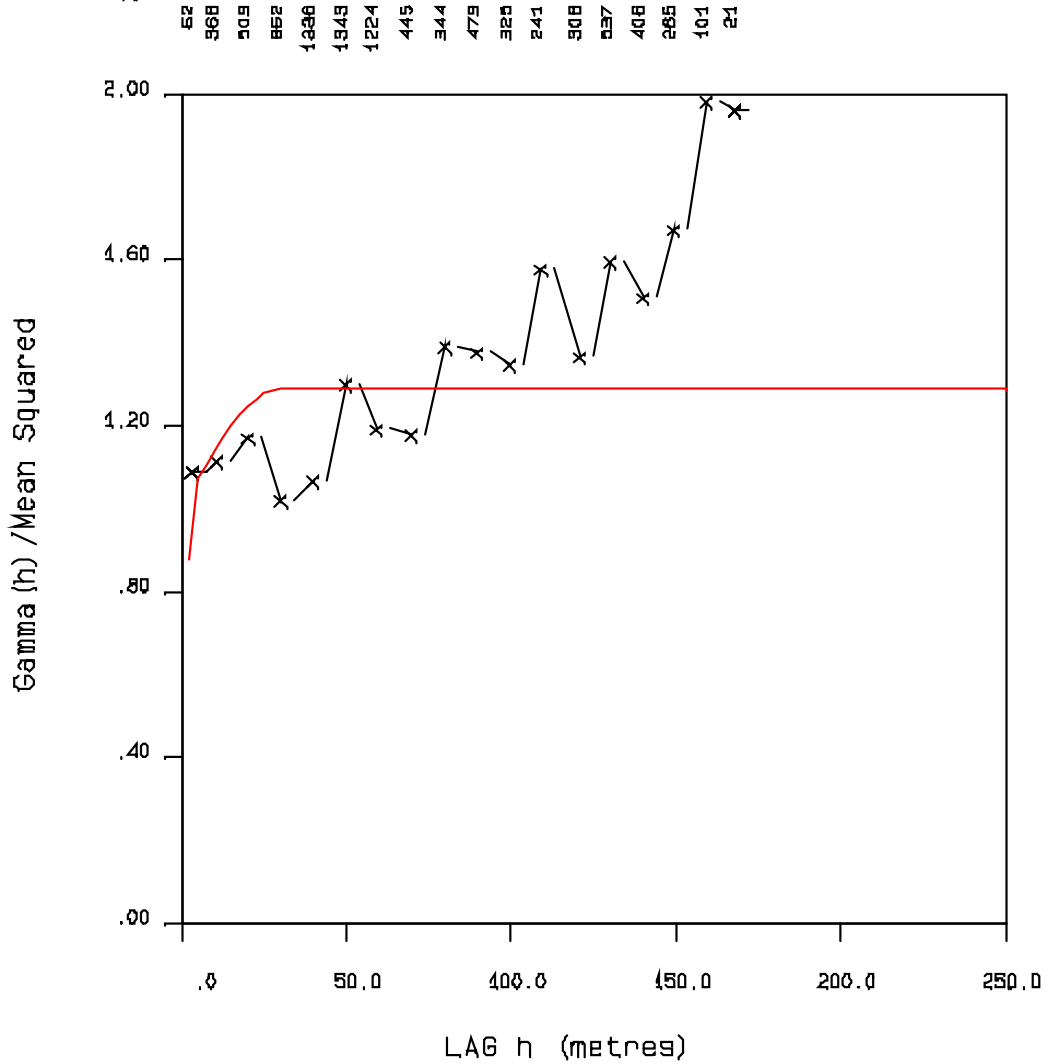
Number of Pairs



ULU VEIN AU - AZ 210 DIP -75

C0 = .500  
 C1 = .500  
 C2 = .290  
 A1 = 5.0  
 A2 = 30.0

Number of Pairs

