

The potential quantity and grade of the Wingdam Deep Lead Channel gravels are conceptual in nature, and there has been insufficient exploration to define a mineral resource. Any economic analyses or economic assessment referred to in this report are preliminary in nature and are based on inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the preliminary economic assessment will be realized.

The subject of this technical report is the Wingdam placer gold project owned by Omineca Mining and Metals Inc. (“Omineca”). **One of the authors of this report, C.C. (Chuck) Downie, P.Geo., is a Qualified Person as designated by NI 43-101, but is not considered to be independent as described under Section 5.3 of NI 43-101. This is not a Technical Report as required under Section 4 of NI 43-101, and as such it does not follow the form for Technical Reports as stipulated under Section 4.3 of NI 43-101.** This report includes forward looking statements and makes assumptions based on the results of historical work undertaken by third parties before Omineca became involved in the project. Omineca has not been able to independently verify the methodology and results from historical work programs at the Wingdam. However, management believes that the historical work programs on the Wingdam Property have been conducted in a professional manner and the quality of data and information produced from them are relevant. In addition many of the reports referenced in this report were authored by qualified persons according to the standards defined in NI 43-101.

The main focus of Ominecas’ work since acquiring the Wingdam Project has been to evaluate the potential to extract gold from the buried placer channel that underlies the property. **Due to the nature of the project, the Wingdam property does not have a compliant NI 43-101 Resource Estimate in any resource category as recognized by the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”).** Some estimates of grades and mineable volumes of material are based on historical data and reports. Any reference to the potential quantity and grade is conceptual in nature, and there has been insufficient exploration to define a mineral resource. It is uncertain if further exploration will result in the target being delineated as a mineral resource. In addition to relying upon the results of historical work programs, the current mine model, including the disclosed potential quantity and grade, is partially based on the results from seismic refraction geophysics surveys conducted in 2015. Although management has no reason to believe that the interpreted results from the seismic survey are not correct, the survey by its nature relies on interpretation of data generated by indirect methodology and as such has not been physically verified.

Management believes that the 2012 bulk sample program conducted by CVG Mining Ltd. verifies that the placer gold grades indicated by historical pre-1930’s churn drilling are accurate and also demonstrates that the use of the freeze mining technique pioneered by CVG is a viable approach to mining under Lightning Creek. All references in the report to production ounces, production forecasts, costs of production, potential cash flows and rate of return related to the Wingdam Project are based on the best available data as specifically disclosed throughout the report, together with key qualifications and assumptions made by the qualified person. The report should not be construed as a preliminary feasibility study, a pre-feasibility study or a feasibility study as such terms are defined or used by CIM.

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This report contains forward-looking statements including but not limited to comments regarding the timing and content of upcoming work programs, geological interpretations, receipt of property titles, potential mineral recovery processes, cost estimates and financial projections. Forward-looking statements address future events and conditions and therefore, involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements.

TECHNICAL REPORT

ON THE

WINGDAM PROPERTY

Prepared for:
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By
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March 05, 2016

SUMMARY

The Wingdam Property (the Property) is made up of 467 hectares of placer title and 2,702 hectares of mineral title. The placer title encompasses the entire historic underground placer mine workings along Lightning Creek at Wingdam. Wingdam is located 36 linear kilometers east from the city of Quesnel in central British Columbia, Canada. The Property is directly accessible by driving 45 km or 35 minutes along Hwy 26 from Hwy 97 in North Quesnel.

CVG Mining Ltd. (CVG) was actively exploring the auriferous Deep Lead Channel gravels at Wingdam for a 3 year period extending from 2009 to 2012. On October 16, 2013 Omineca Mining and Metals Ltd announced the successful completion of the acquisition of CVG Mining Ltd. through a reverse take-over (“RTO”) transaction whereby Omineca acquired all issued and outstanding shares of CVG Mining Ltd including its 100% interest in the Wingdam Gold Project.

The Deep Lead Channel gravels are part of a reworked or modified fluvial paleochannel basement that pre-dates the last Pacific Cordillera glacial period called the Fraser Period (95,000 to 10,000 ybp). The channel occupies the deepest portion of the bedrock floor along the Lightning Creek valley that is buried from top to bottom by a sequence of postglacial alluvium, glacial till, and interglacial lacustrine sediments totalling 48.8 m thick.

Gold concentrations along the Deep Lead Channel basement are made up of native placer particles averaging 90.9% pure (909 fineness) and are efficiently recoverable by gravity separation methods that require no crushing, milling or leaching. The gold particles were liberated from lode sources at unknown bedrock locations surrounding the Wingdam area by a long period of deep Tertiary weathering. The liberated gold was transported and concentrated along the bedrock floor beneath the present location of Lightning Creek during the Pleistocene by a complex history of periodic interglacial streams. Stratigraphic evidence indicates that the auriferous gravel layer along the channel floor is a Sangamon (132,500-95,000 ybp) interglacial paleochannel remnant.

The Deep Lead Channel contains some of the highest placer gold concentrations historically reported in all of the Cariboo Mining District and perhaps throughout British Columbia that remain unmined. Parts of the channel were previously explored by drift methods and sampled along drilled fence lines during the 1910’s, 30’s and 60’s. Compilation of the historic drill results indicates that various areas along the channel contain a gold-enriched zone with grades averaging 33.65 g/m³ across a horizon that varies from 1.8 to 2.1 meters thick. This grade is equivalent to 13.74 g/tonne or 0.401 oz/ton. Historic and recent results from drilling and seismic surveying show that the channel floor width varies from 6 to 39 m wide and extends 2,430 m along the length of the Wingdam Property.

Six attempts were made to mine the Deep Lead Channel during the 1930’s and 60’s by utilizing the *Australian deep-lead mining method*. The method involved raises or breakthrough locations that were accessed from a parallel bedrock drift driven along the length of the auriferous gravel layer occupying the channel basement. The mining method proved to be unsuccessful through the unstable ground that directly overly the gold-enriched gravel layer. The unstable ground consists of water-saturated glaciolacustrine silt and sand layers (referred as *slum*) that easily cave and flow when undermined by a timber-supported raise.

CVG combined the *Australian deep-lead mining method* with a *ground-freeze* method in 2012 and successfully completed a breakthrough drift or crosscut (CC1) across the entire width (23.5 m) of the

Deep Lead Channel. The 140 bank cubic meter sample extracted from Drift CC1 (2.44X2.44-meter) produced 173.5 ounces of raw placer gold (90.9% purity). The refined-equivalent gold grade across the channel width and throughout the 2.44-meter drift height averaged 34.55 g/m³ (14.10 g/tonne or 0.411 oz/ton). The level of gold-enrichment identified across the channel exceeds historic grade estimates (33.65 g/m³, 1.83-meter drift height).

Since acquiring control of the Wingdam project in late 2013, Omineca Mining and Metals has focused on developing a viable, cost-effective approach to safely mine the Deep Lead Channel gravels based on the ground-freeze mining concept pioneered by CVG. In 2014, the company systematically reviewed all historical work on the project available to it and submitted a Notice of Work to amend its mining permit to allow the Company to conduct additional drilling and geophysical work and test mine an initial 300m of the Wingdam paleo-channel. This amendment was granted in January 2015.

In the spring of 2015 Omineca completed a field program of geotechnical drilling and seismic refraction geophysics. A 3D model of the gold bearing channel has been developed from this drill data and seismic interpretation. The model shows a mineable channel area approximately 60 percent greater than indicated by the historical channel profiles and also indicates a series of depressions along the channel which are postulated to be potential natural traps for the placer gold during deposition of the gravels. During this program the Company also recovered representative core samples which were analyzed to determine frozen material characteristics, the results of which have now been incorporated into a detailed ground-freezing plan.

Omineca has also thoroughly investigated other project parameters including power options, mining methods and equipment and ground water control strategies all culminating in the completion of a detailed mine plan together with a sophisticated financial model of the proposed operation. Based on this work management is confident that the Wingdam project development has reached a stage of readiness for initial production with all permitting in place to mine an initial 300m of paleo-channel. The model projects that the Phase 1 operation should yield 21,150 refined Au equivalent (“Re-Au-Eq”) ounces from 23,240 mined placer ounces at a production cost of CDN\$787 per Re-Au-Eq ounce. The key assumptions in this model are:

1. a placer gold grade of 3.0 oz per m² of channel bottom which was the grade and fineness demonstrated in CVG’s bulk sample (Kocsis, 2012) and also the average grade reported in the historical churn drill holes in the vicinity of the 1st phase mining,
2. a placer gold fineness of 909 Au and 82 Ag as determined by ALS Laboratory analysis conducted using gold recovered from CVG’s bulk,
3. a gold price of US\$1,200 (CDN\$1667 at a 0.72 exchange rate) and a silver price of US\$15.00 (CDN\$20.83).

The weighted average grade indicated by 8 fences of historical churn drill holes along the 2,400 m of channel controlled by the Company is 2.445 placer ounces per m². Assuming the balance of the Channel yields this grade, a gold price of CDN\$1,600 per ounce, a channel width equal to the average Phase 1 channel width and allowing for an estimated CDN\$2 million mine decommissioning costs, management projects that the Wingdam mine should produce a total of approximately 155,000 troy ounces of placer gold (142,000 Re-Au-Eq Ounces) at an average cost of CDN\$938 per Re-Au-Eq Ounce.

The projected capital costs are less than CDN\$20 million.

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THE WINGDAM PROJECT

Reliance on Other Experts

Much of the information in the opening section of this report under the heading The Wingdam Project is either summarized or taken directly from a report authored by Stephen Kocsis, P. Geo titled Wingdam Property NI 43-101 Report; Deep Lead Channel Ground-Freeze Drift Sampling Program, dated October 02, 2012. This report was prepared for Omineca Mining and Metals Inc. (Omineca) as part of the requirements for the reverse takeover transaction with CVG Mining Ltd. (CVG) whereby Omineca acquired control of the Wingdam Project. This report is part of Omineca's SEDAR filing record and was prepared under applicable NI 43-101 guidelines. Mr. Kocsis also supervised the entire phase of drifting, sampling and gold concentrate processing during the 2012 CVG bulk sample on the property.

Omineca has not been able to independently verify the methodology and results from historical work programs at the Wingdam. However, management believes that the historical work programs on the Wingdam Property have been conducted in a professional manner and the quality of data and information produced from them are relevant. In addition many of the reports referenced in this report were authored by qualified persons according to the standards defined in NI 43-101.

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About Omineca Mining and Metals Inc.

Omineca Mining and Metals Inc. was created in 2011 when Novagold Resources Ltd. acquired by way of a Plan of Arrangement all of the outstanding shares of Copper Canyon Resources Ltd. Shareholders of Copper Canyon Resources Ltd. approved the plan to reorganize the company's mineral property assets in an effort to maximize shareholder value. Under the terms of the arrangement, a spin out company was formed, Omineca Mining and Metals Inc. Two of Copper Canyon's projects, Abo (Harrison) Gold and Kiwi, were transferred into Omineca and the other project, Copper Canyon, was transferred to Novagold. The particulars of the deal included the issuance of 1.7 million shares of Omineca to Novagold, as well as the issuance of Novagold stock to Copper Canyon shareholders.

On October 16, 2013 Omineca announced the successful completion of the acquisition of CVG Mining Ltd. through a reverse take-over ("RTO") transaction. Shareholder approval for the arrangement was received at the company's AGM on September 5th, 2013. The primary asset held by CVG was a 100% interest in the Wingdam Gold Project. Under terms of the Agreement, Omineca issued 47,471,548 common shares to CVG Mining Ltd. at a deemed price of \$.35/share, representing a purchase price of \$16,615,041 and issued a \$5,400,000 convertible debenture in connection with the assumption by Omineca of certain debt related to the property.

Introduction

Location and Access and Physiography

The Wingdam Property is located 35.7 km east from the city of Quesnel and is situated in the Cariboo Mining District, British Columbia, Canada (Figure 1). The Property is accessible from Quesnel by driving 45 km along Highway 26 a two-lane paved road that is open year-round.

Tenure

The Property is made up of 11 placer claims, 2 placer leases, and 14 mineral claims (Tables 1 and 2). The mineral claims occupy 2701.76 hectares (Figure 2a) and the placer tenures cover 467.21 hectares

of land (Figures 2b). The area covered by the Property can be viewed on NTS map sheet number 093H4W or Trim base map number 093H001.

All of the Wingdam placer and mineral tenures are held in the name of CVG Mining Ltd., a wholly-owned subsidiary of Omineca Mining and Metals Inc.

Table 1 - Tenure Summary

PLACER TENURE

Tenure Number	Claim Name	Tenure Subtype	Map Number	Issue Date	Good to Date	Area (hectares)
564933	WINGDAM	Claim	093H	2007/aug/22	2018/may/10	19.44
579200	LIGHT 1	Claim	093H	2008/mar/26	2018/may/10	38.86
579203	LIGHT 2	Claim	093H	2008/mar/26	2018/may/10	38.86
579206	LIGHT 3	Claim	093H	2008/mar/26	2018/may/10	38.86
579207	LIGHT 4	Claim	093H	2008/mar/26	2018/may/10	19.43
600943	LIGHT 5	Claim	093H	2009/mar/12	2018/may/10	19.43
600944	LIGHT 6	Claim	093H	2009/mar/12	2018/may/10	19.43
600945	LIGHT 7	Claim	093H	2009/mar/12	2018/may/10	19.43
659603	SKI	Claim	093H	2009/oct/26	2018/may/10	19.43
659643	LIGHT 8	Claim	093H	2009/oct/26	2018/may/10	38.86
665744	WD 6	Claim	093H	2009/nov/06	2018/may/10	38.87
791222		Lease	093H	2010/jun/11	2016/july/11	49.62
791242		Lease	093H	2010/jun/11	2016/july/11	106.69
Total Area						467.21

MINERAL TENURE

Tenure Number	Claim Name	Tenure Subtype	Map Number	Issue Date	Good to Date	Area (hectares)
552424	WINGDAM MINE	Claim	093H	2007/feb/20	2016/may/28	38.88
552450	WD 2	Claim	093H	2007/feb/21	2016/may/28	97.20
552451	WD 3	Claim	093H	2007/feb/21	2016/may/28	233.33
552453	WD 4	Claim	093H	2007/feb/21	2016/may/28	427.61
675223	Trailer Camp	Claim	093H	2009/nov/27	2016/may/28	19.43
675243	WD-M	Claim	093H	2009/nov/27	2016/may/28	388.76
675244	WD – M	Claim	093H	2009/nov/27	2016/may/28	19.43
675246	LIGHTS ON	Claim	093H	2009/nov/27	2016/may/28	272.02
675264	WD – M	Claim	093H	2009/nov/27	2016/may/28	485.99
675303	WD –M	Claim	093H	2009/nov/27	2016/may/28	155.46
675446	ULC	Claim	093H	2009/nov/27	2016/may/28	116.62
683807	WD-M 5	Claim	093H	2009/dec/11	2016/may/28	174.87
684765	WD-M 5	Claim	093H	2009/dec/14	2016/may/28	97.16
837909	WD-M SE	Claim	093H	2009/nov/27	2016/may/28	175.00
Total Area						2701.76

130°0'0"W

120°0'0"W

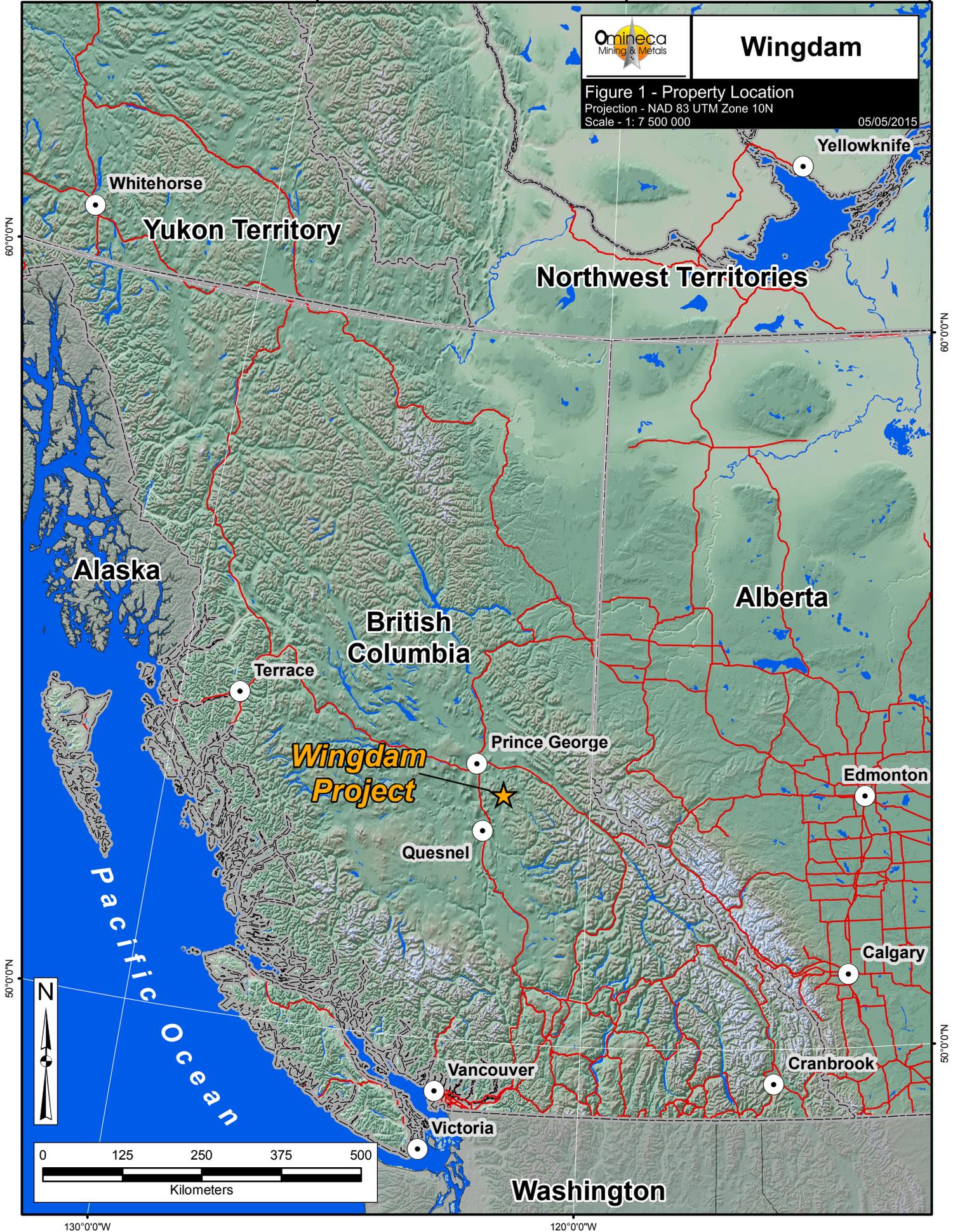
110°0'0"W



Wingdam

Figure 1 - Property Location
Projection - NAD 83 UTM Zone 10N
Scale - 1: 7 500 000

05/05/2015



Whitehorse

Yukon Territory

Yellowknife

Northwest Territories

Alaska

Alberta

British Columbia

Terrace

Prince George

Wingdam Project

Edmonton

Quesnel

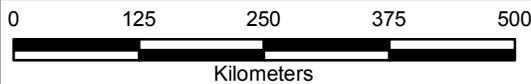
Calgary

Vancouver

Cranbrook

Victoria

Washington



60°0'0"N

50°0'0"N

60°0'0"N

50°0'0"N

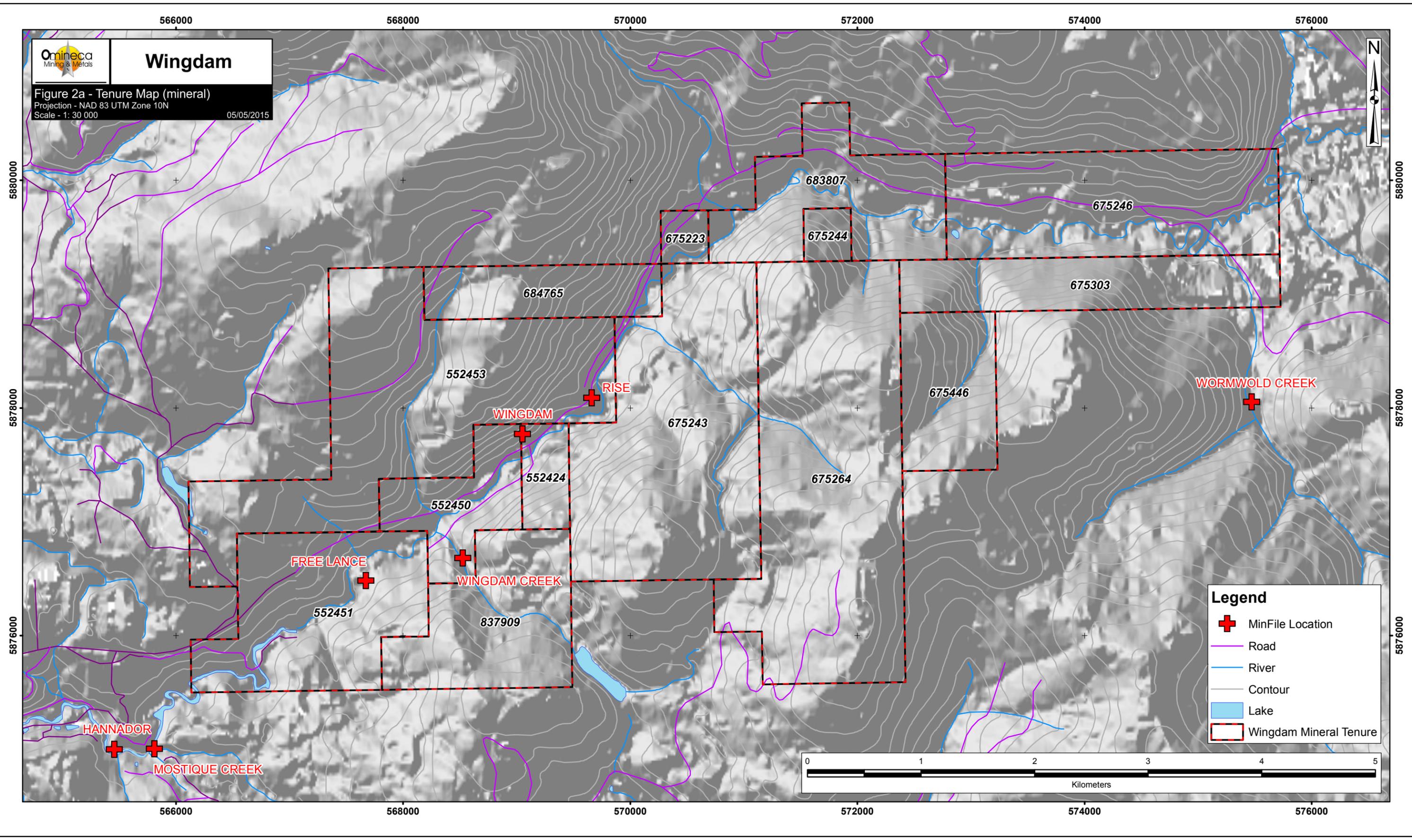
130°0'0"W

120°0'0"W

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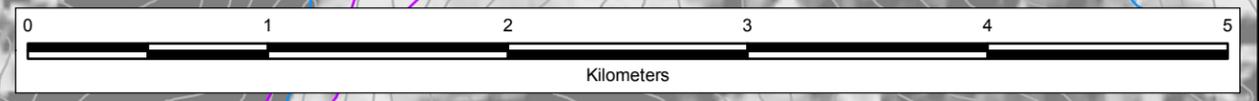
Wingdam

Figure 2a - Tenure Map (mineral)
Projection - NAD 83 UTM Zone 10N
Scale - 1: 30 000
05/05/2015



Legend

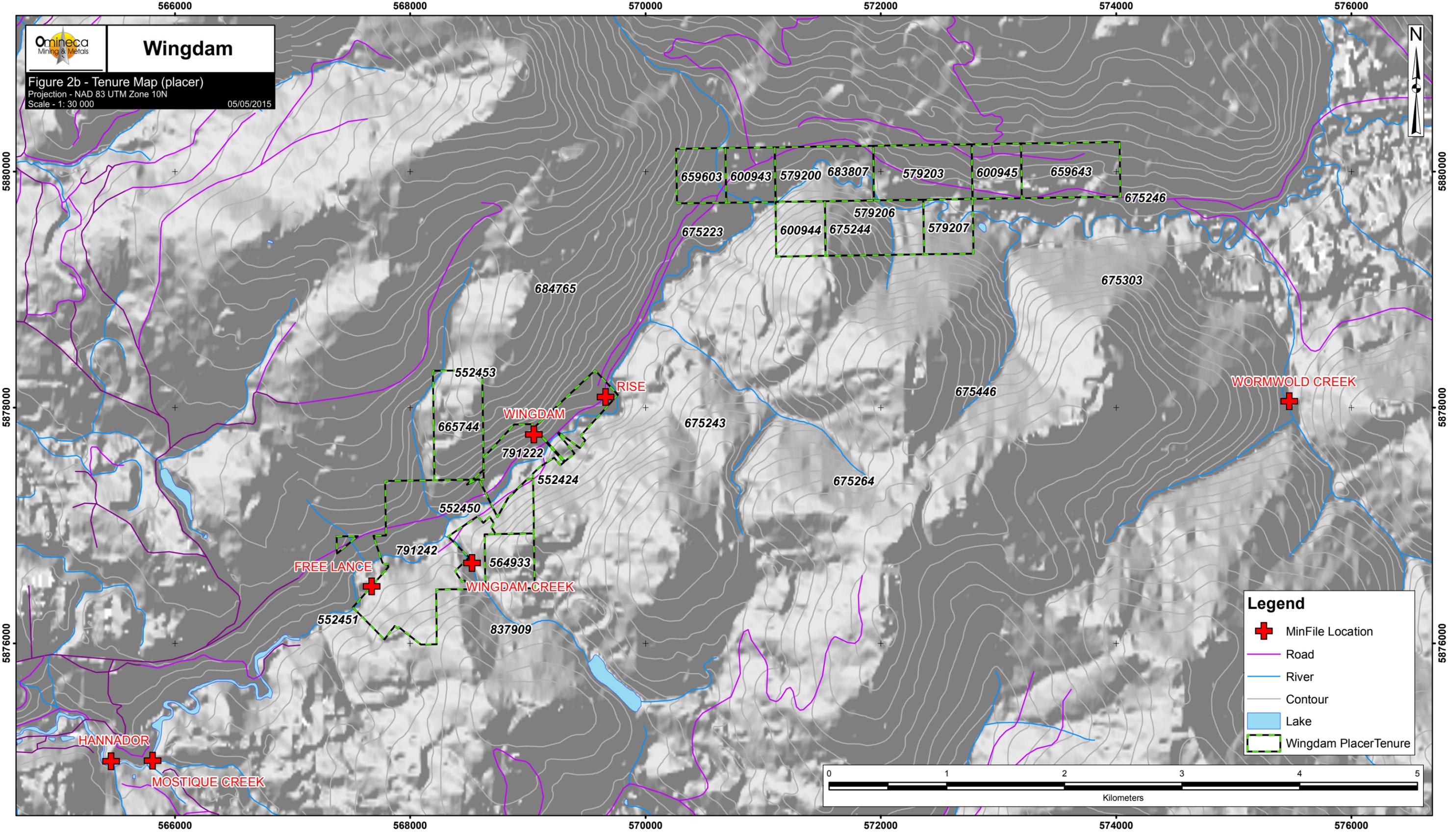
- MinFile Location
- Road
- River
- Contour
- Lake
- Wingdam Mineral Tenure



Omineca
Mining & Metals

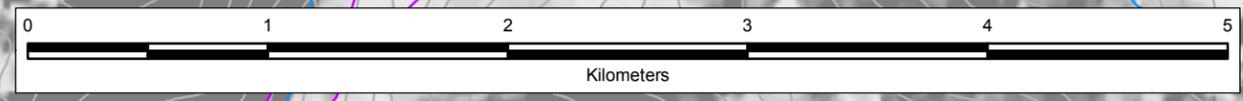
Wingdam

Figure 2b - Tenure Map (placer)
Projection - NAD 83 UTM Zone 10N
Scale - 1: 30 000
05/05/2015



Legend

- MinFile Location
- Road
- River
- Contour
- Lake
- Wingdam Placer Tenure



History and Previous Work

Table 2 - Wingdam Mining History

Time Period	Descriptions
1861	Ned Campbell discovered placer gold on Lightning Creek.
1878	Prospectors John Boyde and Angus McPhail discovered a northwest-striking quartz vein along Lightning Creek at a location 7 km upstream or east from Cold Spring House. The vein was named the Lightning Creek Ledge and later called the Free Lance Vein. The prospectors staked 1500 feet of ground under company name Cold Spring Company and staked an additional 1500 feet for John Fleming who owned the Cottonwood Company. The two companies amalgamated the ground and formed the Big Bonanza Company (BBC).
1879	BBC constructed a Wingdam across Lightning Creek and sunk a 24-meter deep shaft through the sediments along the valley floor. Unstable ground and high volumes of groundwater prevented the workings from reaching bedrock. The shaft operation was discontinued after Spring flooding washed away part of the Wingdam.
1896	Lightning Creek Gold Gravels and Drainage Company (LCGG) purchased the claims held by BBC. The purchasing company was a subsidiary of Great Cariboo Gold Company with a main office in New York.
1898	LCGG commenced to construct a proposed 2400-meter long drainage tunnel at Wingdam Hill for dewatering and exploration purposes.
1899	The LCGG drainage tunnel was abandoned after a 460-meters length was completed. John Fleming staked 64.7 hectares (160 acres) of ground on Wingdam Flat. The ground becomes Crown Grant Lot 446 in 1904.
1900-1902	LCGG sank the Jones Shaft through bedrock near the site of the present-day Melvin Shaft. Two horizontal drifts were driven from the shaft with attempts to break through and explore buried gravels at 30.5 and 42.7-meter depths. The shaft was flooded with water-saturated sediments immediately after breakthrough during each attempt.
1904-1905	New LCGG company management commenced Keystone drilling and identified significant gold grades along two buried gravel horizons now called the Deep Lead and Sanderson deposits; each situated 48.8 and 36.6 m respectively below Lightning Creek.
1906	LCGG sank the No. 1 shaft through 31.4 m of sediments and 28.0 m of underlying bedrock totalling 59.4 meters. A drift was driven horizontally through 33.2 m of bedrock from the 50.3-meter shaft level towards the Deep Lead Channel.
1907	LCGG continued development in the No. 1 shaft. A 30.5-meter long drive was extended through bedrock in a direction parallel to the Deep Lead Channel. The workings flooded during a breakthrough attempt into the channel.
1908	LCGG sank the No. 2 shaft to explore the Sanderson deposit.
1909-1912	No records.
1913	LCGG commenced a second bedrock drive at a location 3 m lower in the No. 1 shaft to access the Deep Lead Channel. There are no records of the results.

