BMC (UK) LIMITED

6 June 2017

Positive Prefeasibility Study Results and Ore Reserve Estimate for proposed ABM Mine at Kudz Ze Kayah Project, Yukon

BMC (UK) LIMITED ("BMC" or the "Company"), a private UK-based resources development company, today announces positive Prefeasibility Study ("PFS") results for its proposed ABM Zn/Cu/Pb/Ag/Au mine at the Kudz Ze Kayah Project ("KZK"). The ABM deposit is a zinc-dominant polymetallic volcanogenic massive sulphide ("VMS") deposit with significant copper, lead and precious metals credits. The KZK Project is owned through BMC's 100% subsidiary BMC MINERALS (No. 1) LTD ("BMC Minerals"), and is located east of Whitehorse in the Yukon Territory, Canada.

PFS Highlights:

- **Probable ABM Ore Reserve (JORC 2012) comprising:**

  17.6 Mt @ 5.5% Zn, 1.6% Pb, 0.8% Cu, 130g/t Ag, 1.2g/t Au

- **Production commencing first half 2021;**
- **10-year approximate mine life from the ABM Deposit;**
- **US$594 million net present value (after tax, at a 7% discount rate) base case model (at time of decision to construct)[1];**
- **US$298 million preproduction capital cost, including owners and indirect costs of US$40 million and contingency of US$21 million;**
- **Low operating costs with life of mine C1 costs and all in sustaining cost of US$(0.29) and US$(0.13) per lb Zn respectively, net of by-products[2];**
- **88% of ore will be mined by low cost open pit mining, with the remainder sourced from a small underground mine;**
- **Conventional flotation processing technology will be utilised to produce separate zinc, lead and copper concentrates, with significant precious metal credits;**
- **38% after tax IRR with rapid payback of pre-production capital within 2 years of first production;**
- **Using current metal prices and foreign exchange rate[3], net present value (after tax, at a 7% discount rate) increases to US$630 million and after tax IRR increases to 42%;**
- **Using current concentrate treatment charges, in addition to current metal prices and foreign exchange rate increases net present value (after tax, at 7% discount rate) to US$736 million and after tax IRR to 47%.**

[1] Base Case: Metal prices and exchange rate based on long term consensus assumptions of Cu US$2.95/lb, Zn US$1.07/lb, Pb US$0.94/lb, Au US$1,292/oz, Ag US$19.31/oz and exchange rate of C$1.00:US$0.79.

[2] Zinc production accounts for approximately 30% of net revenue. On a co-product basis, C1 costs are US$0.21 per lb Zn, US$0.17 per lb Pb, US$0.69 per lb Cu, US$426 per oz Au and US$6.14 per oz Ag.

[3] As at 26th May 2017: Cu US$2.57/lb, Zn US$1.19/lb, Pb US$0.95/lb, Au US$1,265/oz, Ag US$17.29/oz, exchange rate C$1.00:US$0.74.

Outlook:

- The project entered the initial permitting stage with the Yukon Environmental and Socio-economic Assessment Board ("YESAB") on March 17 of this year.
- BMC is aiming to commence construction in H2 2019 with commissioning in H1 2021.

Future Work:

In the coming year, project development will focus on a number of key areas:

- Progression of the Project Proposal through the YESAB assessment process;
- Continue negotiations with Kaska First Nations to agree on an updated Socio-Economic Participation Agreement;
- Undertake specific optimisation projects to improve the current PFS project value and an assessment of the potential for gravity gold recovery; and
- Complete scoping studies on satellite projects to the ABM deposit, including GP4F, Wolf and Fyre Lake to assess the potential for improving overall project value.

Commenting today, BMC (UK) LIMITED CEO, Scott Donaldson stated: "*The Prefeasibility Study for the ABM mine at Kudz Ze Kayah exceeds the expectations the Company had at the time of acquisition in 2015. KZK is a robust, high margin project, with compelling economics in a favourable mining jurisdiction. The strong project economics combined with our strong relationship with the local community points towards a potentially successful project that can provide good returns for the Company, with significant and sustained local benefits*."