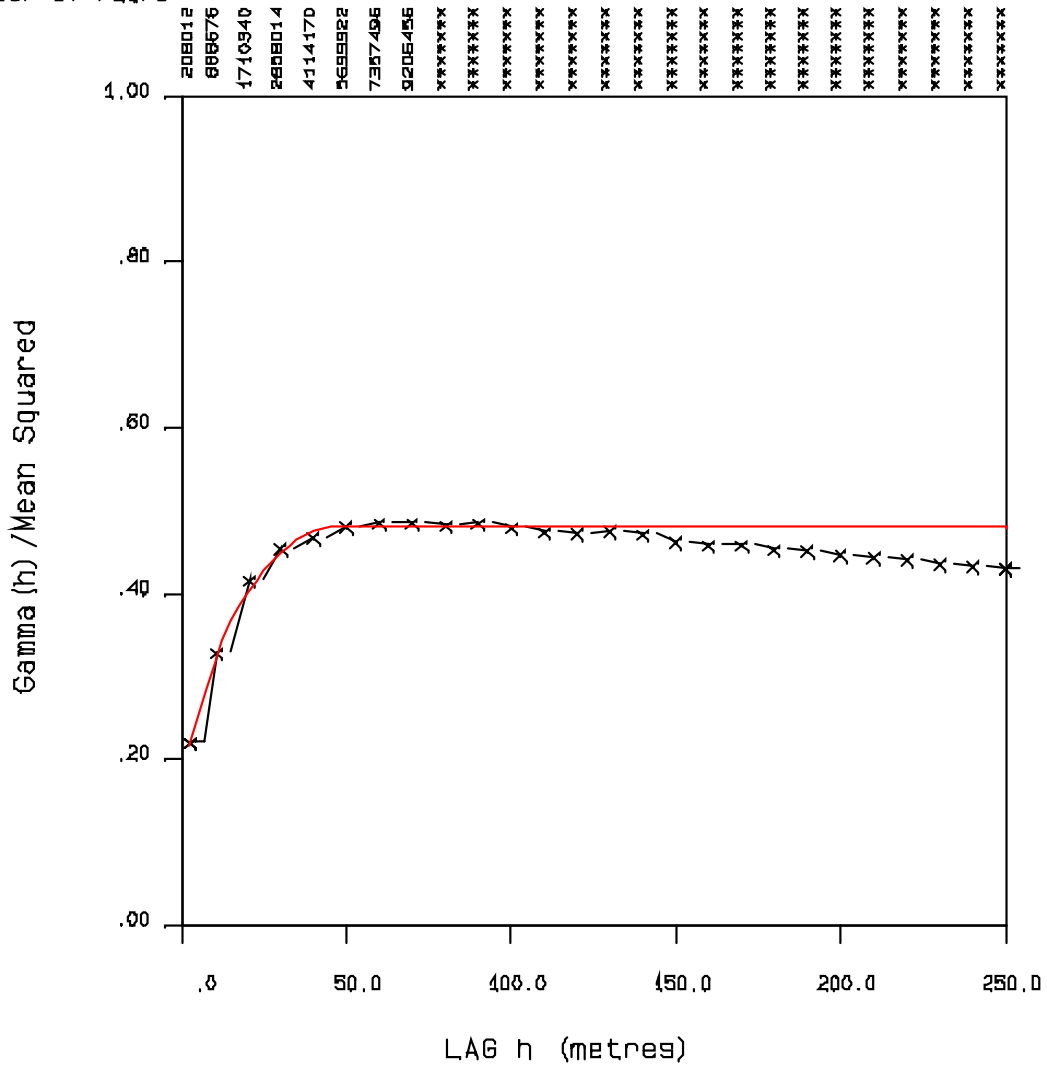


ULU VEIN AU - AZ 30 DIP -15



C0 = .180  
 C1 = .090  
 C2 = .210  
 A1 = 18.0  
 A2 = 45.0

Number of Pairs



ULU WASTE AU - OMNI DIRECTIONAL