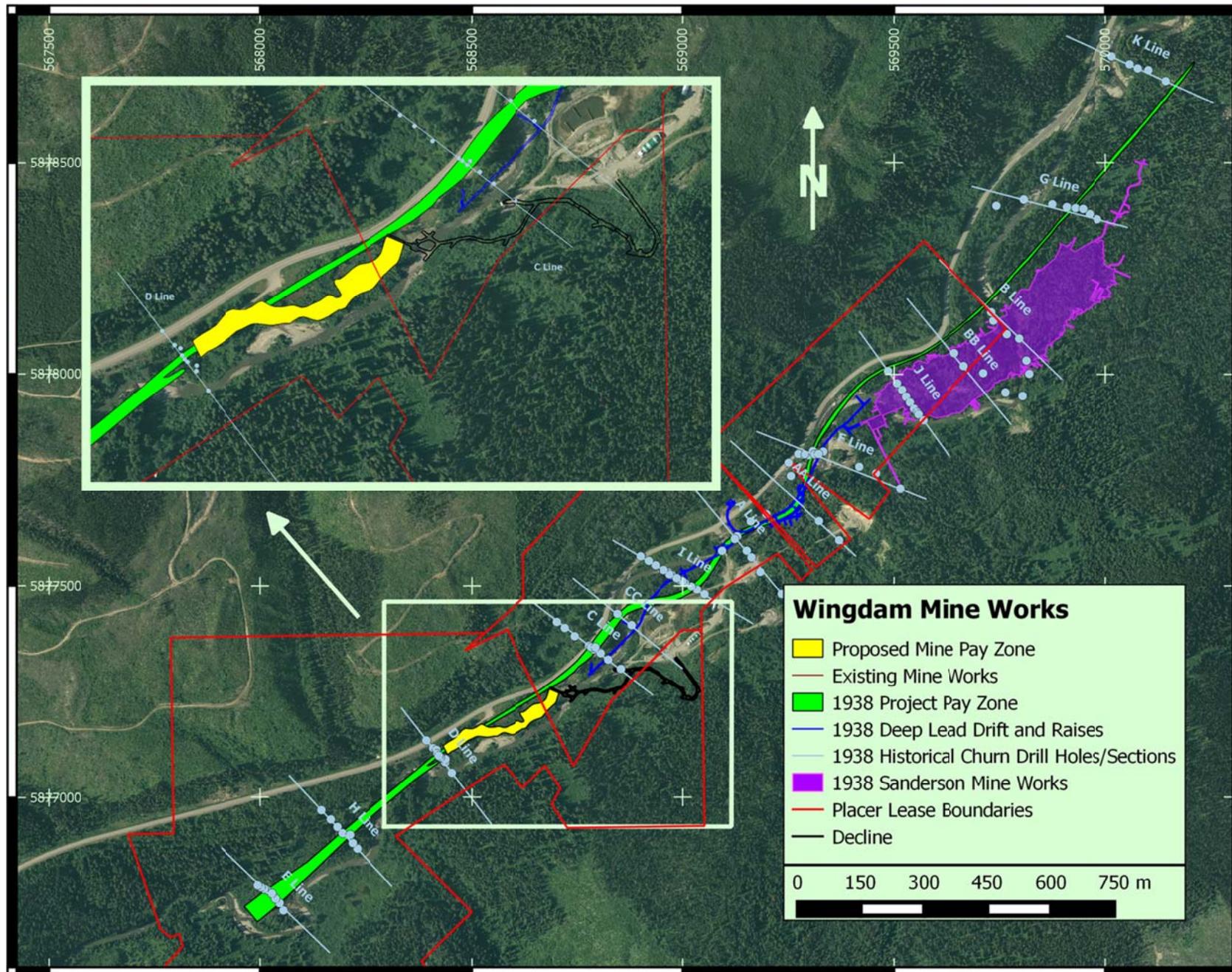
1914-1916	Period of limited intermittent work and no underground development.
1917-1919	A keystone drilling program was completed along fence lines now called Sections C, D, E, F (holes 1-8) and on Section BB (holes 9-15).
1920	The No. 3 shaft was constructed in gravels over keystone drill-hole location F-3. High volumes of water forced the workings to cease before the Deep Lead Channel was reached.
1921-1928	No available work records.
1929	Lightning Creek Gold Mines Ltd. acquired the Wingdam Property.
1930-1932	Consolidated Gold Alluvials of BC Ltd. (CGA) takes control of the Wingdam Property and neighboring placer claims up and down Lightning Creek along a 42 km distance. The company refurbished the Wingdam mine camp and plant. The No. 2 shaft was reconditioned and preparations were made to mine the 36.6-meter deep Sanderson deposit.
1933	The Sanderson Mine becomes the largest operation in the Cariboo District with 100 laborers employed. About 1 km of drifting was completed along the Sanderson deposit. The main drive through the deposit was reported to be in economic ground that extended 152 m upstream or east from the access shaft. The surface waters were naturally sealed off from the workings by an overlying layer of impermeable boulder clay or glacial lodgement till. CGA cased a 0.66-meter diameter hole into bedrock at a location 43.3 m south of the No. 1 shaft during the Fall season for the purpose of dewatering the Deep Lead channel. The lower 15-meter section of casing was perforated where it penetrated bedrock (3 m) and overlying layers of gravel, sand and silt totalling 12 m thick. The large quantities of sand and silt carried by the pumped slurry created a cavity and the area surrounding the shaft collapsed.
1934-1935	The Sanderson Mine continued to be a profitable operation. The workings measured over 300 m long in an upstream direction and 122 m wide. CGA management was replaced by British contactors who introduced the <i>Australian deep-lead mining method</i> . The Melvin Shaft was sunk through bedrock on the north side of Lightning Creek to 87 m to implement the mining method. From this point a bedrock drive was driven below and parallel to the Deep Lead Channel along a 460 m upstream and 460 m downstream direction.
1936	Operations continued at the Sanderson Mine and production for the year amounted to 36,528 m ³ . CGA commenced a dewatering program by drilling 10 cm diameter drainage holes up into the Deep Lead Channel from locations along the Melvin bedrock drive.
1937	A second entry point or raise to the surface at the Sanderson Mine was constructed to facilitate higher production rates. The raise connected to the Melvin Shaft where the ore was hoisted to the surface. Production for the year amounted to 39,872 m ³ . The total production (76,400 m ³) for the 1936-1937 time period yielded \$464,300 in refined gold. This value is equivalent to 13,330 troy ounces by using the average gold price for the recorded time period (\$34.83/oz).

	The first raise (No. 1 Upstream) was driven into the Deep Lead Channel after water pressures subsided in February. The up and downstream bedrock drives were extended to 979 meter total length. Two additional raises were driven into the channel. The gravels were described to be very rich; however caving and flooding in unstable ground limited the production to 555 m ³ .
1938-1939	The Sanderson Mine remained in production during this time period and employed up to 90 laborers. Production for the time period amounted to 40,089 m ³ . Operations discontinued at the Sanderson Mine on April 20, 1939. The up and downstream Deep Lead Channel drives were extended 68 m. The No. 1 Downstream Raise was driven 41 m through the overlying channel gravels in a successful manner without incident. However, large volumes of water discharged from the Melvin washplant found its way from surface to the raise and flooded the workings. The water entered the raise via a drainage hole that connected the rock heading and the Melvin Shaft. The initial water flow caused the ground to break through to the creek and rapidly flood the entire Melvin workings. A concrete plug was placed in the raise that connected the Melvin shaft with the Sanderson workings to prevent floodwaters from reaching the neighboring mine operation.
1940-1961	There was no production at the Wingdam Property during this time period. The surface equipment was sold and the leases lapsed (1941-1944). Lightning Creek Gold Alluvials Ltd. acquired new leases in 1946. Wingdam & Lightning Creek Mining Company (WLCMC) acquired the property in 1961.
1961-1962	WLCMC commenced to dewater, clean out, and reopen the Melvin Shaft workings. The company reported that water from Lightning Creek continued to flow into the workings through the 1939 No. 1 Downstream Raise. The flow was stopped after a grout plug was successfully injected into the raise from the surface through a line of 8 drill holes. The sand and silt accumulation in the Melvin shaft station and sump was removed and two 125 hp pumps were installed.
1963	WLCMC cleaned out the Melvin up- and down-stream bedrock drives. A bulkhead was put in place to seal off the No. 1 Downstream Raise. The No. 2 and 3 Downstream raises were cleaned out and prepared for re-entry.
1964	A total of 154 oz of gold was recovered from 320 m ³ of gravel and bedrock extracted from the No.2 and 3 Downstream raises. The No. 4 Downstream Raise was driven into the Deep Lead Channel in September. This raise flooded and caved shortly after breakthrough into unstable ground and mining operations terminated.
1966-1967	Vigor Explorations optioned the Wingdam Property and other upstream and downstream placer titles from various claim owners.
1970	The historic buildings at Wingdam were removed and the Melvin shaft housing burnt down.
1974	Oriana Development Ltd. (ODL) optioned the Wingdam claims (leases 6685 and 6707) from B.G. Wilson of North Vancouver, BC. ODL completed a feasibility study that involved the consideration of open pit and underground mining methods. The company contracted Weir-Jones Engineering Consultants Ltd. to prepare a feasibility study involving ground-freeze methods across historic drill-section 'A' located near the No. 1 Shaft.

1975	Gold Channel Resources Ltd. optioned the Wingdam placer leases from ODL.
1976-1980	Bud Henning acquired the Wingdam placer leases and formed a company called Henning Mining and Milling Corporation (HMMC).
1981	Harvey Cohen Engineering Ltd. was contracted by HMMC to investigate the feasibility of dredging methods at Wingdam.
1986	Silver Ridge Resources (SRR) optioned the Wingdam leases (PL 747 and 743) from Bud Henning. Gold Ridge Resources Ltd. (GRR) optioned the Wingdam leases from SRR and took over as mine operator. Piteau Associates Engineering Ltd (PAEL) and Wright Engineering Ltd (WEL) conducted an exploration program involving four drill holes and the first phase of groundwater flow studies. WEL generated a mine feasibility report that included NI 43-101 non-compliant gold reserve estimates. PAEL completed the second phase of the hydrogeological study with the use of nine additional drill holes. Foundex Geophysics Inc. completed nine seismic refraction survey lines.
1987	PAEL performed a chloride-solution test to explore the possibilities of extracting placer gold concentrations along the Deep Lead Channel with in-situ leaching methods.
1989	GRR contracted Terry Garrow P.Eng. to outline a drift program including methods for extracting samples from the Deep Lead Channel.
1990-1992	<p>GRR contracted Tonto Mining Contractors (TMC) to pursue underground mine developments for the purpose of sampling the Deep Lead Channel. The development work included site preparation, settling pond excavations, dewatering, and underground access to the channel. The channel was dewatered by pumping from the Melvin Shaft and new vertical holes drilled from surface and lined with perforated casing. The channel breakthrough location was accessed by driving a 520-meter long 180-degree-spiral decline to a main sump area and a 53-meter long incline drive.</p> <p>Breakthrough Drive #1:</p> <p>The incline and part of the decline flooded shortly after the channel was exposed by Breakthrough #1. GRR reported that the groundwater aquifer along the channel bedrock floor flowed into the breakthrough drive at the rate of 300 gpm. The water flow undercut the gravel, sand and silt layers and carried large volumes of sediments into the underground workings. The water-flow rate exceeded the capacity of the pumping station at the main sump. GRR discovered that the dewatering pumps were set too high. The dewatering process continued with success after the pumps were pulled, re-set and lowered to the proper subsurface elevation. The sediments were mucked throughout the entire workings and a new air fan with bagging was installed into an existing raise to improve ventilation. The initial breakthrough was sealed with Bulkhead #1.</p> <p>Breakthrough Drive #2:</p> <p>A second breakthrough into the channel was attempted at a location 14 m downstream or southwest from Drive #1. The drive broke through into a dry sand layer after advancing 3.7 m into bedrock. The sand layer and overlying sediments collapsed into the drive and all attempts to control the caving failed. The drive was sealed with</p>

	Bulkhead #2.
1992	<p>GRR Pipe Drive:</p> <p>GRR collared a 1.07-meter (42-inch) diameter horizontal pipe drive into the Deep Lead Channel at a location 14 m downstream from Drive #2. The pipe drive, totalling 19 m long, penetrated 7.2 meters of bedrock and 11.8 meters of alluvium across the channel. The drive was improperly collared at an elevation 0.46 meters above the channel bedrock floor where the majority of the gold was concentrated. The total amount of gold recovered from the drive was 13.9 grams. Most of this gold derived from a 2 m long section where the drive intersected rimrock along the channel. GRR accessed and sampled the bedrock floor by cutting through the pipe and recovered 54 grams of gold from a 0.60 m² area.</p>
1993	GRR shut down operations at the Wingdam Property.
1998	The placer leases covering the Wingdam Property lapsed and the ground was staked by John Bot of Quesnel, BC.
2009-2012	CVG Mining Ltd. (CVG), formerly 1011136288 Saskatchewan Ltd., optioned and later purchased 100% of the Wingdam Property title from John Bot. The history of exploration work carried out on the Property by CVG and Omineca is given under the Exploration Section.

Figure 3 - Historical Mine Workings and Exploration Work



Historic Gold Production

The historic placer gold production reported to and recorded by the Cariboo District Gold Commissioner from areas along Lightning Creek at Wingdam amounts to 27,648 raw ounces (Holland, 1950). The results from nine historic fineness determinations indicate that the raw placer gold contains a fineness that ranges from 901 to 915 and averages 910.5. The gold was produced from two underground workings called the Sanderson and Melvin mines. The Sanderson Mine produced 25,474 ounces of gold from 136,753 loose cubic meters during a six year period extending from 1934 and 1939 (Table 3). Limited production at the Melvin Mine derived from six breakthrough attempts into the Deep Lead Channel during two time periods; 1937-38 and 1963-64 (Table 4). The total channel volume extracted from the breakthroughs amounted to 2,515.4 loose cubic meters and yielded 1,240 ounces of gold. The gold grades given in tables 3 and 4 represent loose volumes and refined-equivalent ounces.

Table 3 - Sanderson Mine Gold Production and Grades

Time Period	Loose Volume (m ³)	Gold Recovered (oz)	Gold Grade	
			(oz/m ³)	(g/m ³)
1934	1,681.3	312	0.186	5.77
1935	12,087.6	2,498	0.207	6.43
1936	32,695.5	6,800	0.208	6.47
1937	39,872.3	7,306	0.183	5.70
1938	40,165.9	6,627	0.165	5.13
1939	10,250.4	1,931	0.188	5.86
Total/Average	136,753	25,474	0.186	5.79

Table 4 - Melvin Mine Gold Production and Grades

Time Period	Loose Volume (m ³)	Gold Recovered (oz)	Gold Grade	
			(oz/m ³)	(g/m ³)
1937	1,393.0	667	0.479	14.89
1938	802.8	419	0.522	16.23
1963-64	319.6	154	0.482	14.99
Total/Average	2,515.4	1,240	0.493	15.33

Omineca has not been able to independently verify the methodology and results related to the historical production at the Sanderson and Melvin Mines. However, management believes that the information is relevant.

WEL Gold Resource Estimate (1986)

Wright Engineers Limited (WEL) was employed by Gold Ridge Resources Ltd. in 1986 to investigate past gold production and historic drill exploration results along the Deep Lead Channel (Leader, J. and Clarke, W. (1986): Preliminary Engineering Report on the Wingdam Placer Property). All of the resources and estimates stated in the WEL report were based on historical information and calculated

prior to the technical guidelines outlined in NI 43-101. Omineca is not treating the historical mineral resource/reserve estimates as defined NI 43-101-compliant information verified by a qualified person, but considers the information relevant.

WEL generated a non-compliant NI 43-101 resource estimate based on drill results obtained from 15 churn holes and one 26-inch diameter rotary hole. The holes were drilled along 7 fence lines (F, AA, A, I, CC, C and D) illustrated in Figure 4. The churn holes were drilled by Lightning Creek Gold Gravels and Drainage Company (LCG) in 1905 and during a period extending from 1915 to 1917. The rotary hole was drilled by Consolidated Gold Alluvials of BC Ltd. (CGA) in 1933.

The WEL gold grade estimates for specific areas surrounding each of the 16 drill holes that intersected the Deep Lead Channel are listed in Table 5 (Hodder and Leroux, 2010). The cross-sections were digitally traced from original CGA illustrations drawn in 1938.

Table 5 - WEL Gold Grade Estimates

Section	Drill Hole Number	Intersection (ft)	Width (ft)	Area (yd²)	Grade (oz/yd³)
F	F-5	6.0	22.0	14.67	1.314
	F-8	6.0	19.0	12.67	0.252
	F-Total			27.34	0.822
A	A-5	6.0			5.633
	26" J Well	6.0	50.0	29.00	0.079
	A-Total			29.00	2.856
I	I-5	9.0	45.0	45.00	0.122
	I-12	6.0	30.0	20.00	0.206
	I-Total			65.00	0.148
CC	CC-2	4.0	75.0	38.00	0.495
C	C-1 & C-9 Average	6.0	43.0	28.00	0.989
	C-7	6.0	26.0	17.30	1.077
	C-8	6.0	33.0	22.00	0.726
	C-Total			67.30	0.926
D	D-1	6.0	14.0	9.30	3.675
	D-2	6.0	24.0	16.00	0.275
	D-4	6.0	26.0	17.30	0.031
	D-5	6.0	25.0	16.70	0.046
	D-6	6.0	27.0	18.00	0.008
	D-Total			59.30	0.672

The WEL resource estimates for blocked areas along the channel are listed in Table 6 (Hodder and Leroux, 2010). Some of the block volumes represent areas between specific fence-lines (From-To). The estimate includes a 63,518 yd³ probable resource averaging 0.827 oz/yd³ along a 1,362-yard distance

between lines F and D. The estimated possible resource amounts to 16,790 yd³ along a 360-yard distance between lines F and B-B. A metric summary for the resource estimate is given in Table 7.

Table 6 - WEL Resource Estimate

Section (From-To)	Area (yd²)	Grade (oz/yd³)	Block Length (yd)	Block Volume (yd³)	Grade (oz/yd³)
F	27.34	0.822	123.0	3,363	0.822
AA	8.2	0.378	150.0	1,230	0.378
A	29.0	2.856	87.0	2,523	2.856
A	29.0	2.856			
I	65.0	0.148	200.0	9,161	0.983
I	65.0	0.148			
CC	38.0	0.495	168.0	8,551	0.276
CC	38.0	0.495			
C	67.3	0.926	113.0	5,871	0.770
C	67.3	0.926			
D	59.3	0.672	486.0	30,743	0.807
D	59.3	0.672	35.0	2,076	0.672
Probable Resource			1,362.0	63,518	0.827
F					
B-B			360.0	16,790	0.827
Possible Resource			360.0	16,790	0.827
Total Resource			1,682	80,308	0.827

Table 7 - WEL Resource Estimate Metric Summary

Resource Category	Length (m)	Volume (m³)	Grade (g/m³)	Resource (oz)
Probable	1,245.4	48,563	33.65	52,529.4
Possible	329.2	12,837	33.65	13,885.3
Total	1,574.6	61,400	33.65	66,414.7

The drill data and gold grades presented in the CGA historical cross-sections is useful information, but little is known about the qualification and reliability of the person or persons who collected the samples and conducted the sample analyses. The CIM Definition Standards for mineral resources and reserves states that this work must be supervised or carried out by a qualified person. WEL concluded that the distances between the fence lines were over excessive and that some of the drill results were unreliable (Gilmore, 1986).

Although the WEL resource estimate is considered NI 43-101 non-compliant the historic drill-indicated gold grades are relatively comparable with the CVG drift grades identified across various parts of the Deep Lead Channel. The drift-indicated average gold grade at the CVG breakthrough location amounted to 34.55 g/m³ across a 2.44-meter mine height. The average gold grade (33.65 g/m³) used in the WEL calculations for a 1.83-meter mine height is equivalent to 25.24 g/m³ for a diluted 2.44-meter mine height.

Omineca has not been able to independently verify the methodology and results related to the historical WEL Resource Estimate at the Wingdam. A qualified person has not done sufficient work to classify the historical estimate as a current mineral resource or mineral reserve. Omineca is not treating the historical estimate as a current mineral resource or mineral reserve. However, management believes that the information is relevant.

GRR Pipe Drive (1992)

Gold Ridge Resources Inc. (GRR) drove a 1.07-meter diameter pipe along a 19.1-meter horizontal distance through bedrock and the basal gravels of the Deep Lead Channel in 1992. The drive was orientated along a 294 degree direction that trends across the channel width. The drive penetrated 7.16 meters of bedrock (0-7.16 m) and intersected 11.86 meters of the channel (7.16-19.02 m).

GRR miscalculated the vertical location of the pipe drive entry point by about 0.91 meters. The horizontal location of the pipe was anywhere from 0.30 to 0.71 meters above the uneven channel bedrock floor where the gold-enrichment was primarily located. The sediments sampled along the pipe horizon were mainly fine-grained gravel, sand and silt layers that were barren or contained low concentrations of gold. The highest gold grades identified (2.50-8.45 g/m³) were located along a 1.55-meter distance where the drive intersected rimrock along the south side of the channel (6.22-7.77 m).

GRR cut a 1.52-meter long by 0.76-meter wide hole along the base of the pipe to access and sample the bedrock at 12.65 meters along the drive. Bedrock was situated 0.55 m below the pipe drive at this location. The sample consisted of gravel (0.55 m) and about 0.15 meters of underlying bedrock totalling 0.70 meters thick. The area of bedrock sampled was reported to measure 1.16 m long and 0.52 m wide. A total of 54 grams of raw gold (900 fineness) was recovered from the sample). The total volume of the sample amounted to 0.422 bank cubic meters and the raw gold grade across the 0.70-meter thick horizon was 128.57 g/m³ (Table 8).

Table 8 - GRR Pipe Drive Access Bedrock Sample

Sample	Horizontal Distance (m)		Length (m)	Volume (m ³)		Gold (g)	Bank Grade (g/m ³)
	Pipe Drive	Channel		Loose	Bank		
	12.83-13.99	5.64-6.80	1.16	n/a	0.422	54	128.57

Omineca has not been able to independently verify the methodology and results related to the historical GPR Pipe Drive sample. However, management believes that the information is relevant

Geology

Bedrock Geology

The Wingdam Property is located along the western edge of the Omineca allochthonous superterrane Belt that makes up part of the Quesnel Highlands in central British Columbia. At a local scale, the eastern part of the property is underlain by older Hadrynian to Paleozoic Barkerville Terrane quartzites, phyllites, marbles, tuffs and a suite of intrusive rocks including diorite, rhyolite and rhyodacite. West of the Eureka Fault lie Upper Triassic phyllite, argillite, siltstone, limestone, quartzite, greenstone and tuff assigned to the Quesnel Terrane.

The rocks exposed along the Wingdam Mine portal and throughout the main decline consist of dark grey to black-colored siltite and phyllite belonging to the Harveys Ridge Succession. The section of bedrock exposed by the incline that extends to the Deep Lead Channel breakthrough point is made up of greyish tan-olive phyllite of the Ramos Succession. The bedrock across the channel floor changes back to dark grey siltite and phyllite layers of the Harveys Ridge Succession. The contact between the successions at this change is an unconformity controlled along a northeast-striking steeply-dipping fault that parallels the south channel rim. The fault forms a 3-meter wide vertical clay-filled gouge mainly composed of weathered felsic minerals and less quartz. Similar clay-filled gouges up to 15 cm wide have been identified in bedrock along underground drifts. The narrow gouges crosscut bedrock foliation strike along shallow angles and parallel dip. Bedrock foliation exposed along the underground workings strike northwest (308-degrees) and dip moderately to steeply towards the west.

Surficial Geology

The Lightning Creek valley at Wingdam is filled from top to bottom by a sequence of recent, postglacial, glacial and interglacial sediments. A detailed description of the Quaternary stratigraphy can be found in the 2012 Kocsis Wingdam Property NI 43-101 Technical Report.

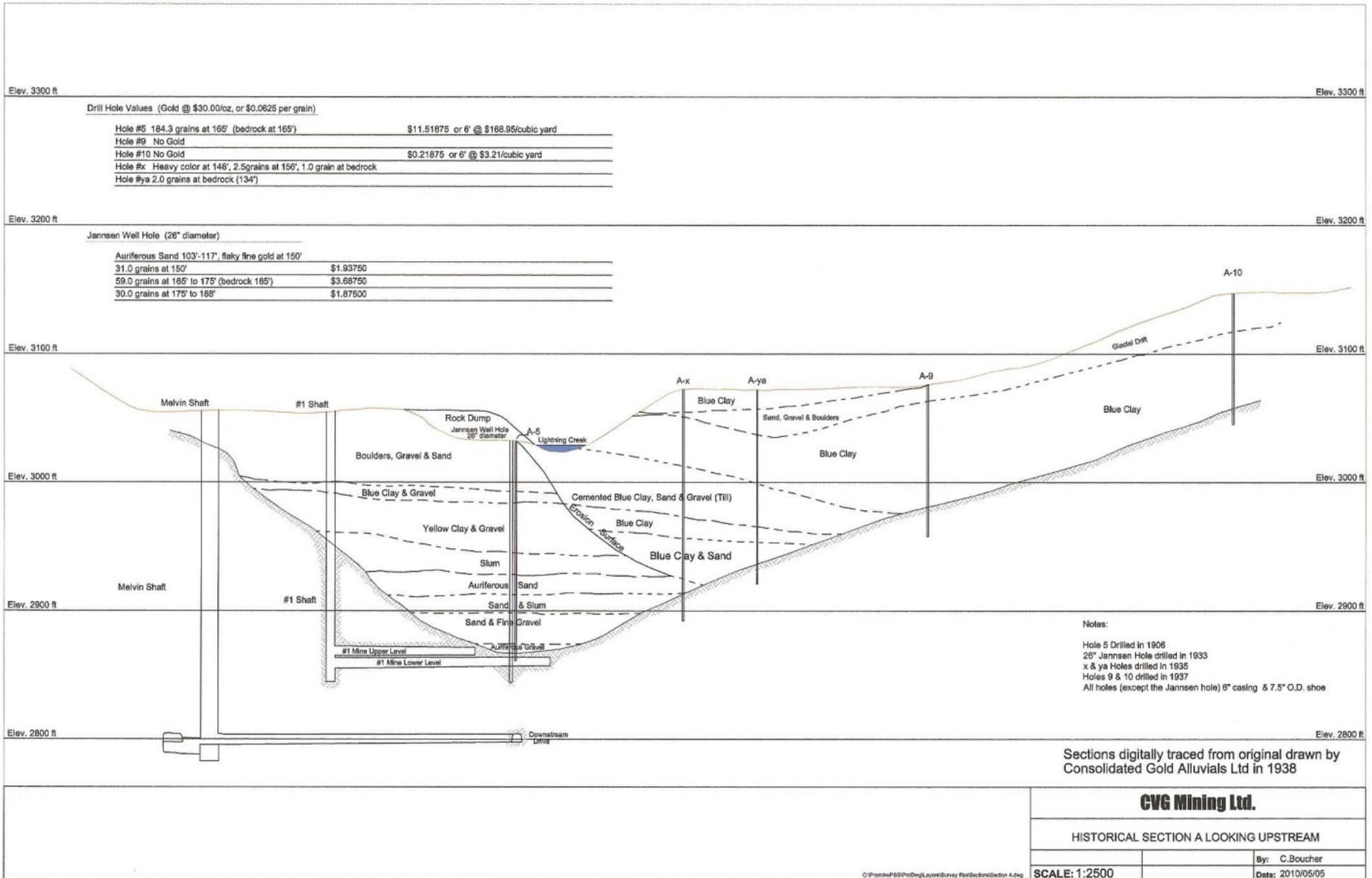
Deposit Type/Mineralization

The placer gold deposit at the Wingdam property consists of a buried paleochannel called the Deep Lead Channel. Significant gold concentrations along the channel are mainly confined to the gravel-bedrock interface situated 51 m below the Lightning Creek valley floor. The gravel and other alluvium overlying the bedrock were deposited by an ancient fluvial stream that predates the Fraser glacial period or 110,000 ybp. The gold-enriched zone exposed along Drift CC1 reaches up to 1.20 m thick. The zone consists of a boulder/cobble-rich fluvial gravel layer up to 0.90 m thick and 0.30 m of

underlying fractured bedrock. Historic drill logs show that significant gold concentrations are confined to a bedrock-proximal zone measuring 1.83 m thick. Results from past drill programs and seismic surveys indicates that the channel bedrock floor varies from 6 to 39 meters wide. The lateral extent of the channel parallels Lightning Creek along a southwest paleoflow direction and is fully covered by a 2,430-meter distance along the length of the Property.

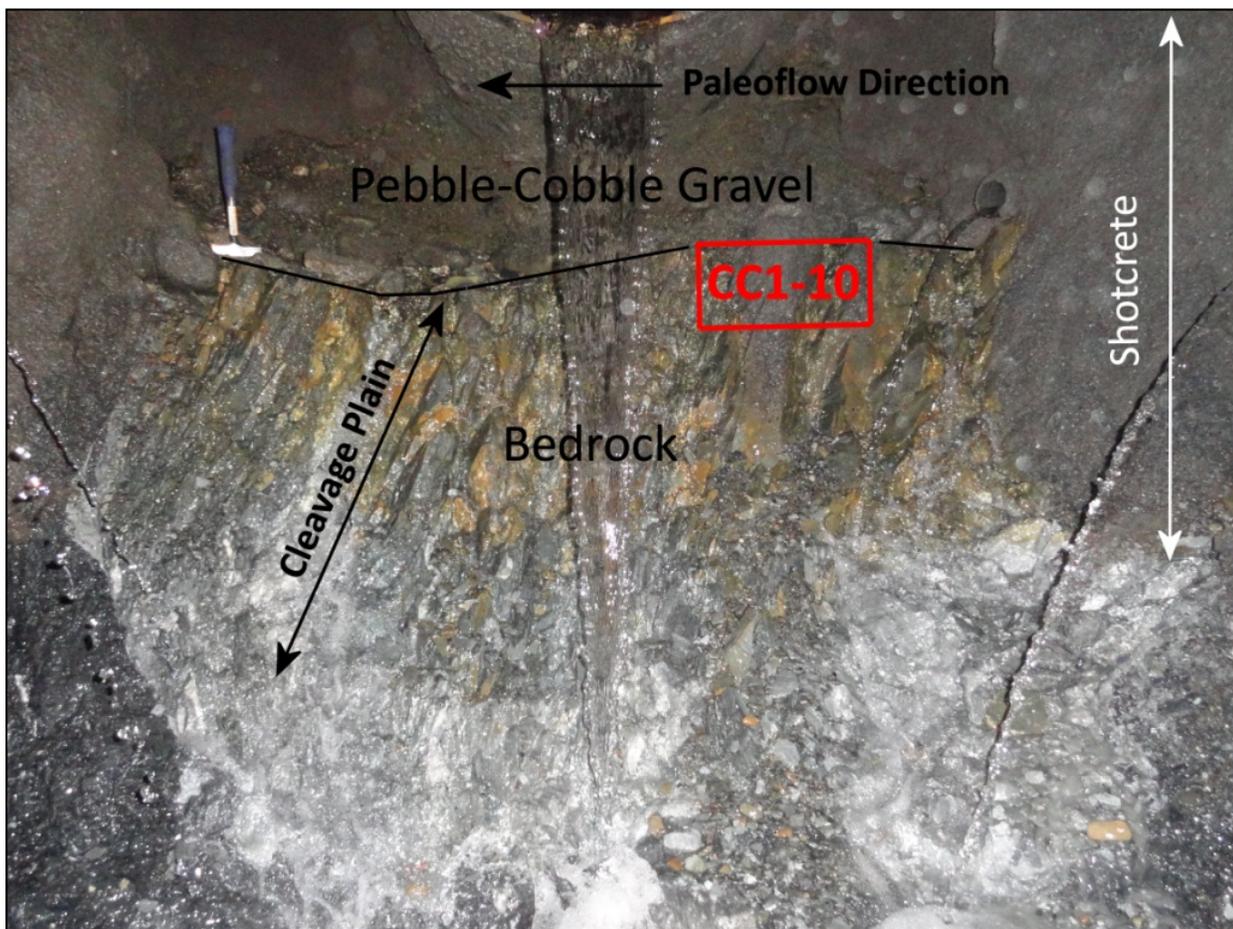
A geological model for the buried Deep Lead Channel (Auriferous Gravel) and the sequence of overlying sediments is illustrated in Figure 4. The sand and silt layers are referred as *slum* when water-saturated. The silt layer and underlying sediments are thawed and the overlying pebble/cobble-rich sand layers are frozen. All of the sediments overlying the coarse-grained gravel layer are barren or contain low gold concentrations ($<1.0 \text{ g/m}^3$) along longitudinal cobble clusters.

Figure 4 - Deep Lead Channel Profile
 Historical Section "A" Looking Upstream



The bedrock along the Deep Lead Channel is made up of black phyllite and siltstone layers belonging to the Harveys Ridge Succession and light grey to tan-colored phyllite of the Ramos Succession. The contact between the successions at this location is an unconformity and part of a 3 m wide fault gouge that parallels rimrock along the south side of the channel. The typical foliation pattern in bedrock underlying the auriferous gravel layer is shown on Plate 1 looking northwest across the width of the channel. The paleoflow direction of the overlying gravel layer trends southwest along the channel length. The gold concentrations identified along the channel bedrock floor are mainly confined to narrow clay-filled gouges and fractures that reach up to 15 cm wide.

Plate 1 Bedrock Foliation and Paleoflow Direction



Exploration

CVG Mining Ltd. and Omineca Mining and Metals Inc carried out the following exploration programs since the property was acquired by CVG in April 2009:

1. Underground de-watering and mine rehabilitation program (2009-2012)(CVG).
2. Hydrological survey performed by Clifton Associates Ltd (2009) (CVG).
3. Seismic refraction and reflection survey and ground geophysical surveys that included induced polarization and magnetometer measurements completed by Frontier Geosciences Ltd (2009)(CVG).
4. Sonic core-recovery drill program (2010) involving 14 holes (see Section 10)(CVG).
5. Drift sampling across the width of the Deep Lead Channel (2012)(CVG).
6. Lidar and Orthophoto survey (2014)(OMM).
7. Seismic Refraction and Geotechnical Drilling (2015)(OMM).

The exploration programs are summarized in the following sections. A more detailed description of the programs can be referenced in the Kocsis Wingdam Property NI 43-101 Technical Report and in the 2014 and 2015 Wingdam Assessment Reports.

Underground Rehabilitation and Dewatering Project

CVG began rehabilitating the most recent underground workings at Wingdam in 2009. The workings consist of the spiral bedrock drive constructed by Gold Ridge Resources Ltd. (GRR). Rehabilitation work consisted of rock bolting, screening, grouting and shoring along fault zones and other layered bedrock sections susceptible to fracturing.

The purpose of the rehabilitation work was to provide access for a breakthrough drift into the Deep Lead Channel floor. The location and direction of the breakthrough drift was contiguous with the GRR Pipe Drive. A total of 15 freeze holes were drilled into the northwest chamber wall and across the width of the channel along 44-meter distances. The freeze holes were drilled along an arched pattern at 1 meter intervals that surrounds the GRR Pipe Drive. The pattern encompasses a freeze face measuring 15 m wide and 10 m high. The dimensions of the freeze zone was designed to provide sufficient ground support for the proposed construction of a 2.44-meter high by 2.44-meter wide exploration drift across the width of the channel.

Hydrological Surveys

CVG contracted Clifton Associates Ltd (“Clifton”) of Saskatoon SK in November 2009 to conduct a hydrological study on the property. The results of this study characterize the bedrock as quartzite and phyllite layers with fractures and joints acting as active pathways for fluid movement. The hydrogeological regime is interpreted as having bedrock and basal gravel aquifers controlled by overlying low-permeability layers of clay, silt (*slum*), and lodgement till. The basal gravel and bedrock layers are considered to be the active paths that would generate a significant amount of seepage into the current and future underground workings. The silt is an extensive discontinuous unit and further work is required to assess its three dimensional extent on the property. Clifton recommended various depressurization methods such as grouted cut-off walls, drift drainage, and dewatering wells to rectify the seepage issues.

Additional hydrological work was carried out by Omineca in 2014 as part of the current Mine Permit application. Lorax Environmental of Vancouver was contracted to review historic data and model the groundwater flow patterns. Lorax concluded that a series of depressurization wells in conjunction with the isolation of the Sanderson mine from the Wingdam underground will provide sufficient drawdown to effectively manage the impact of groundwater flow on the freeze envelope.

Ground Geophysical Surveys

CVG contracted Frontier Geosciences Ltd. to carry out various ground geophysical surveys at the Wingdam property during a 2009 time period extending from November 24 to December 4. The Wingdam surveys were tied into the 1938 Consolidated Gold Alluvials Limited (CGA) drill fence-lines. The survey consisted of 1,035 m of resistivity imaging and induced polarization, and seismic reflection lines totaling 640 m long. The work was completed along the three parallel Clifton hydrological survey lines spaced approximately 150 m apart. The CC fence line provided reference for direct comparisons of the ground geophysical survey results and the sedimentological units. This area was also previously explored by geological mapping, drilling, and seismic refraction surveys completed by Fronteer in 1986 and 1990.

In 2015, Omineca engaged Fronteer to carry out a program of seismic refraction and downhole seismic focused on the first 300m of channel downstream from the CVG bulk sample drift (Figure 7). Five separate seismic refraction traverses were completed over 1050 meters of line, and 4 of the drillholes completed in 2015 were surveyed for a total of 188.1 meters. The data generated in 2015 was integrated with the historical seismic data collected by Fronteer to generate very accurate profiles of the channel along the gravel / bedrock interface.

The interpreted seismic data indicates that the channel profile does not match the historic outline of the Deep Lead Channel. As well as following a different center line or thalweg, it appears that the walls of the channel are likely steeper than originally thought (Figure 5). Expand better stability etc This is corroborated by the results from the bedrock intercepts of the 2015 drilling as well as historical drill data. The seismic profiles also show a series of depressions along the channel which are postulated to be potential natural traps for the placer gold during deposition of the gravels (Figure 6). This new interpretation of the channel profile has increased the overall volume of material identified as mineable and ultimately to be processed by approximately 60 percent. In addition, the steeper channel walls should facilitate shorter freeze holes while increasing the stability of the freeze structure.

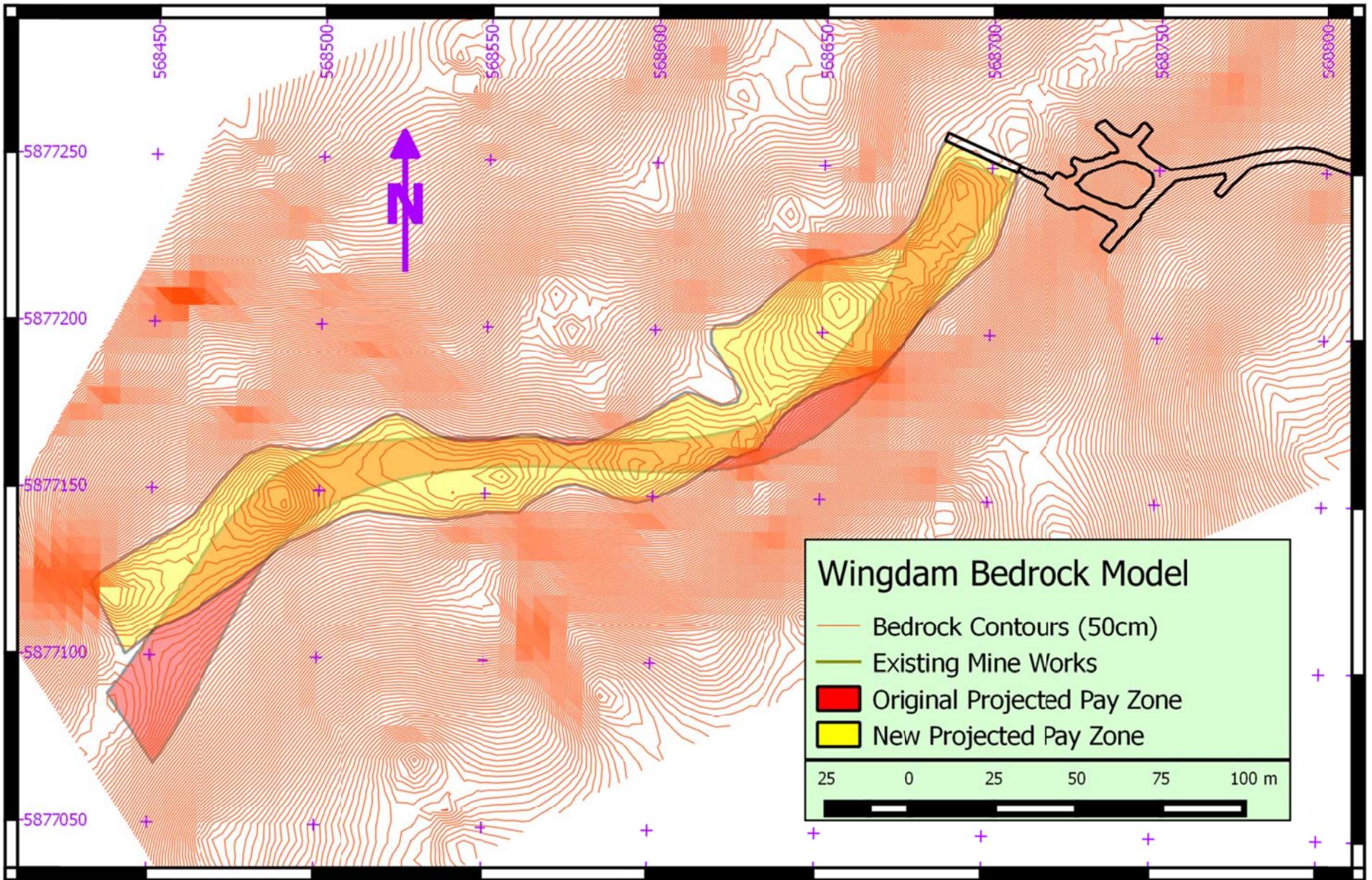
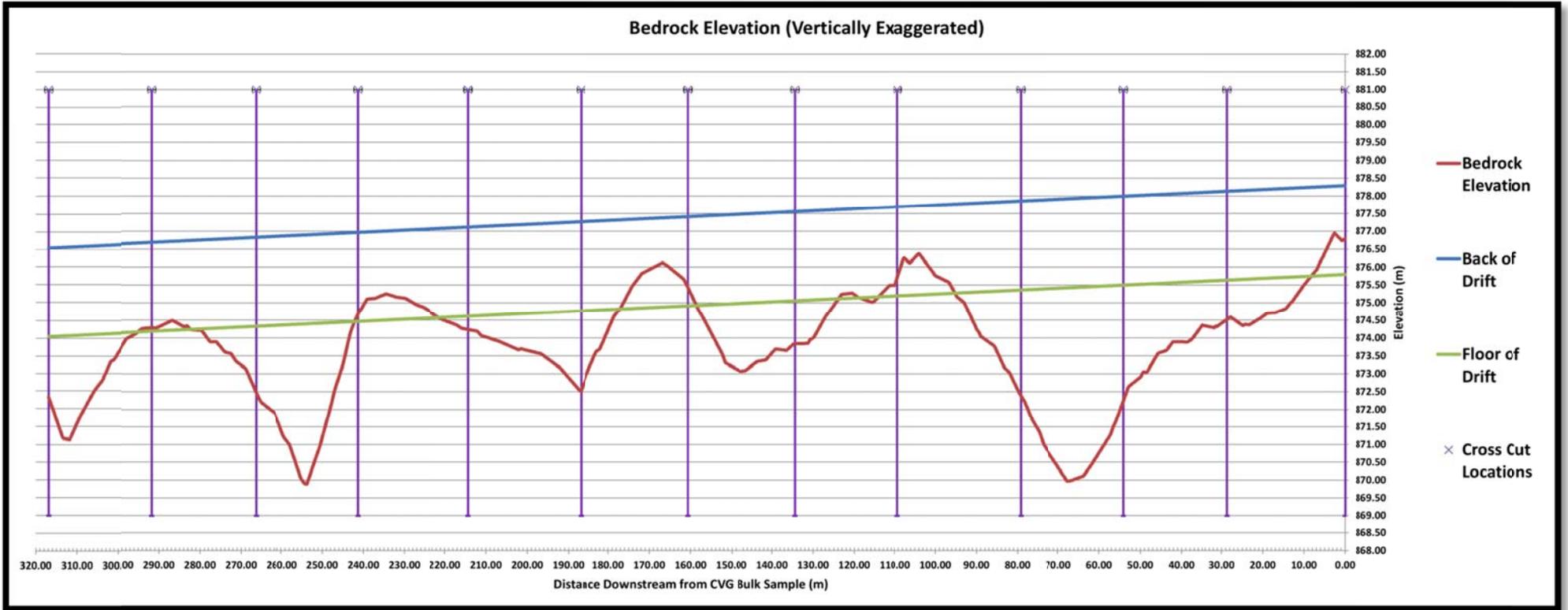


Figure 6 - Deep Lead Channel Section



CVG Sonic Drilling Program

CVG carried out a 720-meter sonic core-recovery drill program on the Wingdam Property in 2010. A total of 14 holes (101.6 mm diameter) were drilled vertically with a track-mounted Longyear SRO 74B drill rig to depths ranging from 38.4 to 62.2 m. The purpose of the drill program was to investigate the stratigraphy and sample basal gravels along a 956-meter length of the Deep Lead Channel. The CVG sonic holes (10 cm diameter) were drilled between historic CGA fence lines C and D (Figure 3). The fence lines were previously drilled by a cable-churn method (19 cm diameter) during the 1910's and 30's.

Three of the sonic drill-holes (03, 08 and 10) intercepted significant gold concentrations (6.56 to 32.67 g/m³) along the Deep Lead Channel bedrock floor. These grades are comparable to the results obtained from the CVG drift-sampling program. It is uncertain why the remaining 10 holes failed to yield similar grades. Drill logs indicate that the basal gravels along the channel floor are continuous and exhibit no disruption or alteration by any type of geological event such as glacial erosion or scouring. There are three reasons that may contribute to the unreliability of the sonic drill-rig used by CVG:

1. The majority of the gold concentrated across the width of the Deep Lead Channel is confined to a narrow corridor and easily missed by drilling.
2. The gold along the enriched corridor and the remaining channel width is erratically distributed or confined to narrow bedrock fractures and gouges that are commonly separated by distances exceeding the drill-hole diameter (10 cm).
3. The geologist who logged the core reported that the majority of the bedrock recovered by the core-sleeve was severely broken-up and pulverised. This commonly happens when a drill-bit or core sleeve is jammed after penetrating competent cobbles and boulders occupying a gold-enriched channel bedrock floor. This effect could drastically inhibit the recovery of gold particles that are mainly concentrated at the gravel-bedrock interface.

The CVG drift program showed that the highest grades across the width of the channel (23.5 m), averaging 120.89 g/m³, are confined to a narrow corridor measuring 5.3 m wide. Up to 70% of the total raw gold (173.5 ounces) recovered from the drift derived from this enriched corridor. This corridor appears to be represented by churn-drill D-1. The churn-holes (D-4 to 6) drilled outside of the corridor or along rimrock returned grades (0.33 to 1.26 g/m³) similar to low grades (0.05 to 1.86 g/m³) identified by sonic-holes 01, 01a, 02, 04-07, 09 and 11-13.

The overall results obtained from the sonic drill program were inconclusive. As a result CVG made the decision to test the grade of the Deep Lead Channel using a bulk sample drift (see Section 2012 Deep Lead Channel Drift Sampling Program).

2015 Geotechnical Drilling

In 2015, Omineca contracted Valiant Drilling to carry out a geotechnical drilling program in the area of the first proposed mine block downstream from the CVG bulk sample drift (Figure 7). Valiant provided a Fraste MultiDrill trackmount system capable of sonic, reverse circulation and diamond drilling. The program had a number of objectives. One was to establish the elevation of the gravel / bedrock

interface at select locations along the inferred channel rim. Another important aspect of the program was to collect in situ samples of slum which were then sent to Weir Jones Engineering for specialized geotechnical testing. In addition to these objectives, samples of bedrock were collected for geotechnical testing at Weir Jones. Selected holes were also completed with PVC to allow for downhole seismic refraction surveying. 7 vertical and one angle hole were completed for a total of 392 meters. A total of twenty six 1.5 meter length samples of slum and six samples of bedrock were collected for geotechnical analyses.

2015 Geotechnical Drilling Results

The samples of slum were collected in clear Lexan tubes and capped and sealed onsite at Wingdam. The samples were delivered directly to the Weir Jones testing facility in Vancouver by Omineca personnel. Weir Jones analysed the samples for ultimate compressive strength to generate data to help refine the final freeze model.

Twelve slum samples were tested at -10°C , -20°C and -30°C with a custom built hydraulic press and analysed using a standard Frozen Soils Strength Determination Test Procedure. All of the samples returned values greater than 7Mpa which was the base case strength determination used in the previous mine design prepared by Minetech International Limited in 2012. The testing also indicates that a ground freeze temperature of -10°C to -15°C will provide the necessary freezing as compared to temperatures of -20°C to -25°C used in earlier mine designs. This lower temperature is expected to result in a significant saving in terms of freeze energy costs and the higher strength factor may allow for more flexibility in designing the size of the mining blocks.



2012 Deep Lead Channel Drift Sampling Program

NOTE: For a more comprehensive description of the bulk sample program refer to Steve Kocsis Wingdam Property NI 43-101 Report; Deep Lead Channel Ground-Freeze Drift Sampling Program, 2012.

CVG Mining Ltd. constructed a large Freeze Staging Chamber (Figure 8) in bedrock centered around the pipe drive installed by Gold Ridge Resources Ltd. in 1992. A total of 15 horizontal freeze holes were drilled into the northwest chamber wall and across the width of the Deep Lead Channel along 44-meter distances. The freeze holes were collared in an arched pattern at 1 meter intervals that surrounds the GRR pipe drive (Figure 9). The refrigeration pattern produced a freeze face measuring 7.5 m wide and 7.5 m high. The holes were collared through 7.2 m of bedrock and terminated in 13.3 m of bedrock along the north side of the channel. The freeze zone was designed to provide sufficient ground support to drive a 2.85-meter high by 2.44-meter wide drift or crosscut (CC1) across the entire channel width (23.5 m). The drift height was corrected at breakthrough to 2.44 m after identifying the elevation of the gold-enriched zone occupying the bedrock floor across the channel.

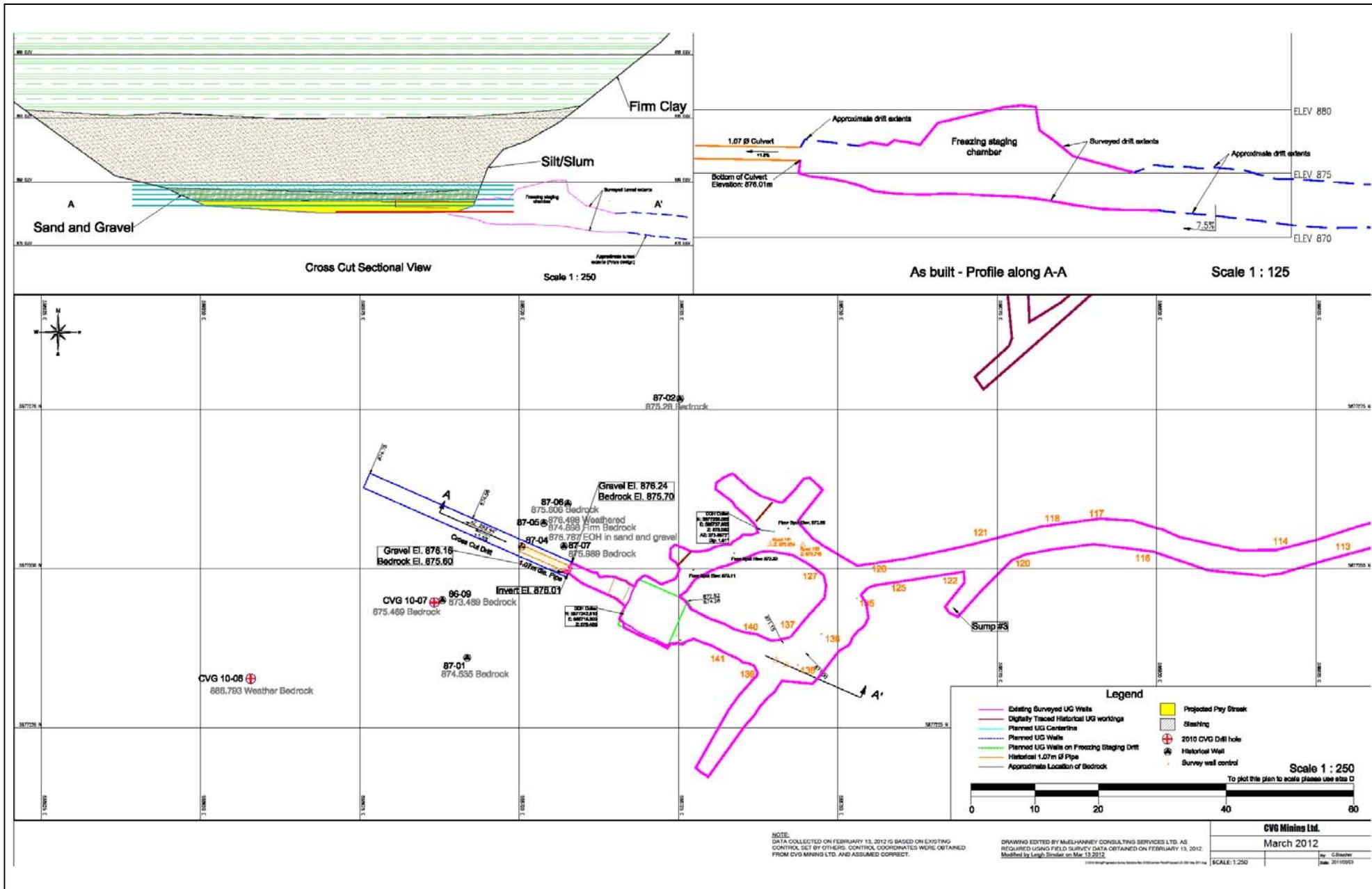
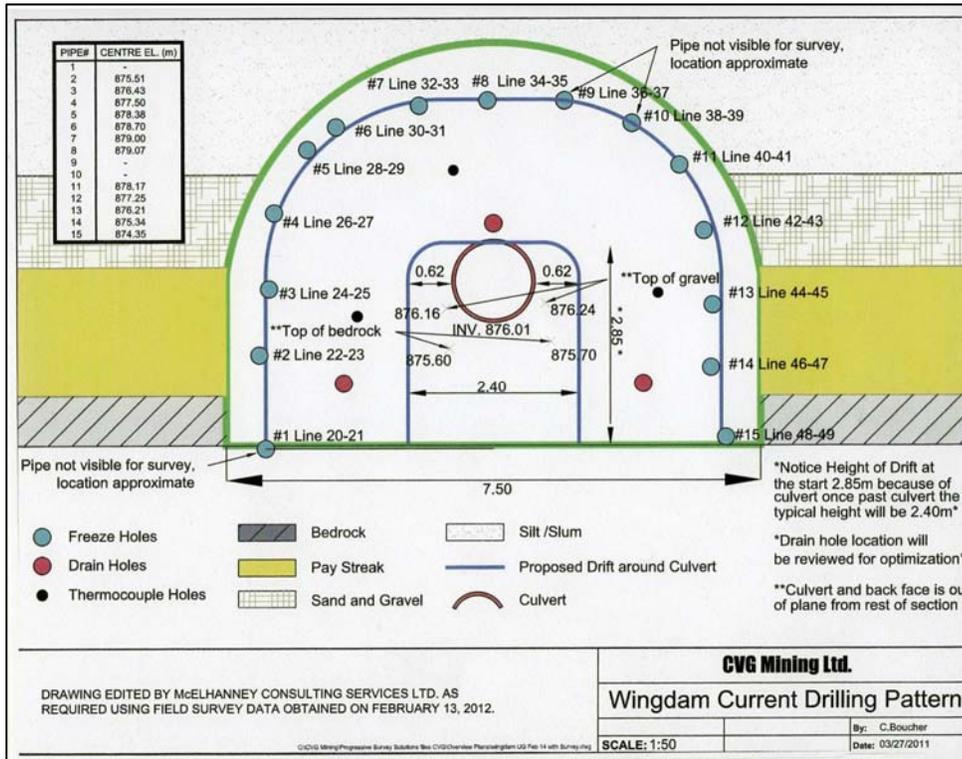


Figure 9 - Freeze Hole Drill Pattern



Drift Sample Preparation, Analyses and Security

The total volume of alluvial and bedrock material exposed and sampled along the drift location amounted to 139.9 bank cubic meters. This volume is equivalent to the dimensions of the channel exposed along the drift (2.44X2.44 m) length (23.5 m). The discrete or small samples totalling 1.34 m³ were collected from 33 locations to define the distribution of gold concentrations across the channel. The washplant samples, totalling 131.27 m³, consisted of remaining drift muck extracted by a scooptram and processed by a trommel installed in an underground chamber. The remaining material (7.29 m³) was previously extracted and processed from the pipe drive installed by Gold Ridge Resources in 1992.

Discrete Samples

A total of 33 discrete samples made up of gravel and underlying bedrock were collected in 28-liter labelled pails. The samples were selected from various parts of the 23.5-meter Deep Lead Channel width exposed along Drift CC1.

The samples were transported to the surface by a scooptram and stored in a secured assay office located at the mine site. The inside and outside locations of the assay office were monitored by three video surveillance cameras throughout the duration of the sample analyses time period. Access to the office was limited to the Chief Geologist who performed all of the sampling and analytical procedures. Other

authorized company personal or mine managers only entered the assay lab when accompanied by the Chief Geologist.

Samples 1 to 18 were thoroughly scrubbed in water by hand and sieved through two Tyler screens measuring 4-mesh and 12-mesh. Samples 18 to 33 were processed by a portable minus 0.5-inch mesh screening washplant. The screened concentrate recovered by the washplant was sieved in the same manner as described for samples 1 to 18. The resulting +4 mesh fraction produced from each sample was visually examined for gold nuggets. The screened -4 to +12 mesh and -12 mesh fractions were processed separately across a custom-built concentrating or shaker table similar to a Deister Table. Each gold fraction recovered from the table was weighed, photographed and stored in separate labelled containers. Individual gold fractions were weighed with an Ohaus electronic scale accurate to plus or minus 5 milligrams. The gold samples were collected by company management on a regular basis after analysed and transferred to a bank safety deposit box for safekeeping.

Washplant Samples

The Deep Lead Channel samples were extracted from a 30.7-meter long horizontal drift (Drift CC1) measuring 2.44 meters wide. The drift commenced at the Freeze Staging Chamber and entered the channel after penetrating 7.2 meters of bedrock. The drift height along this distance amounted to 3.66 m. The height along the remaining 23.5-meter distance that intersected the channel was adjusted to 2.44 m by reducing the sill depth. The height adjustment was selected after verifying the location of the gold-enriched zone along the channel floor. The total length of the drift was driven in increments involving horizontal drill and blast rounds that varied from 0.9 to 2.1 m long.

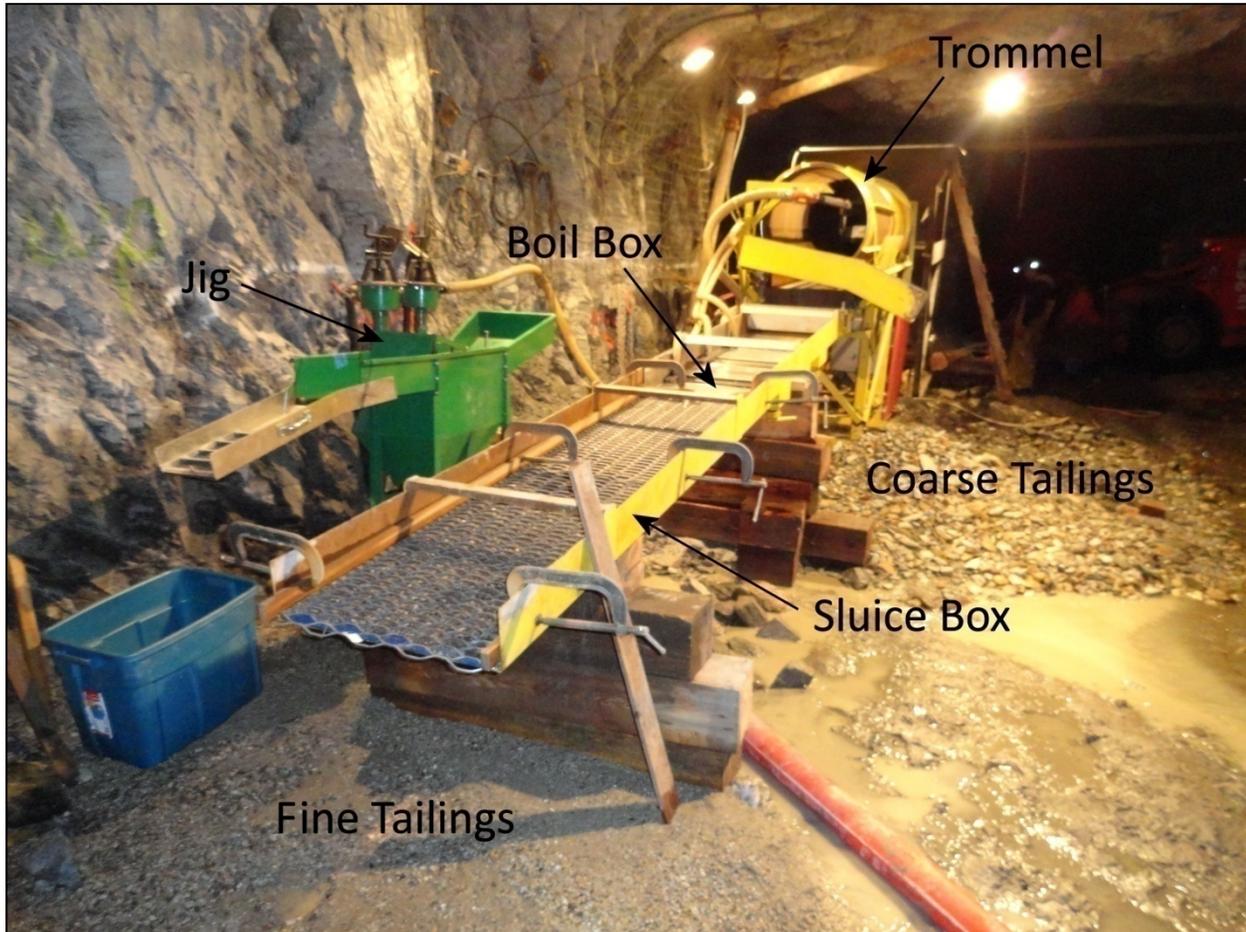
The 1.07-meter diameter GRR pipe drive exposed along part of the drift was cut into sections and removed before each drill and blast round. The pipe extended from 0 to 19 m along the drift and intersected the channel along an 11.9 m distance. Gold Ridge Resources Ltd. extracted all of the bedrock and sediments exposed by the pipe drive in 1992. Records of the gold (2.18 oz) recovered along the pipe drive are part of the total amount of gold recovered from Drift CC1.

The initial 3.8-meter intersection across the channel width was extracted and placed into a stockpile. This stockpile was processed by the washplant before the drift was advanced further across the channel. The final intersection across the channel width measuring 19.7 m was extracted and processed separately during a later time period. The muck including gold particles that remained along the drift sill after scraped by the scooptram bucket was thoroughly cleaned and collected by hand with the use of a high-pressure airline and shovel.

The bulk sample was washed, screened and sluiced by a trommel washplant installed underground in a gold recovery room located adjacent to the remuck station (Plate 2). The trommel consisted of a hopper and a 3.5-foot diameter by 8-foot long rotating steel drum. The drum contained a 4-foot long scrubbing area and a 4-foot long screening area. A high-pressure spray bar ran through the entire length of the drum interior and another was located in the hopper. The screened slurry made up of minus 0.5-inch mesh aggregate and water entered a 2-foot wide by 8-foot long steel flume containing 3 boil boxes. The slurry also passed through an attached 2-foot wide by 8-foot long sluice box lined with nomad carpet and sheets of raised expanded metal. The trommel was fed by conveyer at a controlled rate averaging

about 1 m³ of loose sample material per hour. The sample was screened by a grizzly containing upright 4-inch spaced steel flat bar prior to entering the conveyer.

Plate 2 Gold Recovery Plant



A total of 188.2 loose cubic meters of sample material was processed by the washplant during 31 separate days. The concentrate that accumulated in the first and second boil boxes (20 liters) was collected at the end of each processing day for security reasons. Over 99% of the gold produced by the washplant was recovered in the first and second boil boxes. The first boil box on average contained 93.5% of the total produced gold. The concentrate that accumulated in the third boil box and in the sluice box was collected after the duration of various multiple-day processing periods. The concentrate collected each day was transported to the surface and stored in a secured assay office located at the mine site.

The daily batch of concentrate collected from the first boil box was thoroughly scrubbed in water by hand and sieved through two Tyler screens measuring 4-mesh and 12-mesh. The resulting +4 mesh fraction produced from each sample was visually examined for gold nuggets. The screened -4 to +12 mesh and -12 mesh fractions were processed separately across a custom-built concentrating table

similar to a Deister Table. Each gold fraction recovered from the table was weighed, photographed and stored in separate labelled containers. The concentrate collected from the second and third boil boxes, and the sluice box was processed separately with a 12-inch wide double-celled jig. The resulting jig concentrate (1 liter) was processed by the shaker table and the final gold product was measured and stored in the same manner as described above.

Individual gold fractions were weighed with an Ohaus electronic scale accurate to plus or minus 5 milligrams. The gold samples were collected by company management on a regular basis after analysed and transferred to a bank safety deposit box for safekeeping.

Analytical Results

The 33 discrete samples yielded a total of 97.7 grams or 2.513 ounces of raw gold.

The washplant samples extracted from the 23.5-meter intersection across the Deep Lead Channel entire width yielded 168.284 raw ounces of placer gold (Plate 3).

Plate 3 Total Gold Recovered From Washplant Samples (168.234 raw ounces)



Sampling Interpretation and Conclusions

The total amount of raw gold extracted from the 23.5-meter long drift-intersection across the total width of the Deep Lead Channel was 173.5 ounces. This amount includes the gold recovered from the washplant samples (CU1-32), 33 discrete samples (CC1-1 to 33), and the 1992 Gold Ridge Resources Inc. pipe drive and bedrock samples. Records of the gold recovered from the 0-3.8 m and 3.8-23.5 m intersections and across the total channel width (0-23.5 m) are given in Table 9.

Table 9 - CCI Drift Gold Recovery Record

Sample	Volume (m ³)		Swell Factor	Raw Gold	
	Loose	Bank		grams	ounces
Gold Record (0-3.8 meters)					
CU1-8	28.83	20.08	1.44	588.99	18.936
CC1-1 to 10	0.32	0.27	1.20	19.54	0.628
GRR PD	3.83	2.27	1.69	9.20	0.296
Total	33.81	22.62	1.49	617.73	19.860
Gold Record (3.8-23.5 meters)					
CU9-32	154.34	111.19	1.39	4645.16	149.348
CC1-11 to 33	1.30	1.08	1.20	78.16	2.513
GRR PD	5.74	4.60	1.25	1.20	0.039
GRR BR	0.53	0.42	1.25	54.00	1.736
Total	161.91	117.29	1.38	4778.52	153.635
Total Gold Record (0-23.5 meters)					
Total	195.72	139.91	1.40	5396.25	173.495

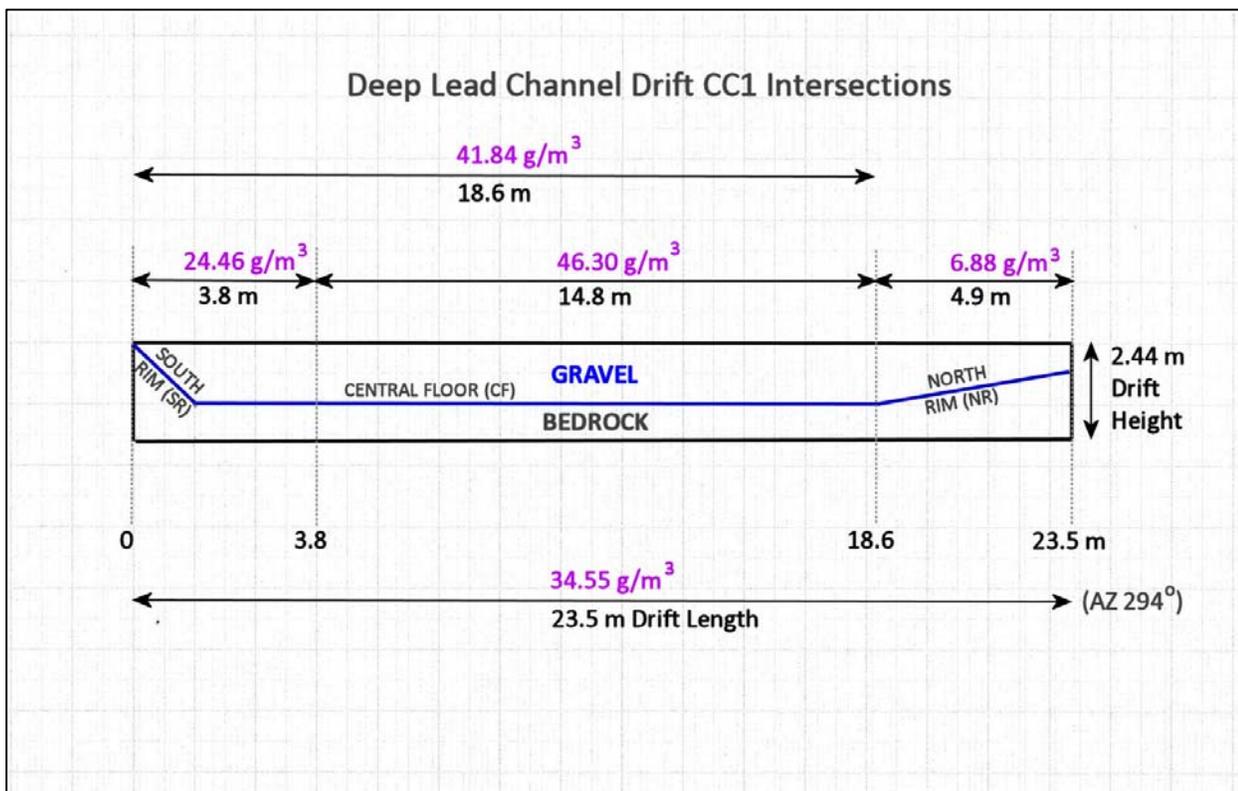
The refined-equivalent or pure gold grades for various intersections across the channel width are given in Table 22. The intersections and corresponding grades are illustrated on Figure 10. The grades were calculated by using 0.8957 as a multiplication factor to convert the raw gold to refined-equivalent (Ref-Eq) values. The volumetric grade (g/m³) was converted to mass grade (g/tonne) by using 2.45 g/cc for the specific gravity. The grades represent refined-equivalent gold concentrations across the entire thickness or height of the drift (2.44 m).

Washplant samples CU26 and 27 were extracted from the north channel rim (18.6-23.5 m) where bedrock slopes upwards and gold concentrations significantly decrease. The samples produced 108.71 refined-equivalent grams of gold from 15.8 bank cubic meters. The gold grade across this 4.9-meter rimrock intersection amounts to 6.88 g/m³. This grade is similar to the gold concentrations (7.34 g/m³) identified in the largest and most representing of three discrete samples (CC1-33) collected along the north rim. The total amount of raw gold recovered along the north rim is estimated within reasonable accuracy to be 200 grams. The gold grades along intersections 0-3.8, 0-18.6, and 3.8-18.6 meters exclude the north rim.

Table 10 - Deep Lead Channel Gold Grades

Horizontal Intersection (m)	Distance (m)	Bank Volume (m ³)	Gold Recovered (oz)		Refined-Equivalent Gold Grade		
			Raw	Ref-Eq	g/m ³	g/tonne	oz/ton
0-3.8	3.8	22.62	19.860	17.789	24.46	9.98	0.291
0-18.6	18.6	110.74	166.296	148.951	41.84	17.08	0.498
0-23.5	23.5	139.91	173.496	155.400	34.55	14.10	0.411
3.8-18.6	14.8	88.11	146.435	131.162	46.30	18.90	0.551
18.6-23.5	4.9	29.17	7.201	6.450	6.88	2.81	0.082

Figure 10 - Deep Lead Channel Drift CC1 Intersections



The discrete samples collected from intersection 6.6 to 11.9 m contained the highest gold concentrations (71.35 to 185.62 g/m³) measured across the channel width. Abundant gold flakes were visible on the channel bedrock floor across this 5.3-meter wide enriched corridor. The majority of the flakes were visible along bedrock gouges and narrow fractures that were flushed and exposed by groundwater flow.

Washplant samples CU9-11 were collected and processed from various parts of the gold-enriched corridor (6.6-11.9 m). The 12.31 loose or estimated 8.86 bank cubic meters processed from the three samples produced 38.264 ounces of raw gold. The refined-equivalent bank gold grade for the

washplant samples collected across the enriched corridor amounts to 3.868 oz/m³ or 120.32 g/m³. The bank volume for the 5.3-meter wide high-grade intersection amounts to 31.8 m³ and represents 22.7% of the 140 m³ total sample volume extracted from the channel. Grades measured in the discrete and washplant samples indicate that over 65% of the gold recovered from the entire width of the channel (23.5 m) derived from this 5.3-meter wide central corridor.

Data Verification

A sample measuring 200 liters was collected from the accumulation of fine tailings discharged by the washplant during the first sluicing day to determine the efficiency of the boil boxes and sluice box. The sample was processed by the jig and the resulting concentrate was processed along the shaker table. There was no visible gold identified in the concentrate and for this reason it is believed that the washplant was operating more than 99% efficient.

There were no processing factors or deleterious elements identified in the gold recovery system that could have a significant effect on potential economic extraction. The gold particles concentrated along the Deep Lead Channel are relatively coarse-grained or greater than 32 mesh Tyler (0.50 mm) and easily recoverable by a trommel washplant and conventional sluicing system.

Mineral Processing and Metallurgical Testing

6 Deep Lead Channel samples were sent to ALS Minerals (ALS) in North Vancouver BC for analyses. The analytical results for the Au and Ag fineness of the raw placer gold particles are listed in Table 11. The ALS QC certificates are located in Appendix II.

Table 11 - Placer Gold Fineness Measurement

Sample ID	ALS Prep Code	ALS Analytical Code		QC Certificate Number
		ME-GRA24 Au Fineness	ME-GRA Ag Fineness	
CC1-PG-1	WEI-21, LOG 24	909	82	VA12114777
CC1-PG-1 (D)*	WEI-21, LOG 24	909	82	VA12114777
Average		909	82	

A raw gold sample weighing 164.5 ounces was smelted by Technic Canada (TC) in Richmond BC for refining purposes. The TC settlement weight or weight of the bullion bar (Plate 20) produced from the sample was 162.7 oz. The TC bullion bar assay or fineness determination was 905.6 Au and 80.2 Ag.

All of the foreign particles including black sand, sulfides and lead were thoroughly removed from placer gold sample CC1-PG-1. The ALS fineness determination (909 Au) for this sample represents the average purity of the placer gold extracted from the Deep Lead Channel.

The 164.5-ounce sample sent to TC for refining contained some foreign fine-grained particles or impurities that included lead. The non-base metal impurities removed by the smelting process amounted to 1.09% of the total sample weight. The lead derived from fragmented blasting caps and

could not be separated by the shaker table. The lead blended into the gold bar and for this reason the TC fineness determination (905.6) was lower than the fineness measured in the ALS sample.

Omineca management believes that the 2012 bulk sample program conducted by CVG Mining Ltd. verifies that the placer gold grades indicated by historical pre-1930's churn drilling are accurate and also demonstrates that the use of the freeze mining technique pioneered by CVG is a viable approach to mining under Lightning Creek. Although Omineca has not been able to independently verify the methodology and results from the 2012 CVG Drift Sampling Program, the work was carried out under the supervision of Steve Kocsis, P.Geol who is considered a Qualified Person under NI 43-101. Omineca management believes that the work was carried out and documented in a professional manner and has no reason to doubt either the methodology or the accuracy of the results.

Wingdam Mine Permit

On January 21, 2015 CVG Mining received an amendment to the existing BC Mines Act Placer Permit authorizing mining at the Wingdam project. The amendment authorizes the company's plan to mine approximately 300m of ancient paleo-channel of Lightning Creek. The permit contemplates the production and processing of 20,000 cubic meters of gold bearing pay gravels per year from an underground mine.

In conjunction with the BC Mines Act Permit, CVG holds an active Discharge Permit under the provisions of the BC Environmental Management Act. Unlike most mines, the only effluent discharge from mining activity at the Wingdam is groundwater sourced from drawdown wells and retained water from the initial pumping and drawdown from the flooded decline. This water will be pumped and held in temporary retention in the established settling ponds after which the water may be discharged directly into Lightning Creek under the provisions of the Discharge Permit.

WINGDAM MINE PLAN

Introduction -The Setting and Its Mining Challenges

The Wingdam placer gold deposit lies in an ancient paleo-channel in the Lightning Creek valley covered by approximately 50-55 meters of glacial-fluvial, lacustrine, and more recently deposited alluvial gravel, silts and sands. The bedrock is typically an upturned phyllite cut by occasional quartz veins. The upturned phyllite bedding is typically oriented perpendicular to the general downstream direction of the channel. Mechanical testing of bedrock samples has shown Uniform Compressive Strength of the bedrock material that is highly variable yet relatively soft with an average strength 31.9 MPa perpendicular to the geological bedding plan and 12.4 MPa parallel to the geological bedding plane making it suitable for mechanical mining methods.

The placer gold is concentrated on the bedrock gravel interface but may extend up to 30cm below in fissures created by erosional forces acting on the upturned phyllites and up to 90cm above in the cobble, gravel and sands overlying the interface. The gravel and sands overlying the bedrock interface are typically rounded and vary in compositions from local phyllite material to much harder granites transported from the surrounding area over extended periods of glacial and alluvial deposition.

The placer gold is coarse, typically the shape and size of a “flax seed”. Although larger nuggets are frequently encountered, very little, if any, fine gold exists making the gold readily recoverable by conventional gravity circuits. The Wingdam placer gold is bright, shows little or no rust staining and recent laboratory analysis conducted by ALS Minerals in Vancouver, B.C. shows the gold in its natural state has a fineness of 909 Au and 82 Ag.

The placer bearing gravels are typically immediately overlain by a lacustrine silt and fine sand layer known locally as “Cariboo Slum”. This material is water saturated and under pressure. It will flow and even explode into areas of lower pressure if breached by mining activity. The existence of the Cariboo Slum is the main reason historical attempts to mine the Wingdam paleo-channel have failed.

Hydrologically the channel consists of two aquifers: a confined lower aquifer containing the placer gold deposit and an unconfined upper aquifer recharged by the surface waters of Lightning Creek. A thick clay sill separates the two aquifers. The lower aquifer is naturally recharged by groundwater flow through fissures in the bedrock and is under higher pressures. Wells drilled to the lower aquifer will typically be artesian with widely varying head pressures minimal to 5m above surface elevation in the vicinity of the mine depending on the season. Similarly, ground water flow velocity can vary widely in the lower aquifer from 0.3 to 1.5 m/d (Piteau 1986).

Historical mining activity has connected the lower aquifer to the upstream abandoned Sanderson mine workings. It has been estimated that these workings contain 750,000 m³ (198 million US gallons) of water. Any effort to dewater the lower aquifer requires the dewatering of these extensive mine works which has the effect of extending the effective drawdown curve to over a kilometer upstream. Accordingly historical attempts to mine the Wingdam have been burdened with the requirement of sustained dewatering using large pumps with resulting high dewatering costs.

The two main prerequisites to successful underground mining of the Wingdam deposit are:

1. Stabilize the Cariboo Slum to prevent it from flowing into the mine workings
2. Reduce dewatering volumes and thereby reduce ongoing pumping costs

In developing its' mine plan, CVG Mining has developed strategies to overcome these challenges. A key strategy of the plan is to employ ground freezing. This technique was successfully implemented by CVG Mining Ltd. when the company bulk sampled the channel in 2012 (Kocsis, 2012). CVG plans to establish a 4m thick frozen structure to encapsulate a mining panel. The structure not only stabilizes the Cariboo Slum but has the added benefit of forming a hydraulic seal over the mining panel thereby greatly reducing dewatering volumes to the pore space in the gravels to be mined within the panel.

However, employing ground freezing introduces two additional challenges:

1. It is energy intensive and Wingdam mine lacks access to 3 phase power grid; and
2. It requires a strategy to control groundwater velocity in order to prevent the formation of windows ("holes") in the frozen structure

CVG Mining has explored several energy options to power the Wingdam mine including diesel, wood pellets, Compressed Natural Gas(CNG), Liquefied Natural Gas(LNG) and propane and has determined that the most cost and energy-effective source is LNG. CVG Mining has identified a reliable supplier who can deliver LNG to Wingdam at a cost of approximately \$14.00/GJ over the life of the mine and plans to employ LNG together with heat recovery strategies to economically address the energy requirements of ground freezing and for electrical generation. CVG Mining also intends to use an absorption chiller system as opposed to the conventional screw compressor type freeze plant used by CVG during the bulk sample program. The use of LNG, absorption chillers with heat recovery significantly reduces the overall cost of ground freezing.

To control groundwater velocity, CVG Mining plans to establish monitoring piezometers over the active mine area and complete pumping wells upstream of the active mine. The wells will be pumped at a rate necessary to equalize the hydraulic gradient along the channel being mined thereby reducing the groundwater velocity to near as zero as possible. A hydrological study (Lorax, 2014) shows that a seasonal pumping rate of 950 to 1100m³ per day are expected to be sufficient to control groundwater flow to acceptable levels.

CVG Mining has developed potentially viable strategies which address the main mining challenges at Wingdam. Omineca management is confident that the Deep Lead Channel gravels can be safely and economically mined by implementing these strategies in its mine plan.

The main focus of Ominecas' work since acquiring the Wingdam Project has been to evaluate the potential to extract gold from the buried placer channel that underlies the property. All references in the to production ounces, production forecasts, costs of production, potential cash flows and rate of return related to the Wingdam Project are based on the best available data as specifically disclosed throughout the report, together with key qualifications and assumptions made by the qualified person. The report should not be construed as a preliminary feasibility study, a pre-feasibility study or a feasibility study

as such terms are defined or used by CIM.

The potential quantity and grade of the Wingdam Deep Lead Channel gravels are conceptual in nature, and there has been insufficient exploration to define a mineral resource. Any economic analyses or economic assessment referred to in this report are preliminary in nature and are based on inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that further exploration will result in any portion of the project being delineated as a mineral resource or that the preliminary economic assessment will be realized.

Phased Mining Approach

CVG Mining controls approximately 2400 meters of paleo-channel and has developed a plan to mine the channel in two or more phases. The first phase involves a stretch of channel that, to the company's knowledge, is undisturbed from previous underground mining activity. This section extends 300m in a downstream (westerly) direction from the location of the CVG bulk sample. CVG has obtained all permitting necessary to complete this first 300m phase of mining with the goal of demonstrating and implementing its planned mining methods and strategies. Prior to completing the first phase, CVG intends to amend the current permit to facilitate mining the balance of the paleo-channel it controls either as one single or possibly up to three additional sequential phases to limit bonding capital requirements.

The First Phase

The first 300m phase of the mine plan involves:

1. Installing a grout plug to disconnect decline from historic mine works and resultant water incursion
2. Dewatering, re-entering and rehabilitating the existing decline
3. Establishing a new vent raise for mine services and secondary egress
4. Drilling and installing two 12 inch wells to the lower (basal) aquifer and begin pumping to level the downstream hydraulic gradient and reduce groundwater velocity to less than 0.5 m/day
5. Extending the existing footwall drift parallel to the river channel using mechanized mining equipment
6. Hydraulically and mechanically isolating mining blocks of pay gravels through ground freezing
7. Mining and backfilling the mining blocks using mechanized mining
8. Structurally and hydraulically sealing the mined out blocks with engineered bulkheads
9. Allowing the mined out block to thaw
10. Extracting freeze pipe
11. Sequentially repeating steps 4-8 above to advance the mine in a downstream direction
12. Bulk screen pay gravels underground using a trommel and sluice boxes to produce a concentrate

13. Process the resulting concentrate on surface using a combination of gravity techniques extract the placer gold

CVG expects that it will require up to 8 months to mobilize equipment, dewater, rehabilitate and initially develop the mine infrastructure to a point where ground freezing of the first scheduled mining block is complete and placer gold production can begin and an additional approximately 8 months to complete mining the first 300 meters during which approximately 23,000 ounces of coarse placer gold are expected to be recovered.

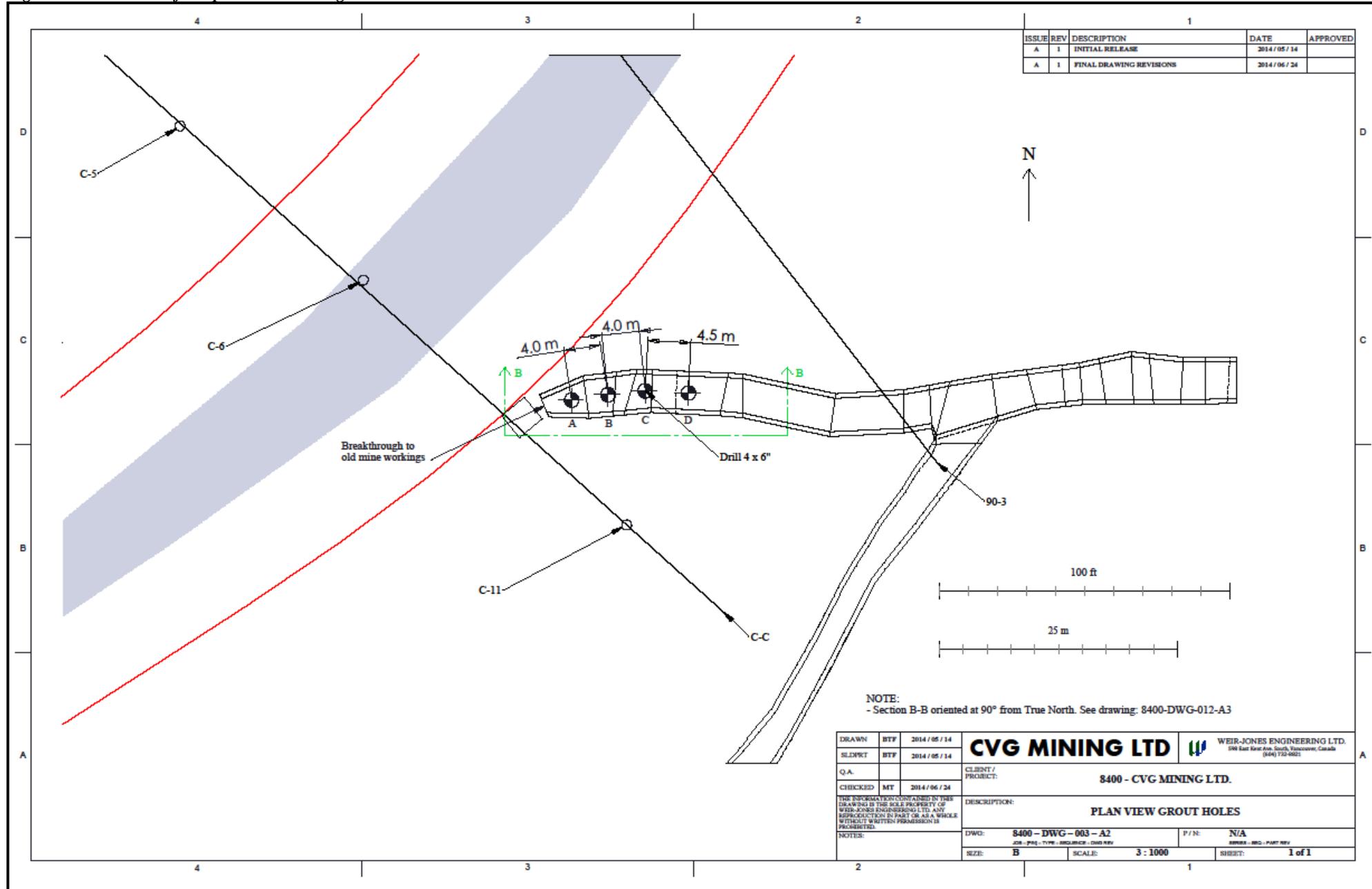
Existing Infrastructure

The Wingdam Mine project has extensive existing infrastructure including a gated mine entrance, lay down area, workshop, rock dump, portal, decline and settlement ponds. The surface facility area is in good condition as are the underground workings which CVG Mining rehabilitated when it conducted the bulk sampling program in 2012.

Grout Plug and Decline Rehabilitation

CVG Mining will access its underground workings by dewatering, re-entering and where required rehabilitating the existing decline. In 1992, when Goldridge Resources was driving the decline they broke into a previously existing vent raise (reportedly installed in the 1960's) connecting the historical "Australian Deep Lead Drift" to surface. This resulted in a direct connection between the decline and the old mine works extending as far upstream as the historic Sanderson Mine.

Figure 11 - Location of Proposed Grout Plug Holes



ISSUE	REV	DESCRIPTION	DATE	APPROVED
A	1	INITIAL RELEASE	2014/05/14	
A	1	FINAL DRAWING REVISIONS	2014/06/24	

NOTE:
- Section B-B oriented at 90° from True North. See drawing: 8400-DWG-012-A3

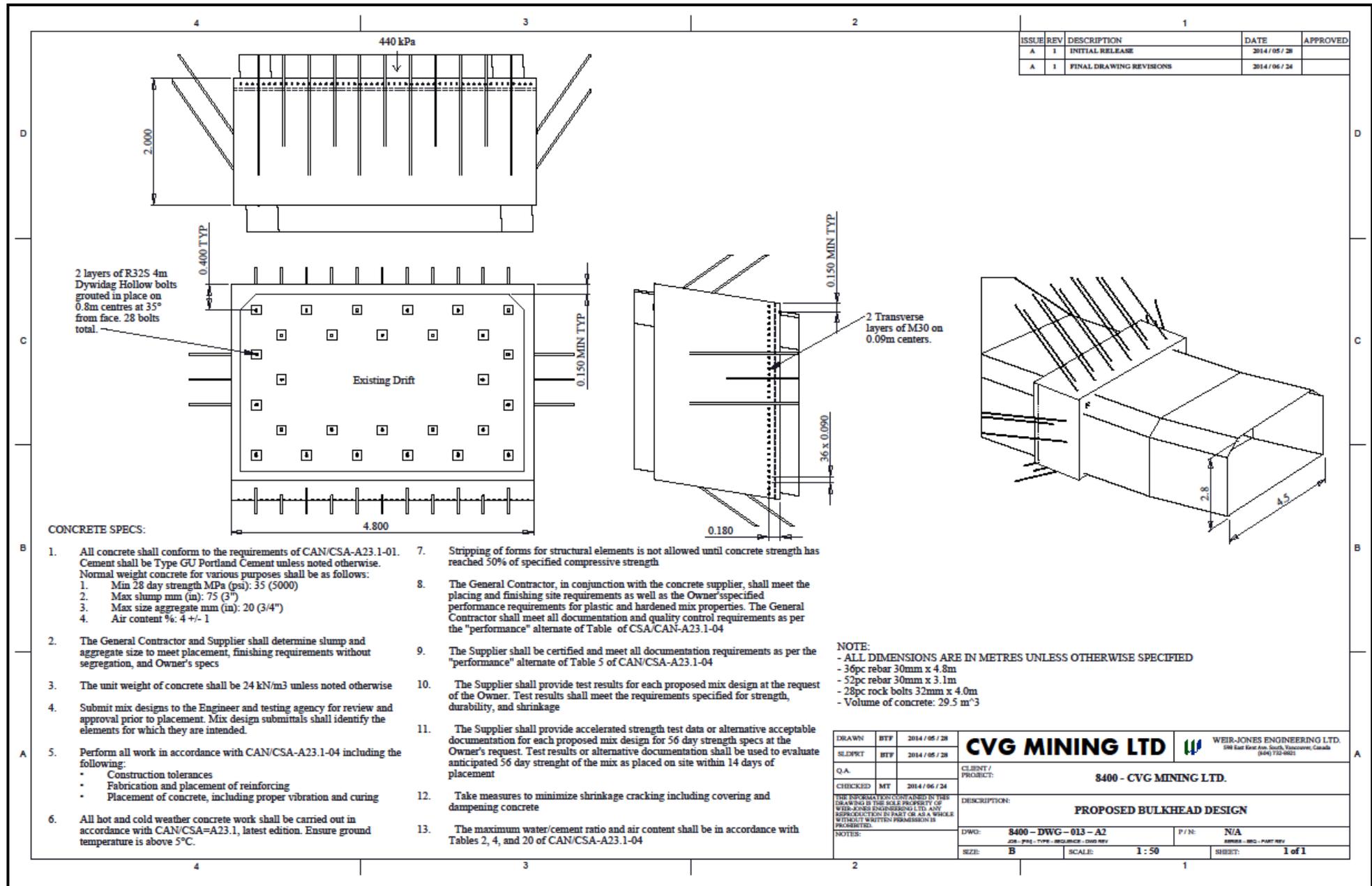
DRAWN	BTF	2014/05/14	CVG MINING LTD	WEIR-JONES ENGINEERING LTD. 190 East Main Ave. South, Vancouver, Canada (604) 732-6821
SLDWGT	BTF	2014/05/14		
Q.A.			CLIENT / PROJECT: 8400 - CVG MINING LTD.	
CHECKED	MT	2014/06/24	DESCRIPTION: PLAN VIEW GROUT HOLES	
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NOTES:			SCALE: 3 : 1000	SHEET: 1 of 1

All prior mining attempts have involved dewatering the pay gravels through a combination of pumping wells and/or, the Melvin shaft and/or the decline and as the gravels lie below this point of connection it was not a factor in previous mining. CVG does not intend to dewater the pay gravels and therefore must eliminate this connection to avoid the significant initial and ongoing costs of dewatering the channel and old mine works prior to dewatering the decline.

To eliminate the connection, the current mine plan proposes to install a grout plug and an engineered bulkhead between the raise and the decline drift that intersected the old vent raise. Installation of the grout plug will be conducted from surface and will involve a program of drilling, filling, and grouting using concrete, aggregate and cement grout. The grout plug design requires drilling four 6" holes (see Figure 11). Low slump concrete will be pumped into holes A and C to create two piles separated by a central depression. This depression will then be filled with aggregate and grouted from the invert to crown from Hole B. Hole C will be equipped with a camera system to monitor the grouting process. This should effectively create a 10-12 m long plug capable of holding back the estimated ~520 KPa of hydrostatic head.

Once the grout plug is established, the decline will be dewatered down to a level below the grout plug at which point a permanent engineered bulkhead (see Figure 12) will be installed and the decline will continue to be dewatered down to the mining level. A more detailed description of the grout plug and concrete bulkhead design and installation is contained in the WJEL Grout Report.

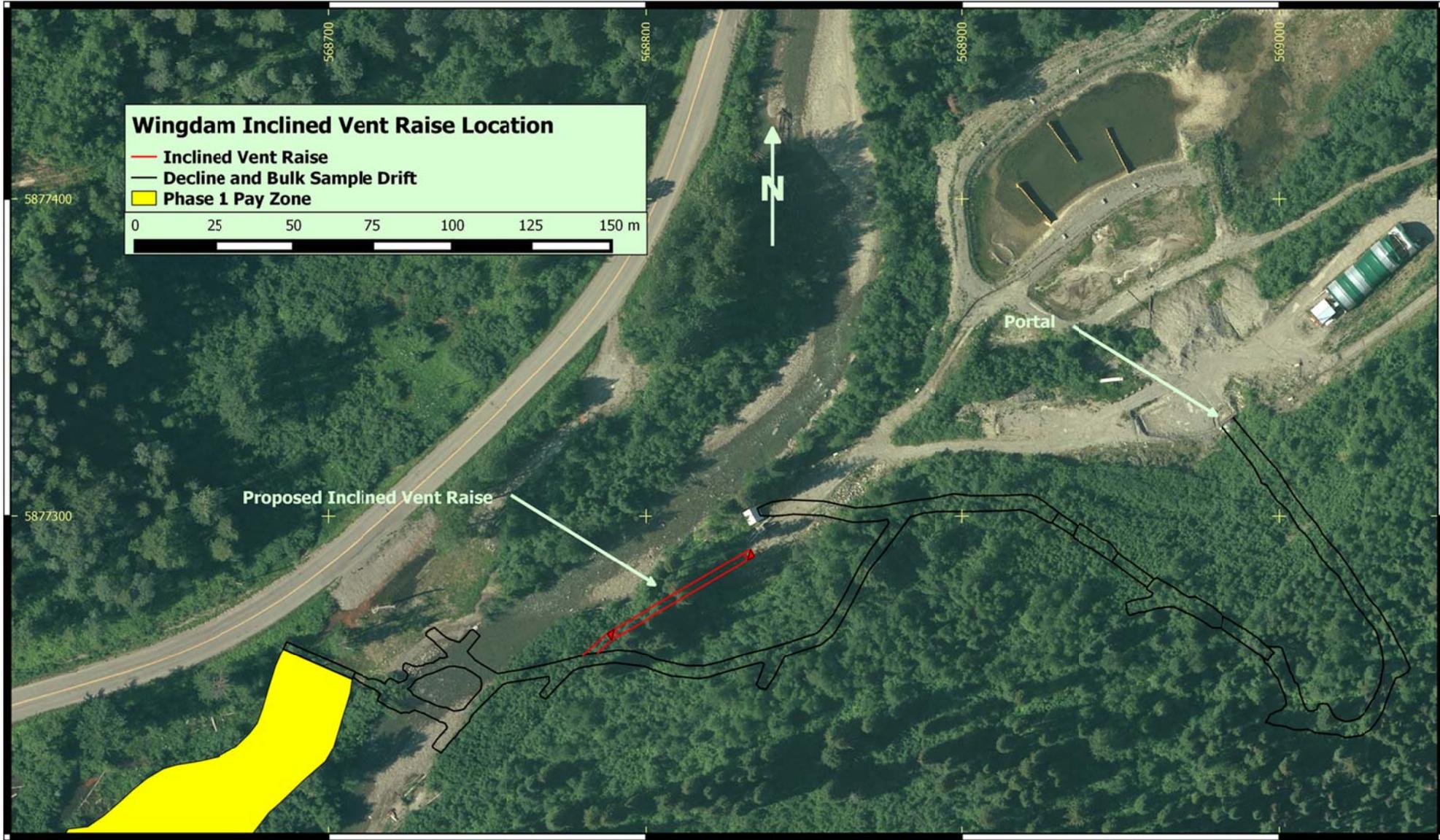
Figure 12 - Engineered Bulkhead to Permanently Seal Off Connection to Old Works



As the decline is being dewatered, it will be inspected and rehabilitated with additional ground support as needed. Work on the decline will be supported with a 75HP ventilation fan and ducting established temporarily at the portal (see Section “Ventilation”). Temporary power, compressed air and other services, as needed, will also be installed in the decline from surface to support these initial activities.

Inclined Vent Raise

Once the decline has been dewatered to the mine level, CVG Mining intends to drive a new inclined 2.5m wide by 2.5 m high vent raise from a location at the bottom of the decline to surface (see Figure 13). This vent raise will be driven in bedrock approximately 79 meters in length at a 47° angle from horizontal. Once completed mine ventilation, power, compressed air and other services will be permanently relocated in the new vent raise from their temporary location in the decline. The addition of a suitable ladder way, railing and access doors in this vent raise will provide a second point of egress from the mine. The raise will be driven using conventional drill, blast and muck methods and approximately 495 bank cubic meters (“BCM”) (1,350 tonnes at 2.7 S.G.) of waste bedrock material resulting from the drive will be removed to surface and spoiled on the project’s permitted waste rock dump.



Groundwater Management

The Wingdam Mine is currently flooded. Piteau (1986) described the hydrological setting at Wingdam consisting of two aquifers: a confined lower aquifer in the basal gravels and overlying slum materials and an unconfined upper aquifer in alluvial gravels connected to Lightning Creek. The aquifers are separated by a thick horizon of relatively impervious clay and glacial till. Piteau estimated steady-state natural ground water flow velocities through the basal aquifer to be on the order of 0.3 to 1.5 m/d based on drilling, pump tests, and push/pull tracer tests. Groundwater temperature in the basal aquifer is approximately 6° C +/- 2°C depending on the season. For this temperature range, effective ground freezing requires that ground water velocities be maintained at a sub <0.5 m/day velocity. Groundwater velocities higher than this could result in unfrozen “windows” forming in the ice structure potentially undermining its structural integrity.

One method of reducing/controlling the ground water velocity is to fully dewater the mine horizon. Piteau determined in their 1986 report that the lower aquifer is hydraulically connected to the old mine works consisting of the Melvin shaft, Australian Deep Lead drift and Sanderson mine. Previous experience on site indicates that approximately 750,000 m³ of groundwater is required to be pumped from the lower aquifer and connected network of old mine workings in order to draw down the local ground water table to the proposed mining horizon. Furthermore, when the water reaches this level approximately 3,300 m³/d (600 USgpm) needs to be pumped on average to maintain a dry mine.

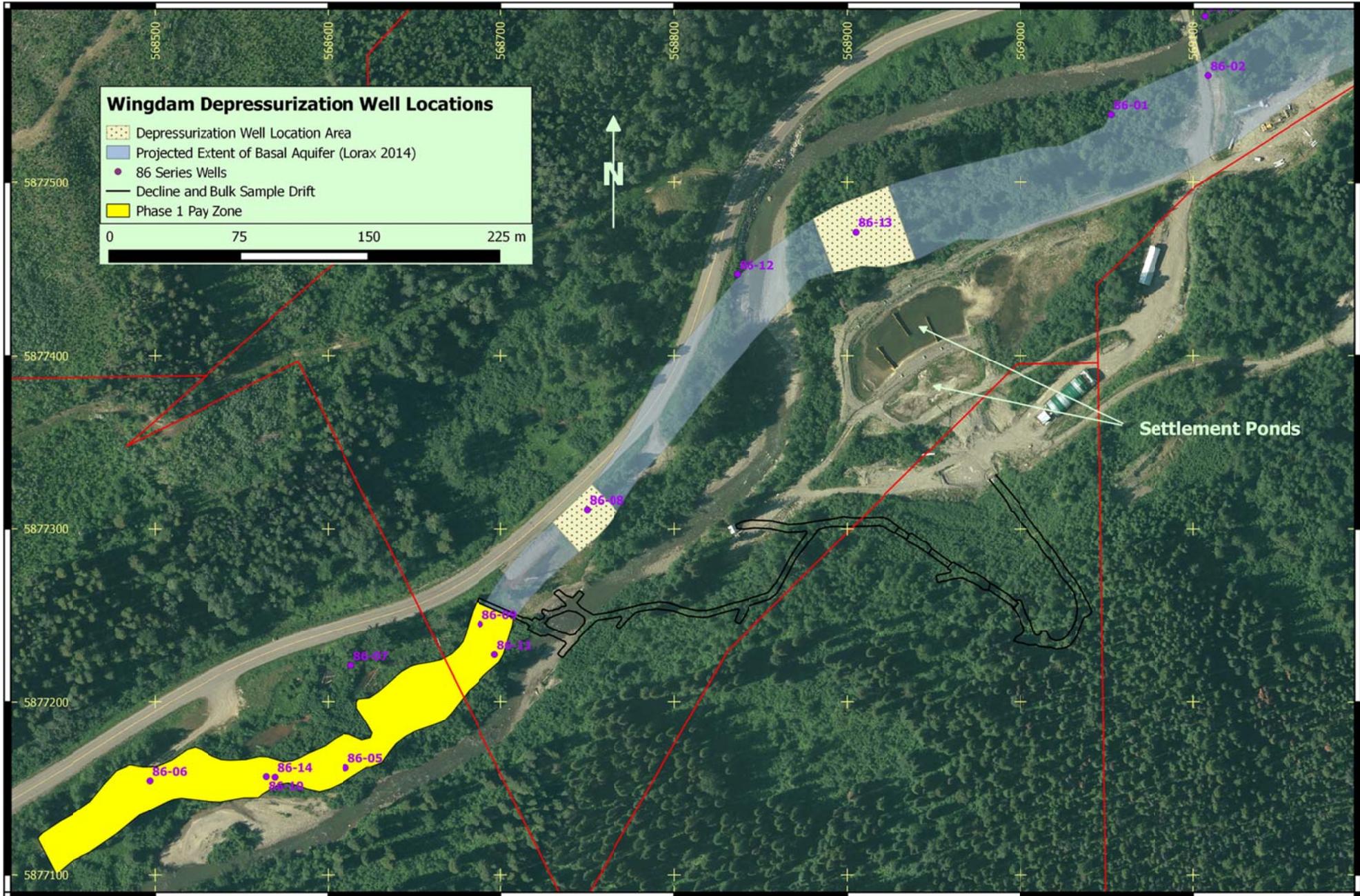
Not only is dewatering the mine horizon energy intensive and costly, it has undesirable potential side effects as follows:

1. Many of the historic monitoring wells drilled into the basal aquifer channel are artesian and free flowing. As they were historically not capped, in some cases this artesian ground water flow has enhanced the surface waters in the area of around a well, creating a wetland (see “Surface Wetlands”). Dewatering the basal aquifer leads to a temporary reduction of the hydraulic head in these wells, which in turn results in temporary cessation of the artesian flow from these wells; and,
2. By dewatering the mine horizon, the hydraulic head in the area to be mined and upstream to the Sanderson mine is reduced by up to 55 meters (~540 KPa). This reduction in hydraulic head could cause ground instability leading to possible ground movement at surface (see “Surface Disturbance”).

CVG engaged the services of Lorax to assist it in identifying and developing a viable water management plan that would maximize the efficacy of the freeze plan, enhance mine safety, minimize any potential for ground movement at surface and minimize environmental impacts. The results of this work are detailed in the Lorax (2014) report. Lorax first analyzed CVG’s well monitoring data during the period the company was conducting its bulk sample program and actively pumping to dewater the mine between 2010 and 2012. Lorax was able to confirm, based on this data analysis, that the lower basal aquifer is confined and has no direct connection to the upper unconfined aquifer of Lightning Creek under normal conditions. One exception is when a direct connection was established between the surface aquifer and the mine workings in May 2011 through the remobilization of a pre-existing

sink hole in the vicinity of the mine workings. However, this issue was addressed by CVG's surface remediation efforts described as set out in the Clifton (2011) report and the construction of three engineered underground bulkheads. Following this event, CVG installed two monitoring wells in the surface aquifer (SA-1 and SA-2). The mine was maintained in a dewatered state for approximately one year after the sinkhole remobilization (until July 2012), and monitoring data to January 2014 indicate that the surface and basal aquifers have remained hydraulically isolated.

Using this information and a 3D model of the paleo-channel developed by CVG and WJEL, Lorax developed a computerized groundwater model to demonstrate the feasibility of depressurizing rather than dewatering the basal aquifer sufficient to maintain a zero hydraulic gradient and therefore minimize the groundwater flow velocity over the mine area. To depressurize the confined basal aquifer a pumping well will be drilled and completed from surface to the basal aquifer upstream of the mine area in the vicinity of the settlement ponds near existing monitoring well 86-13 (see Figure 14). Results of the model show that pumping this well at between 950 and 1100 m³/day (175 and 200 USgpm) depending on season, will sufficiently depressurize the basal aquifer to maintain a <0.5m hydraulic gradient and therefore near zero ground water velocity over the mine area.



It is important to note that Piteau (1987) reported having to locally minimize the hydraulic gradient in the basal aquifer in order to complete their push/pull tracer tests in October 1987. They accomplished this by controlling the flow rate from well 87-02 until it was within a few millimeters of the water levels at downstream wells (87-01-P2, 87-04, 87-06, and 87-07). Piteau reports that “[a] flow rate of 1.4 L/s (120 m³/d) from the interception well was required to effectively reduce the natural hydraulic gradient across the site to zero.” Although this is significantly lower than the flow rates predicted by the Lorax groundwater model it supports the conservative results of the model. Furthermore it demonstrates that this approach can be used to establish and maintain a near-zero gradient to minimize groundwater velocity over the proposed Mine Area.

Although a 6 inch diameter 10-15 hp pump installed in an 8 inch well casing would be capable of delivering the required flow rates, CVG plans to drill and complete a 12 inch well to accommodate higher pumping rates if needed. Discharge from this well will report to the existing settlement ponds in accordance with *Environmental Management Act* Permit No. 11088.

Although this strategy of depressurizing the hydraulic gradient is not expected to have any significant effect on surface ground stability, it is possible that the artesian flow from the historical wells could be temporarily reduced or eliminated during depressurization of the basal aquifer (see “Surface Wetlands”). Omineca Management has discussed this situation with the Department of Fisheries and Oceans (“DFO”) and has developed a plan to mitigate any reduction in artesian groundwater flow to the wetlands by diverting a portion of the groundwater being pumped to depressurize the hydraulic gradient to a suitable location(s) in the wetlands.

To facilitate replacing the artesian groundwater flow into the wetlands, CVG Mining intends to drill and complete a second pumping well immediately upstream of the mine area (see Figure 14) and pump the “make-up artesian water” volumes needed to maintain water levels in the wetlands. The balance of pumping needed to depressurize the lower aquifer will be pumped from the upstream main well and discharged into the existing permitted settlement ponds.

As described below in Section “Gold Processing and Production” CVG Mining intends to conduct primary screening of the pay gravels into two size fractions while underground and haul the fine fraction or concentrate to surface for secondary processing to extract the placer gold produced in mining and development operations. CVG Mining plans to use approximately 550 – 850 m³/day (100-150 US gpm) of water produced from mining operations in its underground primary screening operations. The wash water from this screening operation that requires settling will be pumped out of the mine and discharged into the settlement ponds. Secondary processing of the fine fraction at surface will source water from, and discharge water to, the settlement ponds.

CVG Mining’s Ministry of Environment Permit No 11088 allows the Wingdam operation to discharge up to 11,000 m³/d, through the existing settling pond system when actively mining, which is reduced to 6000 m³/day, during fish spawning season (defined as August 1 to April 15) when pay gravel is being processed to separate gold. As described above water discharged from the Wingdam mining operations will be primarily through the combination of depressurization pumping and mine/process water increased by mine site surface drainage during period of precipitation/snowmelt. In total, discharge from the Wingdam mine operations is expected to average between 1,500 to 2,000 m³/day (275-370

US gpm) and typically not exceed 3,000 m³/day (550 US gpm).

The existing water handling system on surface consists of two settlement ponds as shown in Figure 14 which also shows the surface infrastructure. Curtains are installed in the second larger pond to increase residence time which previous experience has shown to be adequate to treat the threshold volumes allowed under the permit. Other than groundwater pumped to maintain the wetlands, all water whether surface discharged from the disturbed area of the mine or pumped from the underground mine works will report to the permitted settlement pond for treatment. Pumping rates and water quality discharge limitations will be monitored and maintained at rates and amounts allowed on the Ministry of Environment Permit No. 11088.

Groundwater Monitoring

Although all dewatering activities are expected to fall well below the existing permitted values CVG will install flow meters and totalizers to routinely monitor all discharges from the mine on a daily basis. Samples of the discharge and receiving waters will be routinely taken, analyzed and reported in accordance with the mine permit.

Additionally CVG Mining intends to install data loggers in an array of approximately 10-12 wells over the downstream length of mine area to record groundwater levels at a minimum frequency of 15 minutes. The data loggers will be downloaded on a regular basis and results monitored to ensure that the hydraulic gradient across the mine site is being maintained at <0.5m.

Footwall Drift

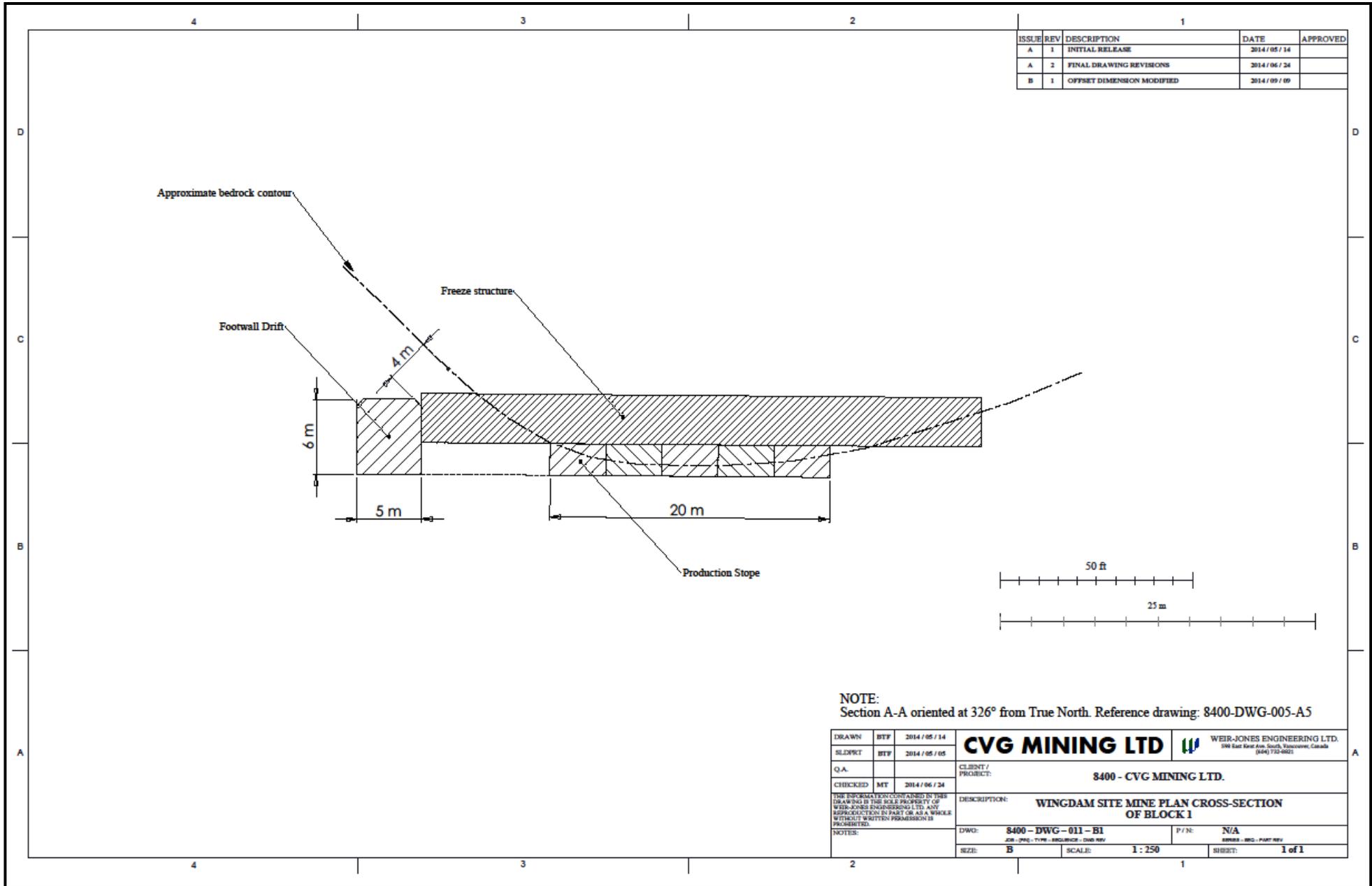
From the base of the existing decline, a 5m wide x 6m high footwall drift will be extended within bedrock downstream parallel to the paleo-channel to provide access to the pay gravels and create a drilling gallery from which two rows of horizontal freeze pipes will be installed across the channel (see “Ground Freezing”). The 6 m height of the drift is required to allow sufficient room for the installation of the freeze system, movement of equipment, installation of hung ventilation tubing and other mine services. The drift will be advanced in two stages: initially a 4m high drift will be advanced leaving a “bench” to support the freeze hole drills which when complete the remaining 2m or height will be removed from the floor. Mechanical testing (Weir-Jones 2014) of three bedrock samples has shown uniform compressive strength (“UCS”) of the bedrock material to be highly variable yet relatively soft. The average of the test conducted on each sample ranged between 15.4 and 43.5 MPa with a high of 72.2 MPa and an overall average of all tests of 31.9 MPa perpendicular to the geological bedding plane; and, between 7.8 and 16.5 MPa with a high of 25.8 MPa and an overall average of all tests of 12.4 MPa parallel to the geological bedding plane. The relatively low UCS values and typical orientation of the geological bedding of the of the bedrock material make it suitable for mining with small/medium scale mechanized mining/tunneling equipment which typically have an upper limit of 60-70Mpa. Advance rates will be faster in softer material and slower at the high end of the UCS range; however on average management is projecting an advance rate of the footwall drift of 6m³ per hour. The mechanized approach to mining may be augmented with conventional drill/blast/muck techniques when stronger ground conditions are encountered.

During advance, the final floor elevation of the footwall drift will be maintained a distance of ~ 1 meter

below the keel (lowest point) of the adjacent paleo-channel. For safety, probe holes will be drilled with extension steel in advance of drifting at frequent intervals to ensure that the footwall drift is maintained a minimum distance of 4m from the channel gravel/bedrock contact (see Figure 15). On a regular basis, a probe hole will be core drilled and the cores will be reviewed by the Mine Engineer and geologist to determine if any potential ground control or waste rock environmental issues exist ahead of drifting. The footwall drift will remain open during active mining and accordingly conventional ground support will be installed (see “Ground Control”).

The entire approximately 300m length of the footwall drift is expected to produce a mined volume of 10,182 BCM (27,491 tonnes at a 2.7 S.G) of waste rock which will be removed to surface and spoiled on the project’s permitted waste rock dump.

Figure 15 - Typical Cross Section of Mined Channel



Ground-Freezing

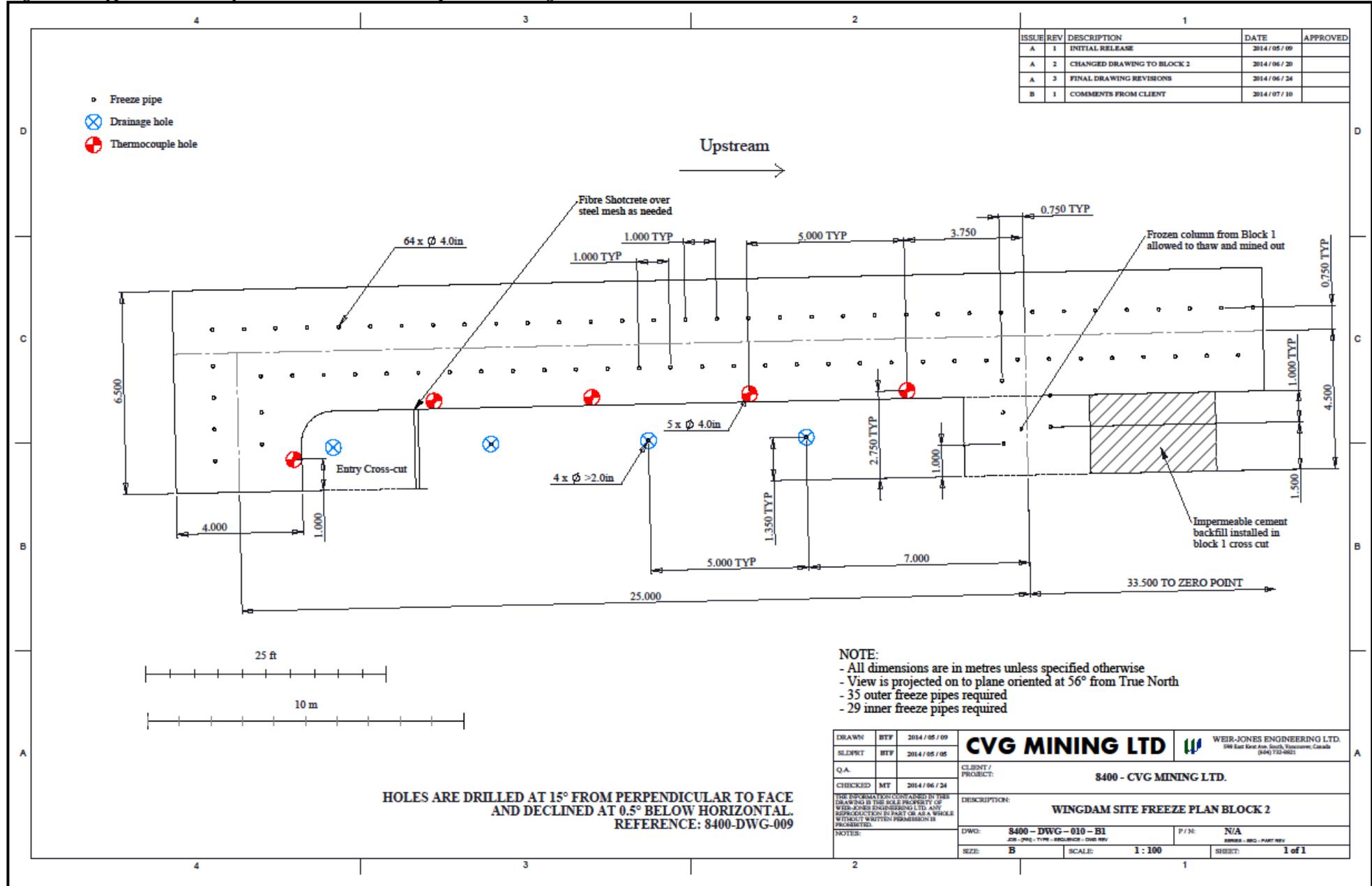
Ground-freezing systems consist of a closed system of pipes, valves and couplings through which a chilled brine is circulated to extract heat out of the surrounding materials to form a frozen underground structure capable of providing increased support strength, stabilizing the unconsolidated materials for mining and providing a hydraulic barrier to minimize groundwater seepage into the mine. To be effective, groundwater flow around the frozen structure must be minimized or melting resulting from heat transfer from the groundwater may cause “windows” to form in the frozen structure compromising its strength and hydraulic barrier. A further key consideration in the design and implementation of a ground-freezing system is to minimize the risk of the circulating brine leaking from the system. Any leakage of brine into the surrounding materials could also cause “windows” to form in the freeze structure compromising its strength and hydraulic barrier.

CVG’s current ground-freezing plan was developed by Weir-Jones Engineering Ltd. (WJEL) and is based on previously gathered data and material strength assumptions. Details of the ground-freezing plan are set out in the WJEL Conceptual Mine Plan Report (2014). In developing the freeze plan, WJEL assumed a UCS value of 7 MPa and a Young’s Modulus of 369 MPa for the frozen slum based on earlier test work by MDH Engineered Solutions within the Fortis Report and has further assumed that groundwater velocity will not exceed 0.5m/day (see section “Groundwater Management”). CVG Mining is currently awaiting a final report from WJEL based on new samples collected and tested in 2015. Accordingly, the final spacing of the freeze pipes and size of frozen panels is subject to some change.

The proposed freeze structure is 4m thick and is shaped like an extended, shallow inverted U designed to enclose or isolate a mining block beneath the freeze structure. The Freeze structure is designed to support the weight of overburden and withstand the surrounding water pressure. The freezing system is designed to sufficiently freeze this structure enabling the mining block to be entered after approximately 30 days of freezing.

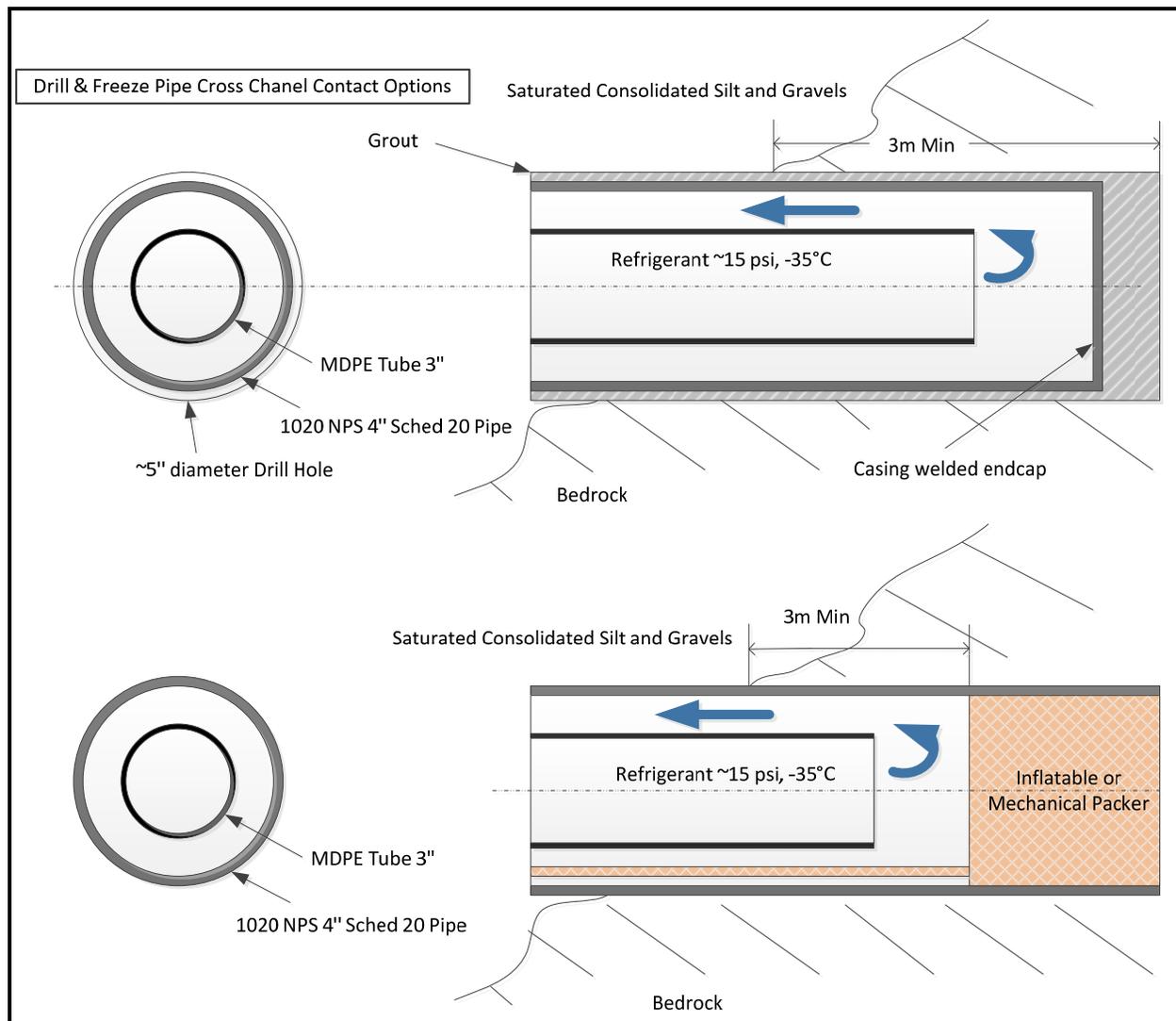
Once ground water velocity in the paleo-channel has been minimized CVG Mining will begin ground-freezing to stabilize the slum and materials overlying the pay gravels. Approximately 70 - 4” diameter horizontal freeze pipes will be drilled and installed to freeze a structure over mining block. The freeze pipes will be located in 2 rows ~1m apart in the pattern shown in Figure 16. The freeze pipes will be collared in bedrock in the footwall drift and drilled horizontally across the channel to a distance of ~ 3m into competent bedrock in the opposite side of the channel. This will ensure that a hydraulic seal is created along the sidewall contacts between the freeze structure and the bedrock. All drifting will be done to maintain the orientation of the Pay Zone in the upper 1.5 m of the production drifts (see section “Mine Production”). Accordingly, the 2 freeze holes drilled in the bottom of each pillar of the freeze structure will be in 100% bedrock extending the hydraulic seal into the channel bottom bedrock (on the upstream and downstream edges of the freeze structure) to act as a barrier to possible groundwater flow through fractured bedrock into the mine works.

Figure 16 - Typical Freeze Layout and Structure to Encapsulate Mining Block



The width of the footwall drift will allow the freeze pipes to be advanced in 3m sections. To reduce the risk of brine leakage from the freeze pipes, CVG Mining intends to advance the freeze pipes by welding new pipe sections on to the pipe being installed. An alternative method is to advance threaded pipe sections applying epoxy sealant to the threads. Each freeze pipe will be sealed at its opposite end. CVG Mining intends to weld an “end cap” in place but an alternative method is to insert a mechanical packer after drilling the installing the freeze pipes as shown in Figure 17. The efficacy and cost-effectiveness of each of the forgoing methods will be further explored with drilling contractors before a final method is chosen. Freeze pipe performance will be monitored during the freezing process through pressure gauges at the freeze pipe header.

Figure 17 - Freeze Pipe Drill Hole Detail



It is critical for the integrity and safety of the frozen barrier that the freeze pipes be drilled to maintain the appropriate spacing as they are drilled across the channel. Drill holes will need to be surveyed post

drilling to locate their “as built” conditions and if too far out of acceptable variances, re-drilled. Once installed, freeze pipes will be tested to 60 PSI pressure for 12 hours to ensure that there are no leaks in the piping system.

Initial calculations (Figure 18) indicate that a freeze plant with a capacity of up to 1800kW_R (500 Tons/hr) will be required to adequately freeze and maintain freezing during the first phase of mining. Daily freeze energy demand will vary between 800kW and 1700kW (230-480 Tons/hr) once the mining cycle is maximized. CVG Mining has determined that the most cost effective way to deliver this freeze energy requirement is through the use of ammonia absorption chillers (see section “Mine Energy Considerations”). CVG Mining intends to install two absorption chillers each with a capacity of 900 kW (250 Tons/hr) to provide redundancy and also operational efficiency and flexibility. These freeze plants will be installed at the surface a safe distance away from the mine ventilation system and portal as specified by the Mine Engineer. Chilled refrigerant will be piped underground either through a cased inclined borehole or down the new inclined access raise.

Figure 18 - Expected Daily Freeze Energy Requirement in Phase 1

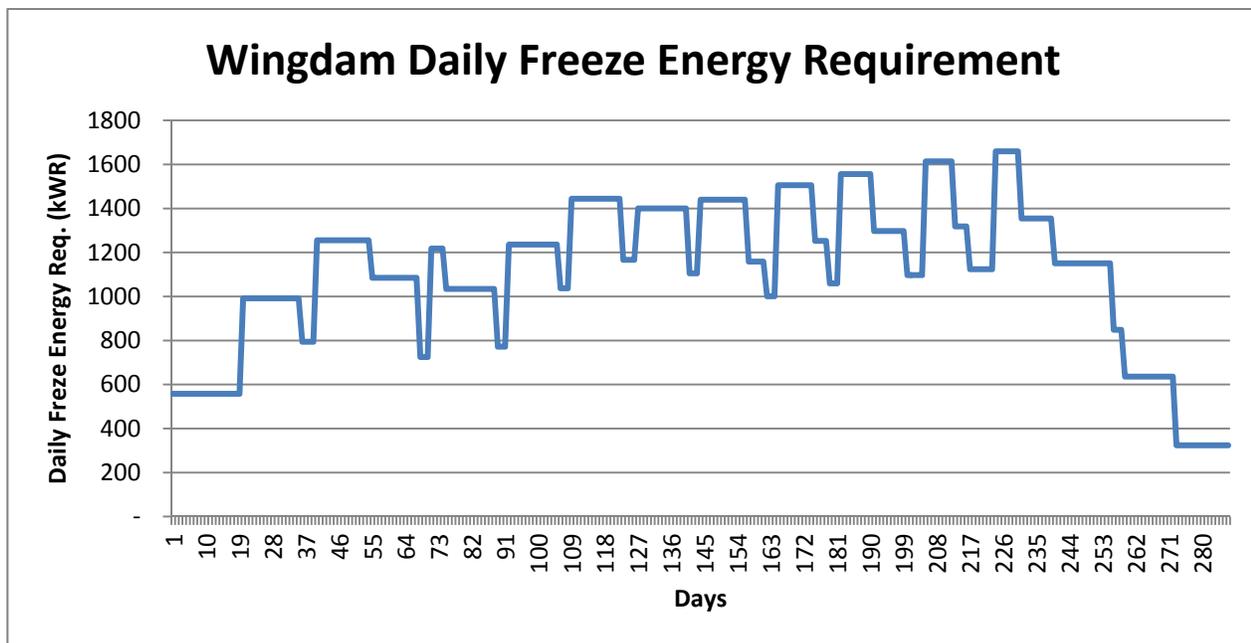
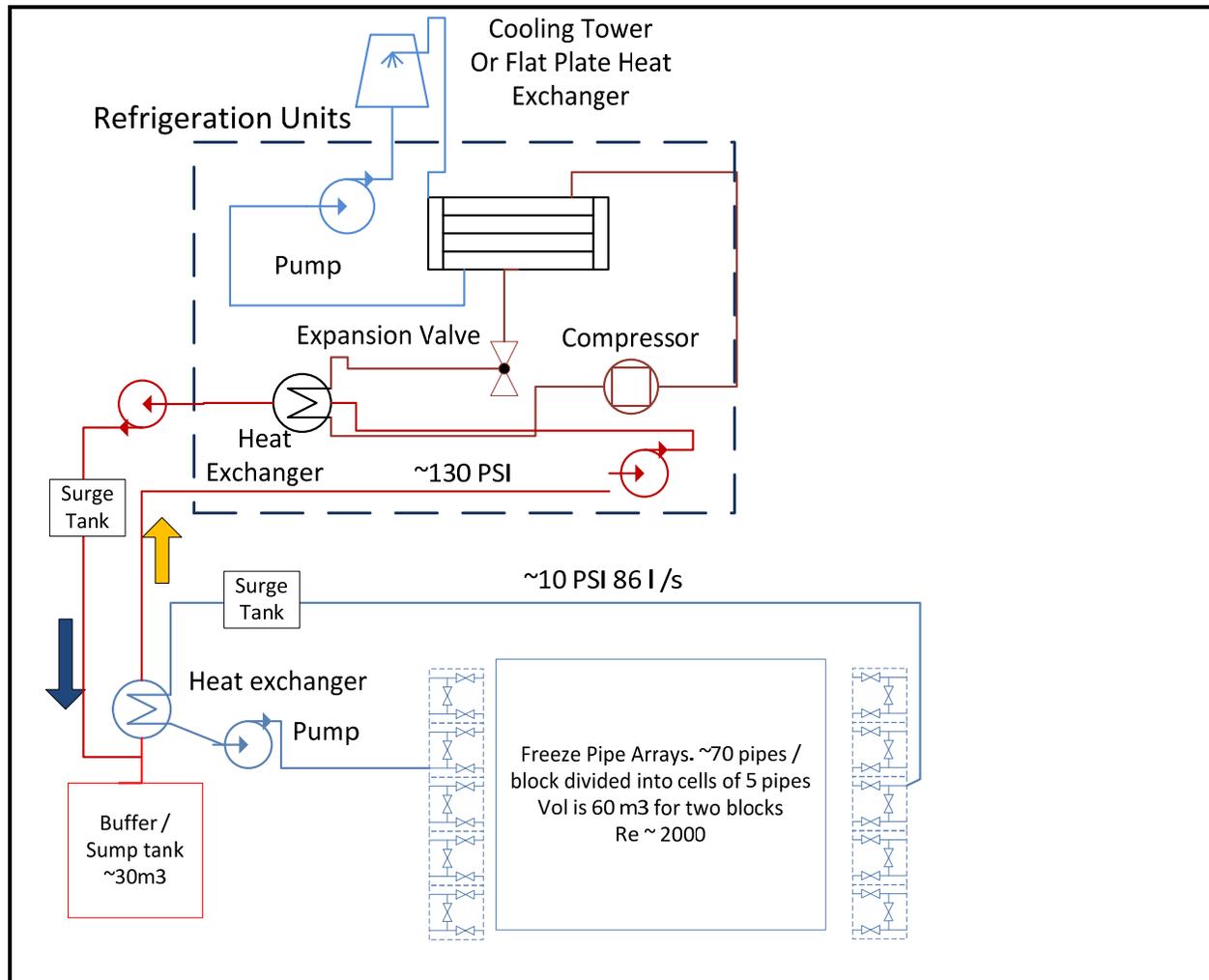


Figure 19 - Freeze Plan Schematic

Dynalene HC (a Potassium Formate mixture) is the intended refrigerant and has been selected because it is a biodegradable, non-flammable, water based, non-toxic material that is less corrosive than Calcium Chloride brines. It is used in the food and beverage industry for cooling and has been studied for ingestion toxicology.

The refrigeration circuit design shown in Figure 19 contemplates circulating the potassium formate solution at -35°C to -40°C in a closed-loop high pressure ~130psi circuit from the freeze plant on surface to a heat exchanger located underground. In turn, the heat exchanger will chill a potassium formate solution circulating in a closed-loop low pressure ~10 PSI circuit through the network of freeze pipes to freeze the ground.

The high- and low-pressure circuits will be installed with an insulated tank to mitigate any surge events in the piping system. As a further precaution, the high-pressure circuit will be installed with an emergency buffer tank to allow for rapid dumping and containment of chilled brine from the circuit in

the event of an emergency.

Once tested, freeze pipes will be connected to the low-pressure refrigerant supply piping in groups of 5 with flexible Victaulic hoses and headers as shown in Figure 19. Safety shut-off valves will be installed at the boundary of each block and at the entry and exit of each set of 5 freeze pipes to enable isolation of freeze pipes for the purposes of bleeding off air bubbles trapped within the pipe or in the case of a rupture or emergency. These valves will be inspected regularly to ensure that they do not become inoperative due to ice/frost buildup on their surface.

Pressure and temperature of the refrigerant will be continuously monitored at multiple points and connected to an alarm system to ensure that any leaks or air locks are detected with minimal delay. All headers, pipes and tanks will be wrapped in plastic and insulated using sprayed rigid foam where possible, and as approved by the Mine Engineer.

The low-pressure freeze pipe circuit contains many pipe connections and is therefore at a higher risk of developing a leak. Separating this circuit from the high pressure supply circuit and operating it at low pressure together with the ability to isolate a section on this circuit minimizes the risk of injury to personnel resulting from a possible leak in this circuit.

The footwall drift has a 1 degree slope which is expected to carry any spilled material from the low pressure circuit away from the block entrances. Any spilled refrigerant will be recovered, cleaned and reused in practice from these points via standard fluid totes.

Temperature readings will also be taken using instrumentation holes installed periodically between the freeze pipes to monitor the development of the freeze wall to ensure its integrity (see “Freeze Monitoring”). The roof beam deflection will be monitored to confirm that the rate of creep and beam deflection are in accordance with the design criteria. Once the freeze structure is established, holes will be drilled from the footwall drift as needed to depressurized and drain the mining block.

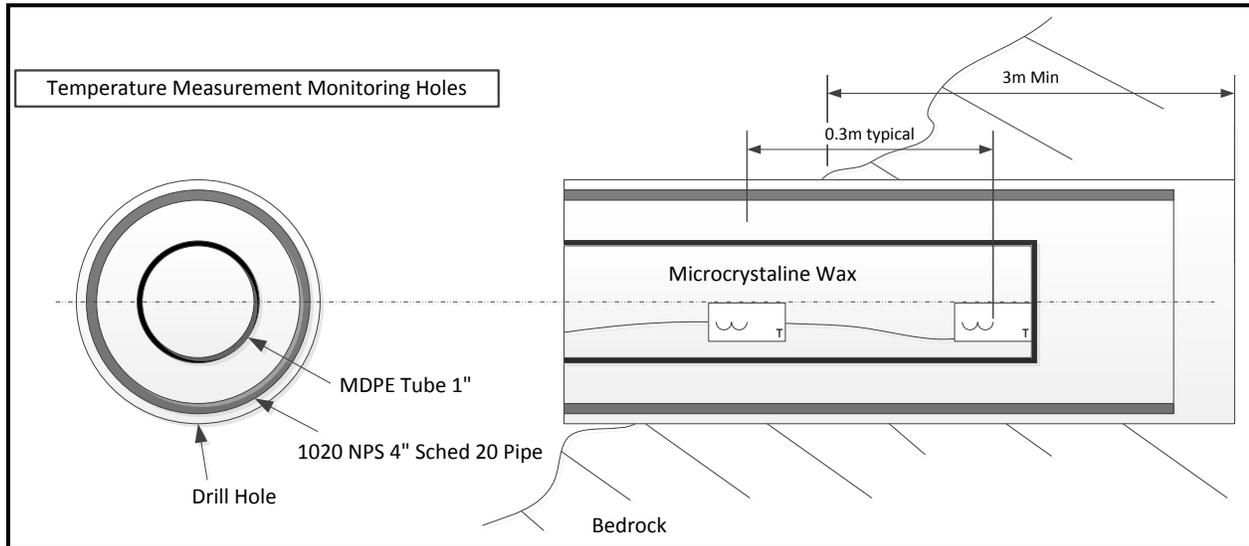
Before entering the mining block, the Mine Engineer must inspect the freeze plant operating logs, the temperature data, and the water flow rates from the drain holes to ensure that the freeze structure is sufficiently established and that there is no water recharge into the block occurring.

As a final precaution, the mine plan is designed to limit the time the stopes remain open to mitigate the effects of creep in the frozen roof. The drift and fill process will ensure that only the production and the backfill stopes are open, keeping the unsupported freeze roof beam to ~ 4m.

Freeze Monitoring

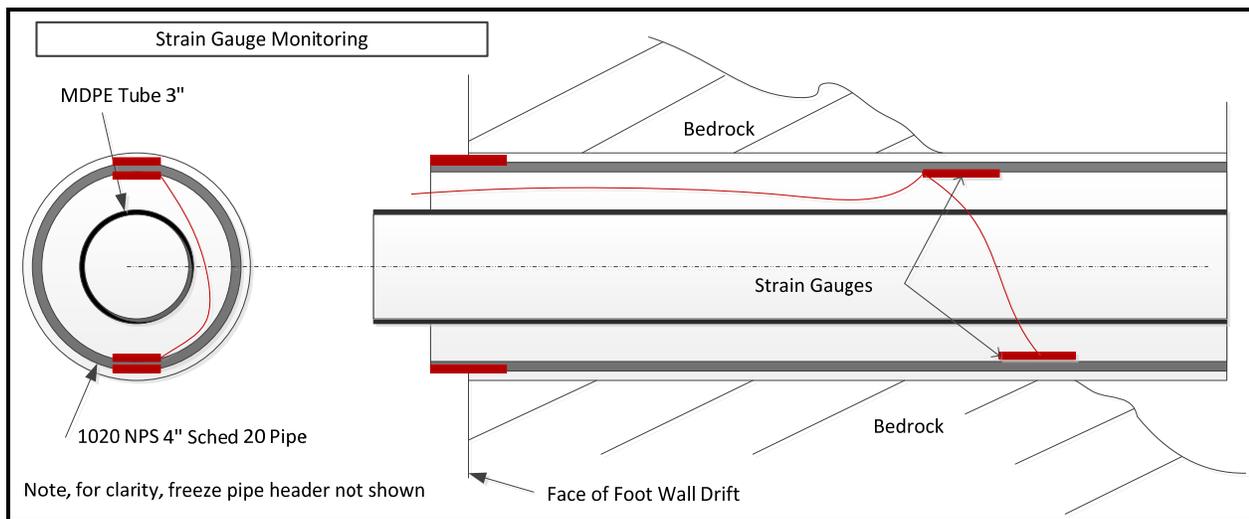
The refrigerant system temperatures and pressures will be monitored continuously throughout the freeze plant, the surge tanks, and at the freeze pipe headers. The entire system will be remotely monitored with near real-time (<2s) exception reporting and daily summary reports. These will be reviewed daily for both safety and system efficiency purposes. The growth of the frozen zone will be observed by installing thermistors at 0.3m spacing (see Figure 20) in horizontal monitoring holes drilled below the freeze pipe holes at ~5m centers (see Figure 16).

Figure 20 - Temperature Monitoring Holes



Strain gauges will also be installed on a freeze pipe nearest the centerline of the cross cut drifts at the collar and where the pipes pass through the bedrock/frozen ground boundary (see Figure 21) to monitor vertical shear deflections resulting from the potential for creep which could cause the pipes to deform plastically and/or leak.

Figure 21 - Strain Monitoring



During the mining of at least the first two blocks, frequent monitoring of the geomechanical instrumentation will be used to evaluate the roof deflection with time in the production crosscuts and the stopes. Although it is not anticipated that there will be any surface subsidence, a survey line will also be established and monitored daily using a series of permanent targets. The monitored zone will extend from 100m NE of the mine workings to 100m past the edge of the 1st phase mine block;

subsequently it will progress with the mining in a SW direction.

Any observed flow of water in or around the frozen ground, or any thermal anomalies will be immediately reported to the Mine Engineer and management team, as well as the freeze plant operator. The freeze plant operator will be responsible for maintaining all records relating to the progress of the freezing operation, and making these available to mine manager in the form of daily reports of the freeze wall status.

Deflection monitoring of the back of the crosscut drift will be hampered by ice build-up and any screening or insulation installed. Therefore immediately after establishing the cross-cut drift and before the build-up of any significant frost, the newly exposed surface will be studied and mapped by the mine geologist for any visible defects before determining roof deflection measurement locations (and if necessary screening and support locations). Once measurement locations have been selected, short (<300mm) GRP dowels will be installed into the roof at intervals of no less than 3m. These dowels will support survey targets which will be used to monitor the vertical displacement of the back. Any necessary insulation subsequently applied to the back will not mask off these targets so that they remain clearly visible.

Initially, deflection measurements will be taken prior to each shift, plotted for reference, and provided to the Mine Manager and Mine Engineer. As creep rates of the ice structure are better understood, the mine engineer may recommend reducing the frequency of deflection measurements. Deflections greater than 4mm or an accelerating deflection rate will further investigated as a possible safety hazard by the Mine Engineer. Any additional ground support, as recommended by the mine engineer would be installed.

In addition to the foregoing detailed description of freeze monitoring a routine program examining the mine workings in general will be instituted looking for indications of ground failure or inadequate ground support. Approximately quarterly, an independent ground control specialist will be brought to site to assess the ground control program.

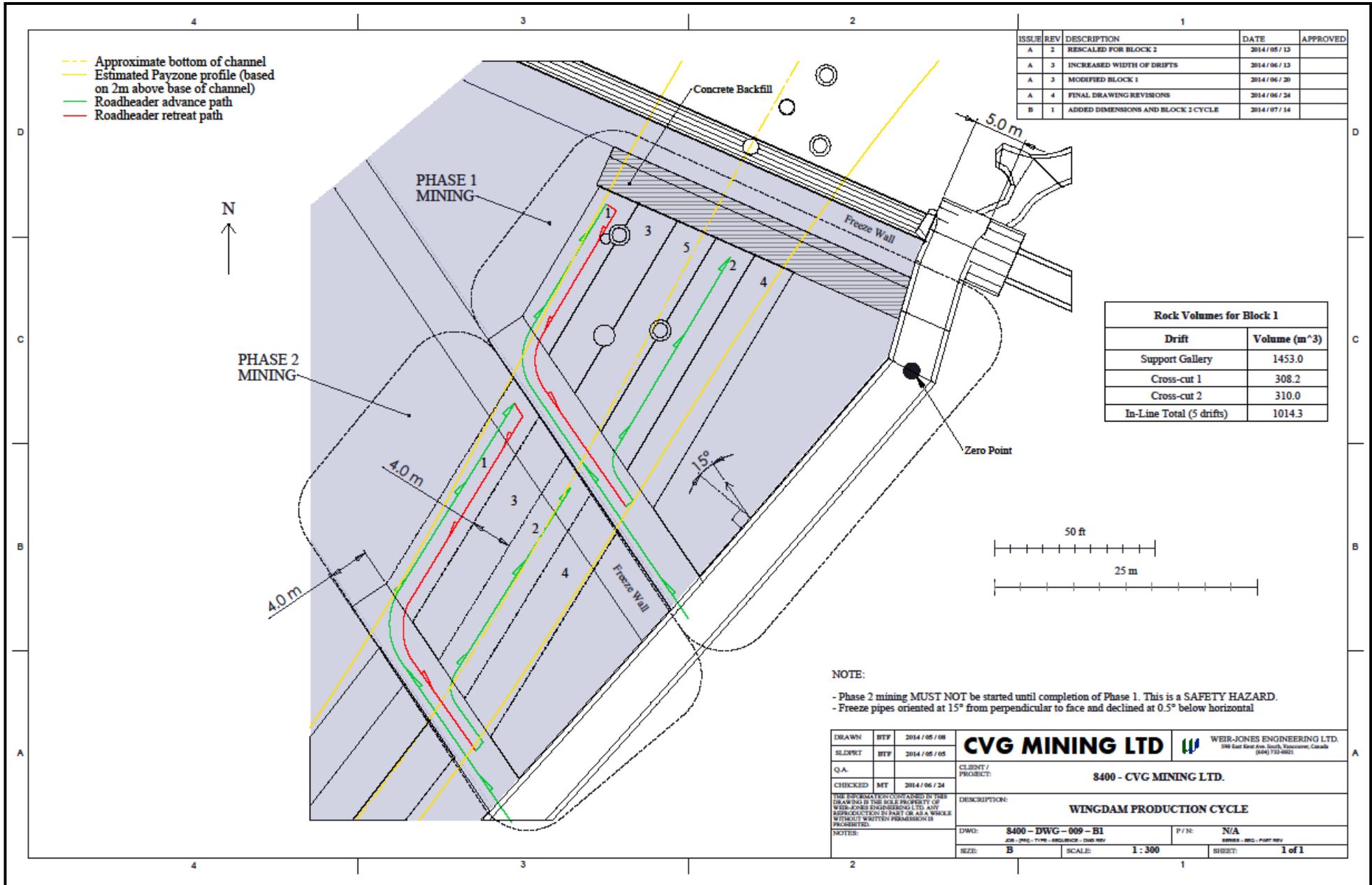
Mine Production

After an approximate 30 day freezing time, and only after data from the freeze monitoring system (see Section "Ground Freezing") confirms that the freeze structure is sufficiently established and at the correct temperature to meet design requirements will the Mine Engineer approve entering the mining blocks.

Initially the mining blocks will be depressurized and dewatered through drainage holes drilled from the footwall drift and then entered via a production cross-cut driven from the footwall drift perpendicular to the channel's downstream axis. The cross-cut drifts will be 4m wide x 2.5m high. The first mining block will be entered via two cross-cuts to accurately locate the channel boundaries and determine the gold grade distribution across the channel. In subsequent mining blocks only the downstream cross-cut will be necessary. The cross-cuts will be initially through bedrock and into the channel intersecting the deepest part of the Paleo-channel about 1-1.5 m above the floor of the cross-cut.

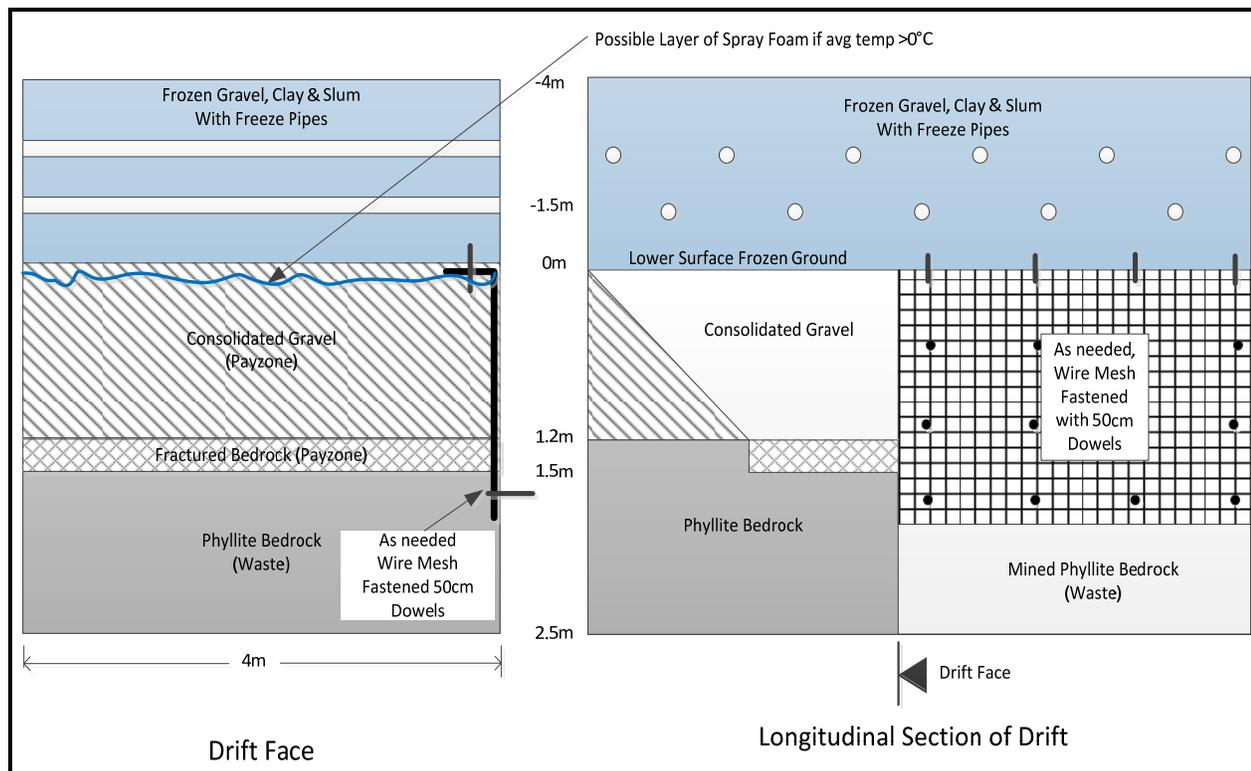
These cross-cuts will remain open for approximately 30 days and will be constantly monitored for deflection. Ground support will be added where needed to protect mine workers from localized spalling or where dewatered unconsolidated gravels are encountered in the sidewalls of the cross cut (see section “Ground Control”)

The placer deposit will then be mined via a series of longitudinal drifts (stopes) typically 4m-wide x 2.5m-high x 25m-long driven parallel to the channel using mechanized mining equipment to extract the Pay Zone indicated by the gold grade distribution of the cross-cut drift. These stopes will be entered from the downstream cross-cut and driven upstream to allow for natural drainage of water from the face by gravity. The first stope will be driven along the edge of the Pay Zone farthest from the footwall drift. Alternating stopes will be mined progressively back towards the footwall drift leaving a ~ 4m wide pillar between them. As one stope is mined a previously mined stope will be backfilled with a cemented waste material. Subsequently, once the backfill has gained sufficient strength, these pillars will be mined starting with the one farthest from the footwall drift and effectively retreat-mined back to the last pillar nearest to the footwall drift. The intended stope mining sequence for blocks 1 and 2 is shown in Figure 22. This mining sequence reduces the potential for pillar deformation due to creep, and therefore reduces the flex wall stress on the freeze pipes at the bedrock to slum/gravel contact as the frozen roof deflects under the overburden load.



All production drifting (cross cuts and stopes) will be performed in a manner which maintains the bottom of the pay zone at an elevation ~1m above the floor of the drift. The face of the production drifts will be advanced in three steps: first the ~1.5m Pay Zone at the top of the face will be extracted; second, the bench formed by removing the Pay Zone and floor will be cleaned of any gold particles which may have fallen during removal of the Pay Zone; and third, the remaining bedrock block will be removed in larger pieces (see Figure 23). Once mined, the floor of the stope will be cleaned of fallen gold particles and immediately backfilled with cemented fill (see “Ground Control”).

Figure 23 - Mine Horizon Section



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As the mining block is retreated, the last drift to be backfilled will be the downstream cross cut forming the boundary with the next mining block. Backfill placed in this drift will have a higher cement content to block ground water flow and to provide competent support for the upstream edge of the next frozen block cap. This will ensure safety and avoid sterilizing the Pay Zone under the frozen support pillars. Once backfilled, the cross cut drifts will be sealed by installing an engineered bulkhead pinned into the bedrock at the entrance to the cross cut. This barricade will be designed to be able to withstand a 50-60 meter hydrostatic head (~540Kpa) that could be generated by slum and water (see “Ground Control”).

The method of freeze block mining described above will be repeated in a sequence downstream of the first mining block to mine the proposed 300m of paleo-channel. The sequence of block mining will be managed such that as first block is being mined, the second block in sequence is being frozen, the third block in sequence is being drilled and installed with freeze pipes, and the footwall drift for the fourth

block in sequence is being driven.

Testing of bedrock materials and experience gained from mining the Pay Zone gravels during CVG's Bulk sample has shown that the ground conditions are suitable for continuous mining by mechanized mining machines (see "Mechanized Mining Equipment") with support from a small fleet of LHD scoops. Only as a last resort will conventional drilling and blasting techniques be used in the event that larger erratic boulders or steeply dipping, harder, quartzitic layers are encountered. The use of mechanized mining equipment will minimize any negative impact that blasting could have on the freeze pipe and freeze structure installation and improve the structural safety of the mine.

Generally all material mined from the footwall drift will be brought to surface and spoiled on a permitted rock dump. Based on the experience gained by CVG processing the Pay Zone mined in the Exploration Drift, all material mined from production drifting will be passed over a 4 inch grizzly and 1.5 inch vibrating screen deck installed at the bottom of the decline in an existing room. Reject from the grizzly and > than 1.5 inch reject from the screen will report to an underground stock pile and be used in backfill. The < than 1.5 inch fraction passing the screen will be combined with the material from cleaning the face during mining and the floor of the production drift prior to backfilling to form a concentrate which will be brought surface for gold recovery by gravity separation (see "Gold Processing and Production"). The waste fines from gold recovery will be stockpiled and brought back into the mine for backfilling.

In total the planned 12 blocks of mining will result in a mined volume of approximately 28,900 BCM. At a 2.7 SG, this will generate approximately 78,030 tonnes of material. Based on experience, a swell factor of about 30% can be anticipated and therefore approximately 22,230 BCM (60,021 tonnes) will be used for backfill. The balance of approximately 6,670 BCM (18,009 tonnes) will be spoiled on surface. Together with the waste rock mined while advancing the footwall drift a total of approximately 16,850 BCM (45,495 tonnes) is anticipated to be spoiled on surface in the permitted waste rock dump.

CVG expects that it will require 8 months to mobilize, dewater and initially develop the mine to a point where placer gold production can begin and estimates that it will take a further 8 months to mine the planned 12 mining blocks.

ARD Monitoring

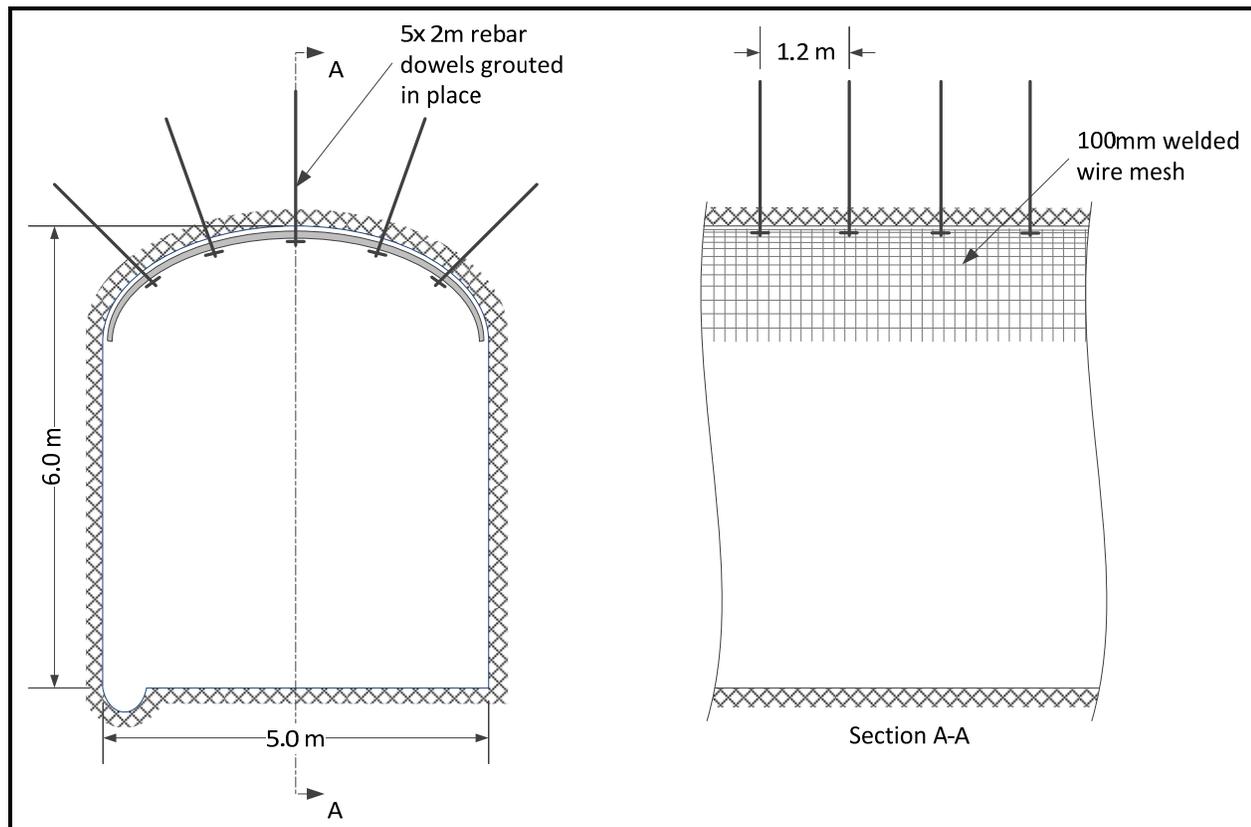
Samples of broken waste rock/muck will be collected on a regular basis and analyzed to ensure that the chemical composition of the waste rock being spoiled on surface does not have a detrimental impact on the receiving environment. Based on previous drainage monitoring and analytical results it is expected that waste rock brought to surface will be non-acid generating and will not cause deleterious impacts to the environment. The routinely collected samples will each be analyzed at a certified laboratory for a typical static test package including Sobek ABA with siderite correction, Total C, Inorganic C, Sulphur Speciation, and Solid Phase Metals.

Ground Control

The footwall drift driven parallel to the paleo-channel is a permanent opening in bedrock used to drill freeze holes, access the mining blocks, and to bring in mine services and supplies. When CVG Mining

completed the Exploration Drift in 2011 the footwall drift developed was safely supported by bolting and screened using 100mm welded wire mesh with five 2m grouted rebar bolts per ring and 1.2m ring spacing. This method of ground support will continue to be installed as the footwall drift is advanced. At intersections or where work places are excavated in bedrock, these larger spans will be supported with 3m grouted rebar dowels and 100mm mesh. If necessary the ground support will be supplemented with shotcrete in areas where adverse structure or faults are encountered. In accordance with current practice the back support will be monitored and assessed, with enhanced support provided on an “as needed” basis. A typical layout of footwall drift support is shown in Figure 24.

Figure 24 - Typical Footwall Drift Support



With the anticipated production rates of the mechanized mining equipment, production drifts under the frozen structure are not expected to be open for more than a few days prior to backfilling. Results of WJEL modeling indicate that a 6m span of frozen structure will be self-supporting during this period of time and thus the ~4m span of the production drift is not anticipated to require roof screening and bolting except if needed to control localized spalling.

Any localized spalling will be supported with short (0.5m to prevent unintentional puncturing of the freeze piping) grouted dowels or split sets and light mesh as needed. The dowels and screen are not intended to create a laminated beam, but are installed to protect personnel from the localized spalling of loose material.

Some sloughing of unfrozen unconsolidated gravels in the drift side wall between the bedrock/channel contact and the bottom of the freeze structure can be anticipated to occur. As a safety precaution, light mesh and short dowels will be used as needed to control any potential sloughing of the drift wall as shown in Figure 23. In the event that the air temperature in the stopes, or during the pillar recovery, rises above 0°C, CVG Mining will have the ability to insulate the exposed frozen roof beam to minimize thermal transfer and keep the workings dry. Insulated tarpaulin blankets held in place by metal spring battens spanning the wall surfaces. The tarp construction will be two outer layers of rip stop polyethylene with an inner core of closed cell polyethylene. The Tarps will be removed during backfilling of the stopes and reused.

To minimize the time that frozen spans remain unsupported and to enable the pillars to be subsequently mined, the stopes will backfilled (Figure 25) with three layers of waste material mixed with a binder as follows:

Primary Layer:

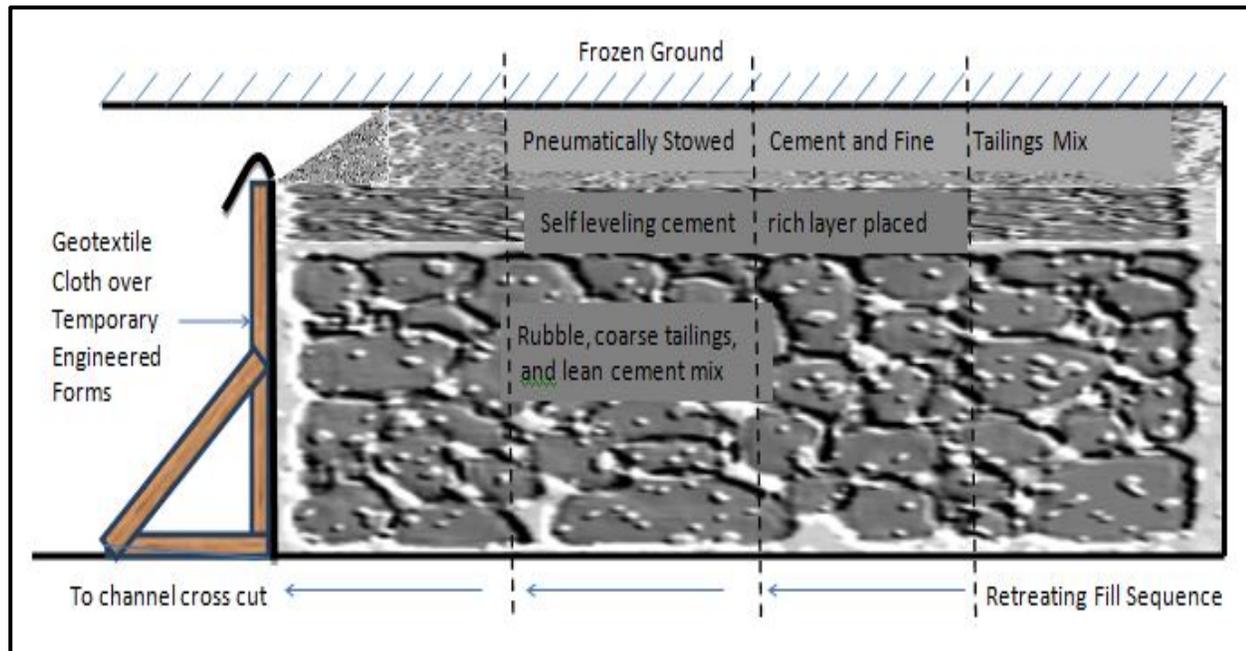
Waste material from the grizzly output underground is expected to be -12" +4" in size (see Section 4.9 "Gold Processing and Production"). This material will be transported with a 4 yd LHD Scoop and will be mixed with a lean cement mixture prior to being backfilled. The material would be mixed with the cement by vibratory action as the LHD moves to the application point and then dumped in place behind temporary formworks to a height of between 1.5-2 meters.

2nd Layer:

Waste material from vibrating screen output is expected to be -4 +1.5" in size (see Section 4.9 "Gold Processing and Production"). This wet material will be mixed with cement and supplied to the application point from the mixer by LHD and deposited on top of the primary layer to a height of 1.8-2.2 meters. Expected slump of this mix would be in the range of 150mm to 200mm.

3rd Layer:

Minus 1.5" waste material from the wash plant on surface (see Section 4.9 "Gold Processing and Production") will be brought underground in bulk and stored. When needed, it is to be drum mixed with a cement binder (15-33% by weight and 3-6% moisture) for > 1 minute and fed into a dry shotcrete nozzle for stowing/filling the remaining void. This process will allow for the anticipated frequent stop/starts the filling process will require as effective backfill working lengths are determined. To ensure that the subsidence/deflection of the frozen roof beam remains within design limits CVG intends to verify that this plan and cement/tailings ratios will achieve a UCS of 4MPa and an effective Young's Modulus of at least 700 Mpa within 72 hours. Accordingly the final backfill plan and type of binder utilized may be subject to modification prior to initiation of mining.

Figure 25 - Typical Back Fill Transverse View

When exiting a mining block, the backfilling of the downstream production crosscut will incorporate a mix with a suitable particle size distribution of Portland cement, waste rock and fly ash or other suitable materials to achieve a permeability of $< 10^{-7}$ m/s and equivalent strength properties to the rest of the backfill and the frozen soil. This pillar will support the upstream edge of the next (downstream) mining block and act as an upstream barrier to ground water ingress as the mined out block is allowed to thaw.

The mined out blocks will have engineered bulkheads located within the longitudinal footwall pillar between the access drift and the mined block. These bulkheads will be designed to withstand the hydrostatic head of 50-60 meters (~540kPa) that is anticipated to develop as the upstream freeze structure thaws. It is anticipated that these bulkheads will be similar in design to those installed by CVG Mining upon completion of the Exploration Drift and that the bulk permeability of the Portland cement enhanced backfill behind these bulkheads will be low, thus the potential for water flow at these bulkheads will also be low. Despite this, pressure relief lines will be installed in the bulkheads and the pressure monitored on a long term basis.

The time for the frozen support beam to thaw will depend on a number of factors; these include the ambient temperature of the adjacent unfrozen ground which has been assumed to be $\sim 10^{\circ}\text{C}$, the moisture content of the adjacent material and, most importantly, the velocity of the groundwater flowing across the surface of the frozen block. Typically, the temperature of the frozen material will commence to rise as soon as the refrigerant circulation ceases and it will be several weeks or even months before the ground is completely thawed. However, the creep characteristics and the strength of the frozen material may be reduced considerably in the first week after the active freezing is terminated. For this reason it is important that the production sequence outlined above is followed

closely. It is also important that specified backfilling materials and their placement are strictly followed to support the proposed frozen spans as well as eliminate any possible subsidence of overlying material into the mined our area during thawing.

Ventilation

When CVG mined the bulk sample, ventilation was provided from two sources: through a 50 HP fan located in a bulkhead near the existing vent raise, supplying air through 42" diameter fabric ventilation tubing and a 75 HP fan through 36" round vent duct from surface and down the main access decline. Together a total of 30,000 CFM was provided, which was adequate to provide for operation of two 2.5yd LHDs and a freeze hole drill. Exhaust air followed a path back up the main access decline to surface.

The current mine plan will utilize approximately 38,300 CFM based on a planned diesel powered equipment BHP operating of 4373 as shown in the fleet list below:

Table 12 - Machine Specifications

Quantity	Unit	Make/Model	Engine	BHP	% Usage	BHP Op	CFM
3 (1 Spare)	4 yd LHD	Sandvik LH 307	Mercedes OM906 LA	200	65% 10%	260	20,000 2,000
2	U/G Haul Trucks	JDT 413	CAT 3304	100	75%	100	15,000
1	Staff Jeep			80	10%	8	800
1	Service Jeep			50	10%	5	500
TOTALS						373	38,300

The heaviest ventilation loads will be attributable to the LHDs operating in the active mining areas and to the trucks bringing concentrated material to surface for further processing. The mechanized mining equipment and freeze drill rig will be electric/hydraulic so will not add to the diesel load.

It is anticipated that two LHDs will be in primary operation, while a third will be purchased as a spare and lightly used for services installation such as vent duct and piping. The engine of the LHD being loaded by the mechanical cutter will be shut down during the loading period, while the other LHD will be tramming material to the sorting area, loading a truck with concentrate, and bringing backfill material back to the stoping area.

Preliminary network analysis indicates that a 50HP fan with 5" W.G. can supply 45kCFM through 48" twin duct in a permanent arrangement for production mining. The suggested fan is 42" vane axial fan

with a 21" hub and variable speed motor, operating as shown in Figure 26.

As mine dewatering is being done, a single rehab crew will inspect and rehab the existing decline and install the permanent bulkhead in the grout plug drift as the water is drawn down. During this period they will utilize the 50 HP fan on surface near the portal (the permanent fan, located temporarily) with flexible 48" equivalent twin duct following down the heading. Once the mine has been dewatered to the area of the new vent raise access, the new 2.5m by 2.5m ventilation raise will be driven to surface from the location shown on Figure 27. It is estimated that about 5" W.G. is required to get to this point, within the capabilities of the proposed permanent fan.

The new ventilation raise will be driven conventionally 79m at 47 degrees to surface to allow a single continuous ladder to be installed for second egress, while also allowing the freeze lines to be installed safely on the foot wall adjacent to the ladder-way. Compressed air and pump lines will also be installed in this man way. Ventilation supply through this raise will allow clearance for small trucks and other equipment to move up and down the decline through the timbered sections unimpeded because service piping and vent ducting will no longer be required in the upper narrow portions of the decline. Once the raise has been completed, the 50 HP fan will be moved to its permanent location on top of the new raise, and the twin duct will be reclaimed from the ramp and installed from the raise bulkhead underground to the new development heading.

This ventilation installation will be adequate to service up to 300m of new development distance from the base of the decline. Should monitoring procedures established for gas, particulates and ventilation velocities indicate more pressure is required, additional series fans and boosters can be added.

In the mine production area, alternate crosscuts will be ventilated by 25 HP fans with 24" flexible vent ducting teed off from the main line. Exhaust air will clear through the crosscuts back to the main footwall drift and out the decline to surface. Current modeling indicates that all velocities will be within mandated guidelines. The overall route is shown on Figure 27.

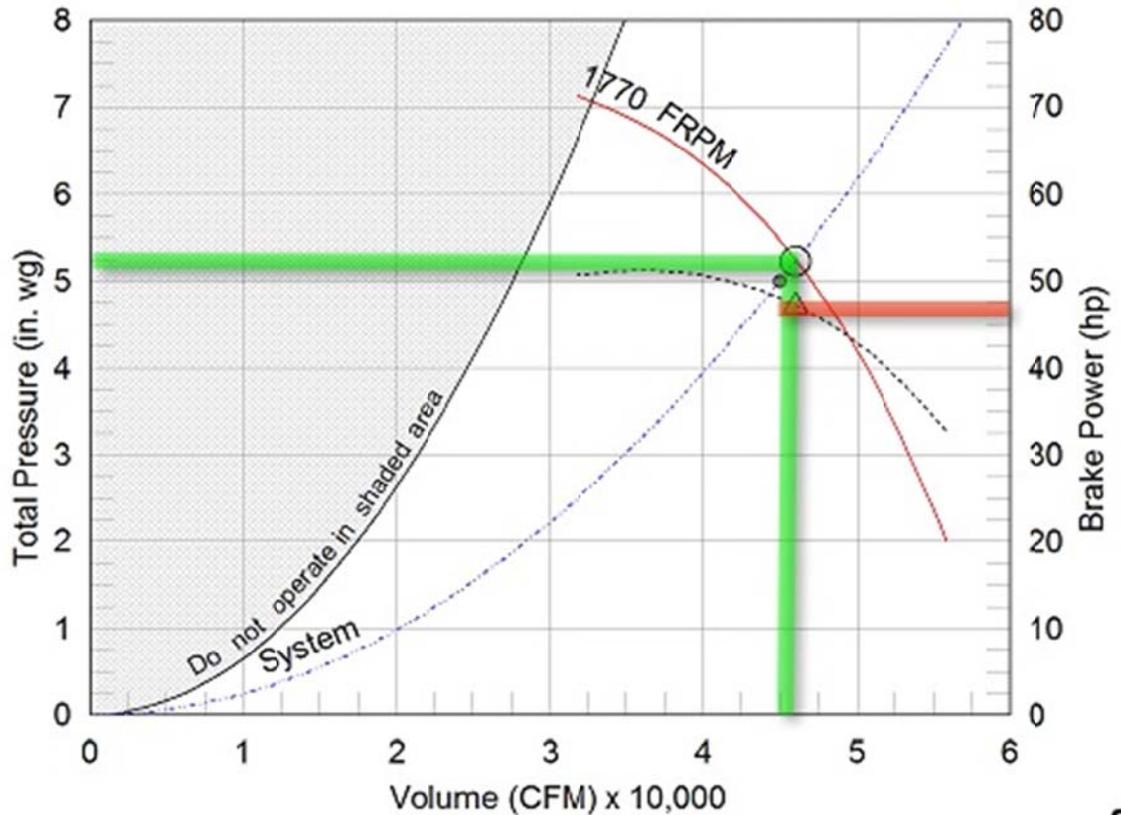
To continue mining beyond the initial 300m of channel, CVG intends to conduct ventilation modeling based on actual operational data and determine locations for additional vent raise to be developed to surfaces from the foot wall drift. These vent raises will be designed to provide additional air quantities and egress required as mining advances beyond the initial planned ~300m of channel.

Figure 26 - Fan Specification Chart

VAD-42F21-19-A500

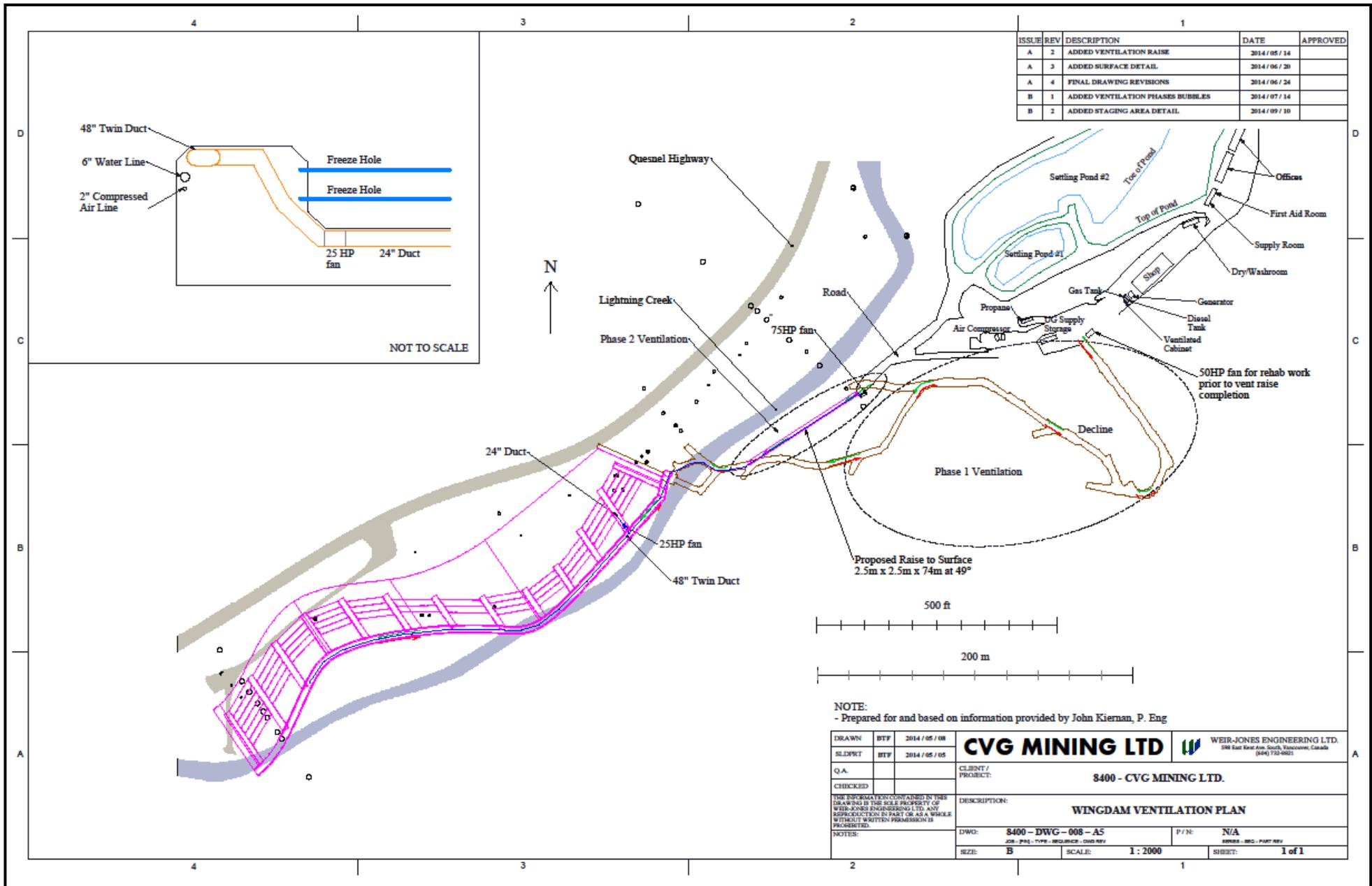
External SP (in. wg)		Total SP (in. wg)
Elevation (ft)	1,788	Operating P
Airstream Temp. (F)	70	Fan RPM

Chart Type: Operating Conditions



Ventilation Monitoring

Standard ventilation monitoring procedures will be established to determine volumes, and all headings will be checked daily with handheld electronic gas monitoring for deleterious gases such as CO and to ensure oxygen levels are maintained to the appropriate standard. Dust levels will be checked with portable vacuum filters on a regular basis.



Gold Processing and Production

The potential quantity and grade of the Wingdam Deep Lead Channel gravels are conceptual in nature, and there has been insufficient exploration to define a mineral resource. Any economic analyses or economic assessment referred to in this report are preliminary in nature and are based on inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that further exploration will result in any portion of the project being delineated as a mineral resource or that the preliminary economic assessment will be realized.

Material mined from the Pay Zone as described above will be taken by LHD and passed over a grizzly with a 4 inch flat bar deck. The oversize material is not expected to be gold bearing, and will be transported back to an active backfill stope on the backhaul with the LHD. The undersize material will then be washed over a 1.5 inch vibrating screen deck equipped with high pressure spray bars. The oversize material from the screen deck is also not expected to be gold bearing and will also be backhauled by LHD to an active backfill stope. The undersize material or “concentrate” will be collected together with any gold bearing floor cleanings from the production stopes and securely transported and stored at surface for further processing. Based on experience, the mine is expected to make water through groundwater seepage at a rate of 550 – 850 m³/day (100-150 US gpm) and CVG plans to use this water to process material over the grizzly and screen deck and collect it in an underground settling sump so that any solids can be settled out and then either reused or pumped to surface for further treatment in the permitted settlement ponds. Additional make up water, if required to operate the screening equipment, will be sourced from surface.

CVG intends to use the same equipment used during the CVG Exploration Drift project consisting of a trommel, boil boxes, sluice box and tables located in a secure facility at surface. The trommel will consist of a hopper and a 3.5-foot diameter by 8-foot long rotating steel drum containing a 4-foot long scrubbing area and a 4-foot long screening area. A high-pressure spray bar will run through the entire length of the drum interior with another located in the hopper. The screened slurry made up of minus 0.5-inch mesh aggregate and water will enter a 2-foot wide by 8-foot long steel flume containing 3 boil boxes. The slurry will pass through an attached 2-foot wide by 8-foot long sluice box lined with nomad carpet and sheets of raised expanded metal. Final clean-up of the concentrate will be completed using Deister tables in an assay lab. Water to operate this processing equipment will be sourced from the downstream end of the permitted surface settlement ponds and discharged into the upstream end of the ponds.

A major benefit of this type of processing compared to a conventional gold mill, is that no cyanide and minimal chemical usage is required for gold recovery, while compared to a typical placer wash plant, the majority of suspended solids are trapped and settled underground, with surface ponds cleaning up the remainder. This process will have minimal environmental impact.

The Pay Zone is generally expected to be 1.2m in height encompassing 0.9m of the gravel above the bedrock interface and 0.3m of weathered underlying bedrock below the bedrock interface to capture

material that has fallen into weathered bedrock cracks. The Pay Zone is small compared to the overall development, and as such, the overall development volumes will be used for cost determination, but for revenue projections, grade in grams/m² is a more useful number. As such, the volumes from the Exploration Drift were converted into areas with grade assigned.

Expected gold production from the first phase (300m) of mining is extrapolated from the results of the CVG Exploration Drift and the two historical churn drill fences, “C line” and “D line”, in close proximity to the east and west boundaries of the first phase of mining.

The 2.44m x 2.44m x 23.5 m long Exploration Drift showed three distinct areas of grade distribution: : the first 3.8 m on the south rim which yielded 19.860 TrOz of placer gold (2.142 TrOz/m²), the middle 14.8 m which yielded 146.436 TrOz of placer gold (4.055 TrOz/m²), and the remaining 4.9 m on the north rim which yielded 7.2 TrOz of placer gold (0.602 TrOz/m²). The overall recovery from the exploration drift was 173.496 TrOz of placer gold equal to a grade of 3.026 TrOz/m².

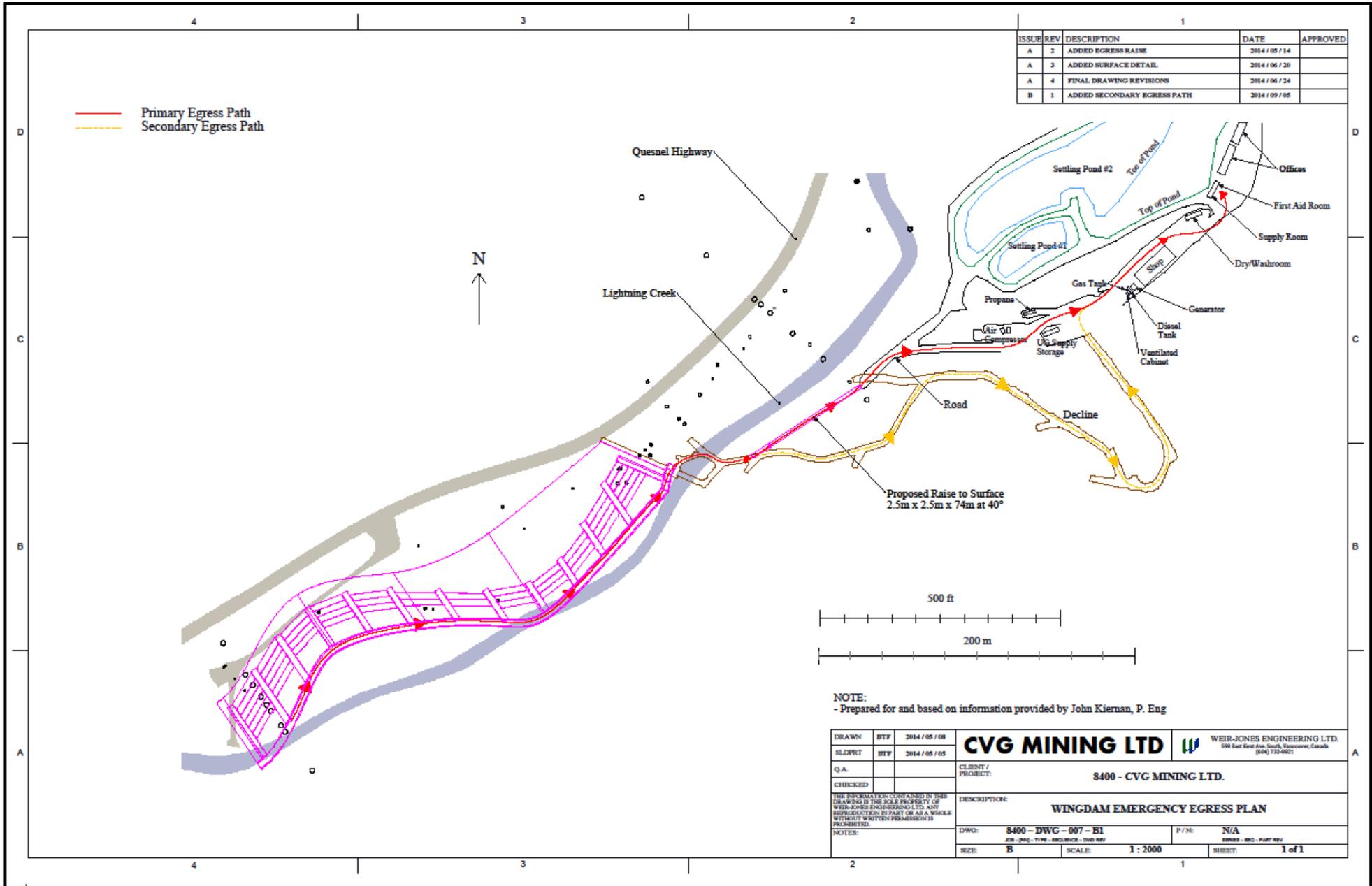
The overall grade shown in the bulk sample compares favourably with the average grade indicated by 7.5” diameter historical churn drill holes C1, C7, C8, C9, D1 and D2 drilled to the channel bottom near the east and west bounds of the first phase of mining. In the aggregate these holes reported recovery of 253 grains of placer gold from a 1.84 ft² of drilled area resulting in a grade of 3.082 TrOz/m².

Using a grade of 3.00 TrOz/m² CVG Mining estimates that the first phase of mining should produce approximately 23,000 TrOz of placer gold.

The potential quantity and grade of the Wingdam Deep Lead Channel gravels are conceptual in nature, and there has been insufficient exploration to define a mineral resource. Any economic analyses or economic assessment referred to in this report are preliminary in nature and are based on inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that further exploration will result in any portion of the project being delineated as a mineral resource or that the preliminary economic assessment will be realized.

Mine Safety and Second Egress

Prior to mining, safety procedures will be established and recorded in a mine safety manual for each job underground to meet the requirements of the Mines Act and to provide a safe working environment as a first priority. Planned emergency egress paths are shown in Figure 28.



Pre-shift safety briefings will be held between crew and foremen every day, and regularly scheduled weekly safety meetings will be held to encourage awareness of the various hazards that can be found around a mine site. Use of PPE will be monitored and enforced at all times.

Prior to development of future vent raises and points of egress as the mine advances beyond the initial ~300m of channel, portable refuge station(s) will be located proximal to the furthest development faces on the footwall drift as required.

A mine rescue agreement will be established with another company that operates an underground mine in BC. Potential candidates include: QR, Myra Falls, and New Afton. In addition, workers at the Wingdam Mine will be trained in mine rescue, and a number of BG174's or equivalent will be maintained on the property for a first response.

As the quantities of gold generated on a daily basis will be significant, site security will be strictly enforced. Monitoring cameras will be in place in the underground and surface processing areas and in the assay lab. All gold recovered from the assay lab will be taken to a secured location prior to transportation to market.

Mechanized Mining Equipment

A survey of current vendors of Mechanized Mining equipment has been compiled by WJEL and is presented in the WJEL Mine Plan Report. The rock conditions expected to be experienced at Wingdam will require a flexible machine capable of mining and mucking wet silt, gravels, cobbles, sand and broken bedrock. Specifically, a suitable machine must be capable of meeting the following constraints:

Table 13 - Machine Requirements

Requirement	Dimension
Rock Material Footwall	90% Phyllite 50 MPa with occasional quartz veins
Rock Material	60% Consolidated Gravel with occasional cobbles 40% Phyllite 50 MPa Bedrock
Machine Access	2.5 x 2.5 m Maximum Machine cross section dimensions. Although possible, reassembly discouraged.
Machine turn radius	<6m Ideally within 4m space.
Machine Cutting workspace	Minimum 2.5m vertical above, 0.5 below, 4m side to side and 1m advance reach
Mucking and conveying system	To move material loose from working face to haulage space behind only. Must not clog when moving wet clay. Must be easy to clean and capable of handling up to 0.5m particle sizes.

There are two distinct applications for mechanized mining machines: cutting or breaking the bedrock in the footwall access drifts and bottom of the production drifts; and mining the Pay Zone of gravels and fractured bedrock in the production drifts. Experience has shown that the gold particles are coarse and that inevitably some of these particles can be expected to drop out of the Pay Zone gravels onto the underlying barren bedrock bench and floor as the production drift is advanced. Ideally the lower ~1 m of barren bedrock in the production face would be cut in pieces large enough to easily separate them from the auriferous material by simply scalping the run of mined material at the grizzly. Furthermore, all Pay Zone material should be transported in LHD scoops or trucks, and not by scraper chain or flexible belt conveyors as the later would likely result in the loss of gold particles by gravity or by smearing along the haulage route and at the transfer point.

Due to the narrow width of the stopes driven by the need to support the frozen roof, any machine used will need to muck out mined material from the face to the rear of the machine using a short conveyor system that is easy to clean and capable of working with saturated fine sands and silt. All mechanized mining equipment should be reviewed with this detail in mind, and therefore machines with small gathering arms are likely to be unsuccessful.

Based on the foregoing requirements, CVG has narrowed its selection of machine to either the Alpine / Terex / Schaeff / ITC 120 family of machines or the Dosco / Webster 2000 series machines. CVG is working with the distributors and manufacturers of these machine to finalize its selection but both families of machines are certified for underground mine use and capable of meeting the requirements set out above.

Mine Energy Considerations

The Wingdam mine does not have ready access to 3-phase grid power. A single phase line runs past the mine site from Quesnel to Barkerville however it is currently at capacity with brownouts in Barkerville being a common occurrence. The current mine plan calls for 3 MW of 3-phase service and although BC Hydro is capable of providing this capacity via extension of a 3-phase overhead line from Quesnel to the mine site, the Company has been informed by BC Hydro that the capital cost for extending the line would be approximately \$7 million not including the costs of an engineering study, environmental mitigation, land acquisition, right of way, public consultation, temporary construction services and any civil cost and installation of civil works on private property.

BC Hydro is willing to contribute \$520,000 towards extension of the overhead line; however, management estimates the overall costs of project would fall between \$9 -10 million which, when amortized over the life of mine would result in a fully loaded cost of grid power of approximately \$0.165 per kWh resulting in an estimated annual power costs of approximately \$3.5 million. This cost compares favourably to the costs of alternative power sources (Table 14). However with an estimated lead time of 2 years, grid power is not a viable alternative for near term operation of the mine.

The Company has investigated several different power solutions based on available fuel sources with related equipment to determine an economic alternative to grid power with acceptable lead times. These solutions included conventional large scale generation of electrical power using diesel, LNG, CNG or LPG (propane) combined with conventional screw compressor ammonia chiller technology to

conventional electrical generation using fossil fuels combined with absorption ammonia chiller technology and fossil fuel or wood pellet fuelled thermal fluid heaters as a driving heat source for the chiller. The possibility of waste heat recovery from the fossil fuel generator was also investigated. CNG and LPG were dismissed as an alternative power sources due to higher costs and challenging logistics of delivering the required quantities by truck. The basic economics of the remaining alternatives are summarized in Table 14. The scenarios were run assuming a delivered cost of \$0.90/liter for diesel, \$14.00/GJ for LNG and \$140/tonne for white fiber wood pellets. The annual power costs were calculated including fuel, repairs, maintenance, and amortization of capital cost over a 6 year life of mine assuming a salvage value of the equipment.

The results of this investigation indicate that the most cost effective solution, next to grid power, is the use of LNG to power electrical generation and as a driving heat source combined with waste heat recovery from electrical generation to power ammonia absorption chillers for ground freezing. Accordingly, management has assumed in its financial modeling that this solution will be utilized. However, it is noteworthy that wood pellets, which are readily available in the area are in fact the least expensive source of fuel on a delivered cost per energy content basis. It is the amortization of high capital costs of an industrial sized wood pellet thermal fluid heater over the relatively short mine life of Wingdam which results in a fully loaded cost greater than an LNG solution. The availability of a used wood pellet fuelled thermal fluid heater may warrant further investigation.

Table 14 - Summary of Power Alternatives

Type of Chiller	Screw Compressor	Screw Compressor	Absorption Chiller	Absorption Chiller	Absorption Chiller
Electricity Generation	Grid	Diesel Genset	Diesel Genset	Diesel Genset	NG Genset
Driving Heat Generation	N/A	N/A	Wood Pellets	NG Boiler	NG Boiler
Without Heat Recovery					
Capital Costs of Electrical Power	\$9,500,000	\$2,200,000	\$1,100,000	\$1,100,000	\$1,500,000
Capital Costs of Chiller	\$4,000,000	\$4,000,000	\$1,500,000	\$1,500,000	\$1,500,000
Capital Costs of Boiler	\$0	\$0	\$7,700,000	\$1,200,000	\$1,200,000
Total Capital Costs	\$13,500,000	\$6,200,000	\$10,300,000	\$3,800,000	\$4,200,000
Refrigeration Costs (\$/kW)	\$0.173	\$0.333	\$0.256	\$0.231	\$0.229
Electrical Generation Costs (\$/kW)	\$0.165	\$0.328	\$0.328	\$0.328	\$0.285
Total Estimated Annual Power Cost	\$3,411,692	\$6,664,094	\$5,786,133	\$5,500,361	\$5,105,547
With Heat Recovery					
	N/A	N/A			
Capital Costs of Genset			\$1,500,000	\$1,500,000	\$1,900,000
Capital Costs of Chiller			\$1,500,000	\$1,500,000	\$1,500,000
Capital Costs of Boiler			\$7,700,000	\$1,200,000	\$1,200,000
Total Capital Costs			\$10,700,000	\$4,200,000	\$4,600,000
Refrigeration Costs (\$/kW)			\$0.187	\$0.155	\$0.139
Electrical Generation Costs (\$/kW)			\$0.349	\$0.349	\$0.309
Total Estimated Annual Power Cost			\$5,186,265	\$4,815,938	\$4,289,982

Financial Projections

The potential quantity and grade of the Wingdam Deep Lead Channel gravels are conceptual in nature, and there has been insufficient exploration to define a mineral resource. Any economic analyses or economic assessment referred to in this report are preliminary in nature and are based on inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that further exploration will result in any portion of the project being delineated as a mineral resource or that the preliminary economic assessment will be realized.

Based on the Mine Plan described herein, management has developed a financial model to estimate the production and capital costs of the Wingdam Mine. The model was developed to specifically investigate the costs of capitalizing and operating the mine to complete the first phase of 300m of channel. The model assumes constant input pricing which is based on current (Feb 2016) prices. The capital cost estimates are also based on current pricing and equipment sizing commensurate with an anticipated mining rate and drift dimensions.

The key base case assumptions used in the model were:

1. a placer gold grade of 3.0 oz per m² of channel bottom which was the grade and fineness demonstrated in CVG's bulk sample (Kocsis, 2012) and also the average grade reported in the historical churn drill holes in the vicinity of the 1st phase mining,
2. a pay gravel area of 7,747 m² (with an average channel width of 23.82m) calculated from the results of the 2015 seismic refraction bedrock model,
3. a placer gold fineness of 909 Au and 82 Ag as determined by ALS Laboratory analysis conducted using gold recovered from CVG's bulk, and
4. a gold price of US\$1,200 (CDN\$1667 at a 0.72 exchange rate) and a silver price of US\$15.00 (CDN\$20.83).

The mine equipment operating costs are calculated using variable input costs including labour, fuel, lubrication, repairs and maintenance. In addition an expected life and salvage value of the equipment prior to replacement or major rebuild was determined and an amount representing the amortization of these capital costs was determined and added to the hourly operating costs of the equipment to account for sustaining costs of the equipment being used.

The time projected by the model to complete the first phase (300m) is approximately 8 months of active mining. In addition it will require and an estimated 6 months to mobilize, dewater and initially develop the mine plus 2 months to establish an initial freeze of the first mining block resulting in an overall Phase 1 project time of approximately 16 months. Table 15 summarizes a breakdown of expected financial performance projected by the model for the Phase 1. The model projects that the Phase 1 operation should yield 21,150 refined Au equivalent ("Re-Au-Eq") ounces from 23,240 mined placer ounces at a production cost of CDN\$787 per Re-Au-Eq ounce.

The potential quantity and grade of the Wingdam Deep Lead Channel gravels are conceptual in nature, and there has been insufficient exploration to define a mineral resource. Any economic

analyses or economic assessment referred to in this report are preliminary in nature and are based on inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that further exploration will result in any portion of the project being delineated as a mineral resource or that the preliminary economic assessment will be realized.

The project economics are sensitive to a number of factors outside the control of management including grade, gold price, and energy costs. The model base case assumes that the mine's energy requirements will be met through a combination of diesel at a delivered costs of CDN\$0.90/liter to fuel certain pieces of mine equipment and LNG at a delivered cost of CDN\$14.00/GJ for electrical generation and to provide supplemental driving heat to operate absorption chillers. Table 16 shows the effect on profit margin resulting from a changes in the CDN\$ gold price and placer grade at base case, 100% and 200% higher energy costs.

Estimated capital costs to begin mining operations are set out in Table 17. The company estimates that the mining rate of Phase 1 will be approximately 15,000 m³ of pay gravel per annum – well within its permit limit of 20,000 m³ per annum. The Company intends to continue mining the balance of 2,100m of channel it controls at this rate without stoppage by amending its permit and posting incremental bond amounts in phases over an additional 4.5 years for a total approximate mine life of just over 6 years including a period of 4 months for decommissioning the mine.

To evaluate the potential amount of contained placer gold in the pay gravels of the approximately 2,100 meters of channel upstream and downstream of the Phase 1 channel area, management use the following key assumptions:

1. a placer gold grade of 2.445 oz per m² calculated by first averaging the grade of historical holes that intersected the pay gravels on each of 8 historical channel cross sections and then taking the weighted average of each of these section grades, accounting for the distances between each section both upstream and downstream of the Phase 1 channel area, and
2. projecting the Phase 1 average pay gravel channel width of approximately 25.8 m to determine the pay gravel area upstream and downstream of Phase 1 channel.

These assumptions resulted in an estimated 132,000 placer ounces in addition to the estimated 23,000 placer ounces estimated to be contained in the Phase 1 channel area.

At a gold price of CDN\$1,600 per ounce, and allowing for an estimated CDN\$2 million mine decommissioning costs, management projects that the Wingdam mine should produce a total of approximately 155,000 troy ounces of placer gold (142,000 Re-Au-Eq Ounces) at an average cost of CDN\$938 per Re-Au-Eq Ounces generating approximately CDN\$92 million of net free cash flow over 6 years on and initial capital investment of CDN\$19 million representing and compounded rate of return in invested capital of 68%.

The potential quantity and grade of the Wingdam Deep Lead Channel gravels are conceptual in nature, and there has been insufficient exploration to define a mineral resource. Any economic analyses or economic assessment referred to in this report are preliminary in nature and are based on inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral

reserves. There is no certainty that further exploration will result in any portion of the project being delineated as a mineral resource or that the preliminary economic assessment will be realized.

Management believes that the 2012 bulk sample program conducted by CVG Mining Ltd. verifies that the placer gold grades indicated by historical pre-1930's churn drilling are accurate and also demonstrates that the use of the freeze mining technique pioneered by CVG is a viable approach to mining under Lightning Creek. All references in the report to production ounces, production forecasts, costs of production, potential cash flows and rate of return related to the Wingdam Project are based on the best available data as specifically disclosed throughout the report, together with key qualifications and assumptions made by the qualified person. The report should not be construed as a preliminary feasibility study, a pre-feasibility study or a feasibility study as such terms are defined or used by CIM.

Table 15 - Summary of Phase 1 Operations

Estimated Gold Production		
Placer Production (TrOz)	23,241	
Refined Au Production (TrOz)	21,126	
Refined Ag Production (TrOz)	1,906	
Refined Au Equivalent Production (TrOz)	21,150	
Estimated Metal Sales, Production Costs and Gross Profit		
	(\$ CDN)	(\$ CDN/Re Au Eq TrOz)
Gross Metal Sales	\$ 35,249,818	\$ 1,666.67
Refining & Royalties	\$ 737,163	\$ 34.85
Net Metal Sales	\$ 34,512,655	\$ 1,631.81
Mining Costs	\$ 4,922,409	\$ 232.74
Freeze Pipe Drilling, Connecting & Recovery	\$ 3,525,058	\$ 166.67
Freezing Energy Costs	\$ 1,505,862	\$ 71.20
Mine Management, Engineering & Safety	\$ 1,310,203	\$ 61.95
Camp Costs	\$ 975,800	\$ 46.14
SG&A	\$ 808,767	\$ 38.24
Pumping Costs	\$ 543,321	\$ 25.69
Gold Processing	\$ 273,592	\$ 12.94
Subtotal	\$ 13,865,013	\$ 655.56
Contingency & Other	\$ 2,014,979	\$ 95.27
Total Mining Costs	\$ 15,879,992	\$ 751.68
Total Costs (Mining, Refining & Royalties)	\$ 16,617,156	\$ 786.57
Gross Profit	\$ 18,632,663	\$ 881.97

Table 16 - Projected Operational Sensitivity to Changes in Gold Price, Grade and Energy Costs

GROSS PROFIT AS A FUNCTION OF Au Price and Total Production From 1st 300 Meters of Channel											
Base Case (Diesel \$0.90/l; LNG \$14.00/GJ Delivered)											
Placer Grade TrOz/m2	Placer Production (TrOz)	Refined Gold Price (CDN\$/Troy Ounce)									
		\$1,200	\$1,300	\$1,400	\$1,500	\$1,600	\$1,667	\$1,700	\$1,800	\$1,900	\$2,000
1.29	10,000	-\$571	-\$473	-\$375	-\$277	-\$179	-\$113	-\$81	\$17	\$115	\$213
1.55	12,000	-\$280	-\$182	-\$84	\$14	\$113	\$178	\$211	\$309	\$407	\$505
1.81	14,000	-\$72	\$26	\$124	\$222	\$320	\$386	\$418	\$516	\$615	\$713
2.07	16,000	\$84	\$182	\$280	\$378	\$476	\$542	\$574	\$672	\$770	\$868
2.32	18,000	\$206	\$304	\$402	\$500	\$598	\$663	\$696	\$794	\$892	\$990
2.58	20,000	\$303	\$401	\$499	\$597	\$695	\$760	\$793	\$891	\$989	\$1,087
2.84	22,000	\$382	\$480	\$578	\$676	\$774	\$840	\$872	\$970	\$1,068	\$1,166
3.00	23,241	\$425	\$523	\$621	\$719	\$817	\$882	\$915	\$1,013	\$1,111	\$1,209
3.10	24,000	\$448	\$546	\$644	\$742	\$840	\$906	\$938	\$1,036	\$1,134	\$1,232
3.36	26,000	\$504	\$602	\$700	\$798	\$896	\$962	\$994	\$1,092	\$1,190	\$1,288

GROSS PROFIT AS A FUNCTION OF Au Price and Total Production From 1st 300 Meters of Channel											
Energy Costs Increased by 100%											
Placer Grade TrOz/m2	Placer Production (TrOz)	Refined Gold Price (CDN\$/Troy Ounce)									
		\$1,200	\$1,300	\$1,400	\$1,500	\$1,600	\$1,667	\$1,700	\$1,800	\$1,900	\$2,000
1.29	10,000	-\$716	-\$618	-\$520	-\$422	-\$324	-\$258	-\$226	-\$128	-\$30	\$68
1.55	12,000	-\$400	-\$302	-\$204	-\$106	-\$8	\$57	\$90	\$188	\$286	\$384
1.81	14,000	-\$175	-\$77	\$21	\$119	\$217	\$283	\$315	\$413	\$511	\$609
2.07	16,000	-\$6	\$92	\$190	\$288	\$386	\$451	\$484	\$582	\$680	\$778
2.32	18,000	\$125	\$223	\$321	\$419	\$517	\$583	\$615	\$713	\$811	\$909
2.58	20,000	\$230	\$328	\$426	\$524	\$622	\$688	\$720	\$818	\$916	\$1,014
2.84	22,000	\$316	\$414	\$512	\$610	\$708	\$774	\$806	\$904	\$1,002	\$1,100
3.00	23,241	\$362	\$460	\$558	\$656	\$754	\$820	\$852	\$950	\$1,048	\$1,146
3.10	24,000	\$388	\$486	\$584	\$682	\$780	\$846	\$878	\$976	\$1,074	\$1,172
3.36	26,000	\$449	\$547	\$645	\$743	\$841	\$906	\$939	\$1,037	\$1,135	\$1,233

GROSS PROFIT AS A FUNCTION OF Au Price and Total Production From 1st 300 Meters of Channel											
Energy Costs Increased by 200%											
Placer Grade TrOz/m2	Placer Production (TrOz)	Refined Gold Price (CDN\$/Troy Ounce)									
		\$1,200	\$1,300	\$1,400	\$1,500	\$1,600	\$1,667	\$1,700	\$1,800	\$1,900	\$2,000
1.29	10,000	-\$861	-\$763	-\$665	-\$567	-\$469	-\$403	-\$371	-\$273	-\$175	-\$77
1.55	12,000	-\$521	-\$423	-\$325	-\$227	-\$129	-\$64	-\$31	\$67	\$165	\$263
1.81	14,000	-\$279	-\$181	-\$83	\$15	\$113	\$179	\$211	\$309	\$407	\$505
2.07	16,000	-\$97	\$1	\$99	\$197	\$295	\$361	\$393	\$491	\$589	\$687
2.32	18,000	\$45	\$143	\$241	\$339	\$437	\$502	\$535	\$633	\$731	\$829
2.58	20,000	\$158	\$256	\$354	\$452	\$550	\$615	\$648	\$746	\$844	\$942
2.84	22,000	\$250	\$348	\$446	\$544	\$642	\$708	\$740	\$838	\$936	\$1,034
3.00	23,241	\$300	\$398	\$496	\$594	\$692	\$757	\$790	\$888	\$986	\$1,084
3.10	24,000	\$328	\$426	\$524	\$622	\$720	\$785	\$818	\$916	\$1,014	\$1,112
3.36	26,000	\$393	\$491	\$589	\$687	\$785	\$850	\$883	\$981	\$1,079	\$1,177

CVG has the opportunity to forward hedge the purchase of LNG for the project which may help to reduce the risks associated with fluctuations in energy prices.

Table 17 - Summary of Phase 1 Capital Costs

Item	Unit Cost	Units	Total Cost
Absorption Chillers	\$750,000	2	\$1,500,000
Thermal Fluid Heater	\$400,000	3	\$1,200,000
Cubex Scorpion Drills	\$1,000,000	2	\$2,000,000
Freeze Pipe Assembly (19000m)			\$1,957,000
1250 KVA Genset (Including Waste Heat Recovery)	\$1,900,000	1	\$1,900,000
35 Man Camp	\$1,000,000	1	\$1,000,000
Mining Machine (used)	\$750,000	1	\$750,000
Scoop Trams (used)	\$250,000	3	\$750,000
Rock Truck (used)	\$250,000	2	\$500,000
Mine Ventilation	\$200,000		\$200,000
Electrical Service			\$200,000
Mine P/U Trucks	\$65,000	2	\$130,000
Shop Tools			\$120,000
Laboratory			\$100,000
Gold Separation Equipment			\$75,000
Office Trailers (Used)	\$15,000	3	\$45,000
500 KVA Rebuild	\$40,000	1	\$40,000
U/G Transport Vehicles	\$20,000	2	\$40,000
Office Furniture & Equipment			\$40,000
Shop Repair			\$20,000
Site Prep, Management, Labour & Misc			\$1,250,000
Equipment Capital			\$13,817,000
Contingency (15%)			\$2,072,550
Total Equipment Capital			\$15,889,550
Working Capital			\$3,000,000
Estimated Total Capital Requirement			\$18,889,550

ENVIRONMENTAL CONSIDERATIONS

Surface Wetlands

During CVG's operation of the Exploration Drift, the Ministry of the Environment and the Department of Fisheries and Oceans raised concern over the "drying up" of surface wetlands in the vicinity of the mining activity and pointed to the dewatering of the mine as a reason for this drying up.

These wetlands are recharged from two sources: by the natural seasonal surface drainage in the area, and by groundwater flowing from old, uncapped monitoring wells drilled into the confined lower aquifer. The artesian pressure in the confined lower aquifer is sufficient to cause these old wells to overflow onto the ground, enhancing the surface flow of water through the wetlands.

Historically, including the CVG Exploration Drift, mining activities have involved dewatering the gravels in the confined lower aquifer by pumping from one or more of the Melvin Shaft, Decline and/or dewatering wells. The dewatering of the lower aquifer temporarily eliminated the artesian flow from the old wells and therefore temporarily eliminated this supplemental source of recharge water into the surface wetlands. Once mining operations were completed and dewatering activities ceased, the artesian pressure returns to the confined lower aquifer and the old wells once again flow. As demonstrated by analysis of the CVG Exploration Drift well monitoring data contained in the Lorax Report, the confined lower aquifer is not connected to the upper unconfined surface aquifer and therefore dewatering or depressurizing the lower aquifer has no effect on the natural surface drainage through the wetlands.

It is important to note that CVG's current plan is not to dewater the confined lower aquifer but rather depressurize this aquifer by pumping and installing a well upstream of the mine area and pumping this well at a rate sufficient to reduce the hydraulic gradient over the mine area to near zero. This is being done for a variety of reasons as highlighted in Section "Groundwater Management" but primarily to enhance mine safety by improving the efficacy of the CVG's planned ground freezing program.

This strategy of depressurizing the hydraulic gradient over the mine area will reduce the artesian pressure in the confined lower aquifer sufficiently to also temporarily reduce or eliminate the ground water recharge of the surface wet lands from the old wells. CVG management has discussed this situation with the Department of Fisheries and Oceans and the parties have tentatively agreed that the issue would be mitigated by directing a portion of the groundwater being pumped to depressurize the confined lower aquifer to the surface wetlands as "make up" water. This groundwater is being pumped upstream of the mine and accordingly will not be influenced by mining activities. Therefore the water quality and physical characteristics will be identical to the current artesian flow of groundwater from the old wells. The amount of groundwater discharged into the wetlands will be sufficient to maintain the water level in the wetlands at a seasonally adjusted elevation as approve by DFO. Any groundwater not utilized to replace the artesian flow will be discharged into the permitted surface settlement ponds. Once mining has been completed the depressurization pumping will stop and the artesian pressure will report ground water to the surface through the old wells once again.

Surface Disturbance

All contemplated surface activities related to mining will be conducted within the boundaries of, and in accordance with CVG's permit #P-11-612 and therefore there is no planned surface disturbance outside this permitted area.

In 2011, while CVG was dewatering the confined lower aquifer in preparation for conducting its Exploration Drift program, a sink hole developed and the mine was temporarily flooded until CVG was able to mitigate the problem. This sink hole developed as a result of remobilization of a previous sink hole. The redevelopment of the sink hole and subsequent remediation is discussed in detail in a June 14, 2011 report prepared by Clifton and Associates Ltd.

The original sink hole occurred when Gold Ridge Resources was trying to first enter the gravels from the foot wall drift at the base of the decline. Although they had dewatered, they encountered saturated slums which flowed into the mine and created a sink hole to surface. The sinkhole had no connection to the creek so no mine flooding occurred and once the slums finished flowing, GRR was able to recover the mine. GRR remediated the sinkhole from surface by filling it with material on hand and installed a wooden bulkhead underground to restrict any further flow of material into the mine.

GRR then moved a few meters downstream and again tried to enter the gravels with a similar result except that while saturated slum flowed into the mine, no sink hole formed to surface. This second attempt was also abandoned and a wooden bulkhead was installed to restrict any further flow of material into the mine through this entry.

In contrast, the remobilization of this sinkhole in 2011 occurred under quite different circumstances. The confined lower aquifer was dewatered; however, Lightning Creek had swollen its banks due to the unusual size of the freshet and had saturated the soils including the volume of material used by GRR to loosely fill old sink hole. Ultimately this and the surrounding material collapsed again, reforming the sink hole and allowing surface water to flow into the mine around the wooden bulkhead installed by GRR. This connection was recharged by Lightning Creek which by now had eroded its original bank in the vicinity of the sinkhole and flowed freely into the mine. The mine flooded to the level of the vent raise drift where CVG was able to maintain its level by pumping until it could remediate the situation with a grout plug. To install the grout plug, CVG drilled holes from the vent raise drift and pumped polyurethane grout behind the wooden bulkhead. As this grout expanded, it successfully sealed off the inflow from the sink hole and allowed the mine to be pumped out. This grout plug was considered temporary, and subsequently, CVG sealed both of the GRR entries into the gravels from the footwall drift by installing engineered shotcrete bulkheads capable of withstanding the hydraulic pressures.

The circumstances leading to the development 2011 sink hole were unique and not expected to reoccur. There is no known (recorded) previous mining along the 300m channel proposed to be mined and therefore CVG does not anticipate any possible remobilization of historical sink holes. Furthermore, CVG does not plan to dewater the confined lower aquifer which eliminates any possible flow from the upper aquifer to the lower aquifer through old (unknown) connections that may exist and minimizes any risk of a sink hole developing or reforming.

It is possible that should a “window” (see “Groundwater Management”) form in the frozen structure isolating the mining block, saturated material from the high pressure area external to the frozen structure could flow into the low pressure (mine works) area internal to the frozen structure which could lead to a new sink hole forming to surface. As outlined in Section “Ground Freezing” and elsewhere in this report, CVG intends to minimize this risk through routine monitoring of the frozen structure and groundwater pressures (hydraulic gradient) in the confined lower aquifer.

Geotechnical Stability of Highway 26

During CVG’s operation of Exploration Drift, the Ministry of Transportation (“MOT”) raised concern over the geotechnical stability of Provincial Highway 26 being compromised by dewatering the mine area.

The geotechnical stability of the Highway is controlled by the surface aquifer, the soil moisture content of the road bed and the volume of heavy traffic. As mentioned in the previous section the confined lower aquifer is not connected to the upper unconfined surface aquifer and therefore dewatering or depressurizing the lower aquifer has no effect on the surface aquifer. Notwithstanding this, CVG’s groundwater management plan does not involve dewatering the confined lower aquifer. CVG’s plan to depressurize the confined lower aquifer is not expected to have any significant effect on the surface soil stability.

During the Exploration Drift program, CVG in consultation with MOT conducted a monitoring program of the driving surface on the highway while mining was being conducted. CVG will continue to work with the MOT to establish control points on the Highway Right of Way to monitor and identify any potential impacts that CVG’s mining activities may have and work with MOT, as needed, to mitigate any potential damage to the Highway.

Along the highway edge there is a clear line of sight from a point above the initial cross cut drift downstream to seismic line SL14-01. This segment of the highway is offset from but closest to the proposed mining area. During mining operations, CVG proposes to monitor the elevation of this segment of highway including an additional distance of 100m east and west of the segment. Stationary targets will be installed at intervals along the edge of the road shoulder and periodically surveyed from two convenient observation locations in road pullouts off of the edge of the highway so that there are no interruptions to traffic, and so that the work can be performed safely. This monitoring will ensure that there are no negative effects to the highway surface due to the freezing, or settlement issues post backfilling.

Permanent Closure

Permanent closure of the mine will involve:

1. Contouring to waste rock dump to maintain stability and seeding it with an acceptable mixture as approved by regulatory authorities to encourage the invasion of natural species.
2. Stripping mine workings of infrastructure and allowing them to flood, with all access points securely sealed to prevent entrance.

3. Removing surface building and infrastructure
 4. Grading the disturbed surface area and allowing it to overgrow naturally.
- The Company has budgeted up to \$2,000,000 to complete a permanent closure of the mine.

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**Appendix I:
Statement of Qualifications**

I Charles C. Downie currently residing at 716 Summit Place, Cranbrook, British Columbia, do hereby certify that:

I graduated with a Bachelor of Science Degree from the University of Alberta in 1988. I have practiced my profession as a Geologist continuously for a period of 28 years.

I co-authored the Technical Report titled “Technical Report on the Wingdam Property”, prepared for Omineca Mining and Metals Inc., and dated March 05, 2016 and I am responsible for all sections of the report.

I am registered with the Professional Engineers and Geoscientists in the Province of British Columbia as a Professional Geoscientist (License No. 20137).

I supervised the 2015 Geotechnical Program at the Wingdam Property on behalf Omineca Mining and Metals Inc. My last site visit to the Wingdam property extended from March 31- April 09, 2015.

I am considered to be a Qualified Person as defined in NI 43-101 Standards of Disclosure for Mineral Properties. However I am not independent of Omineca Mining and Metals Inc. and the Property as defined in NI 43-101 Section 1.5. I currently control common shares of Omineca Mining and Metals Inc. and in addition serve as President of Omineca Mining and Metals Inc. and serve on the Board of Directors.

I have had no other prior involvement with the Wingdam Property that is subject to the technical report.

I have read National Instrument NI 43-101 Standards of Disclosure for Mineral Projects and have prepared the technical report in compliance with this Instrument. This is not a Technical Report as required under Section 4 of NI 43-101, and as such it does not follow the form for Technical Reports as stipulated under Section 4.3 of NI 43-101.

As of the date of the certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

Dated this 05th day of March, 2016 in Cranbrook, B.C.

Charles C. Downie, P.Geo

**Appendix II:
Deep Lead Channel
Drift Sample Metallurgical Certificates**



ALS Minerals

ALS Canada Ltd.
2103 Dollarton Hwy
North Vancouver BC V7H 0A7
Phone: 604 984 0221 Fax: 604 984 0218 www.alsglobal.com

To: CVG MINING LTD
BOX 4580
QUESNEL BC V2J 3J8

Page: 1
Finalized Date: 7-JUN-2012
Account: CVGMIN

QC CERTIFICATE VA12114777

Project: Wingdam Project
P.O. No.:
This report is for 1 Pulp sample submitted to our lab in Vancouver, BC, Canada on 22-MAY-2012.
The following have access to data associated with this certificate:
STEPHEN KOCIS LEN SINCLAIR

SAMPLE PREPARATION	
ALS CODE	DESCRIPTION
WEJ-21	Received Sample Weight
LOG-24	Pulp Login - Rcd w/o Barcode

ANALYTICAL PROCEDURES		
ALS CODE	DESCRIPTION	INSTRUMENT
ME-GRA24	Au Ag in Bullion FA-GRAV	WST-SIM

To: CVG MINING LTD
ATTN: LEN SINCLAIR
BOX 4580
QUESNEL BC V2J 3J8

This is the Final Report and supersedes any preliminary report with this certificate number. Results apply to samples as submitted. All pages of this report have been checked and approved for release.

Signature: 
Colin Ramshaw, Vancouver Laboratory Manager



ALS Minerals

ALS Canada Ltd.
2103 Dollarton Hwy
North Vancouver BC V7H 0A7
Phone: 604 984 0221 Fax: 604 984 0218 www.alsglobal.com

To: CVG MINING LTD
BOX 4580
QUESNEL BC V2J 3J8

Page: 2 - A
Total # Pages: 2 (A)
Finalized Date: 7-JUN-2012
Account: CVGMIN

Project: Wingdam Project

QC CERTIFICATE OF ANALYSIS VA12114777

Sample Description	Method Analyte Units LOR	ME-CRA24	ME-CRA24
		Au fineness 1	Ag fineness 1
DUPLICATES			
CC1-PG-1		909	82
DUP		909	82
Target Range - Lower Bound		895	79
Upper Bound		933	85