KZK PFS

The KZK PFS outlines the development of a 2 million tonne per annum (Mtpa) mining operation (open pit and underground), concentrator processing facility and associated infrastructure at ABM. The PFS is solely based on mining of the ABM deposit, one of several VMS deposits in the region controlled by BMC Minerals. BMC believes that the region is highly prospective for further discoveries, in addition to the known deposits for which Mineral Resource estimates (JORC 2012) have already been completed. Future additional work will be undertaken by BMC Minerals to investigate further opportunities that may exist through incorporating these additional deposits into the KZK Project.

PFS Key Results

- Annual mine production of 2 Mtpa at an average diluted grade of 5.5% zinc, 1.6% lead, 0.8% copper, 130 g/t silver and 1.2 g/t gold, over a mine life of approximately 10 years.
- 88% of ore will be mined by low cost open pit mining, with the remainder sourced from a small underground mine.
- Conventional flotation processing technology will be utilised to produce separate zinc, lead and copper concentrates, with significant precious metal credits.
- Filtered tailings will be stored in an engineered, purpose designed and built dry stack storage facility that supports the Company's goals of progressive reclamation and restoration of the project area to its pre-mining state upon completion of operations.
- Average annual metal in concentrate production at steady state production of 95,150 tonnes of zinc, 18,770 tonnes of lead, 13,930 tonnes of copper, 6,900,000 ounces of silver and 54,920 ounces of gold, with concentrates to be transported to the ports of Stewart (British Columbia) or Skagway (Alaska) for sale to market.
- Base case metal prices and exchange rate are based on long term consensus assumptions, using flat metal prices of Cu US$2.95/lb, Zn US$1.07 /lb, Pb US$0.94/lb, Au US$1,292/oz, Ag US$19.31/oz and a flat exchange rate of C$1.00:US$0.79.

- Base case project economics of:
  - Preproduction capital cost of US$298 million, including owner and indirect costs of US$40 million and US$21 million contingency.
  - Total life of mine ("LOM") capital costs of US$417 million.
  - Average annual EBITDA at steady state production of US$237 million.
  - Average site operating costs of US$70.6 /tonne ore mined and processed.
  - Life of mine C1 cost of US$(0.29) per lb Zn[4].
  - Life of mine average all-in sustaining cost of US$(0.13) per lb Zn.
  - After tax, net present value ("NPV") of US$594 million (at time of decision to construct), at a 7% discount rate.
  - After tax IRR of 38% (at time of decision to construct).
  - Pre-production capital payback period of 2.0 years.

The PFS has identified several opportunities for project enhancement, which will be assessed during 2017/18. These opportunities include:

- Completing more detailed assessments of construction material requirements to reduce pre-production mining requirements and pre-production capital costs.
- Conversion of approximately 700,000 tonnes of Inferred Mineral Resource in the open pit and underground mines to an Indicated Mineral Resource classification, so as to bring additional Probable Reserves into the mine plan.
- Improvement in metallurgical recoveries including increased recovery of gold and silver into the copper and lead concentrates through the uses of a low-cost, gravity recovery circuit.

Summary of PFS Results

The base case described in the PFS includes an open pit and underground mining operation, concentrator processing facility and associated infrastructure.

Ore will be mined at a nominal rate of 2 Mtpa, initially by an open pit, with a supplementary underground mining operation being developed from the end of the second year of operations.

Over the mine life, a total of 17.8 million tonnes ("Mt") of ore will be processed, at an average diluted grade of 5.5% zinc, 1.6% lead, 0.8% copper, 130 g/t silver and 1.2 g/t gold.

In addition, 275,000 tonnes of inferred mineralisation contained within the designed pit has been included in the mine plan and processed at the end of mine life. Key physical data from the PFS is summarised in Table 1.

[4] Zinc production accounts for approximately 30% of net revenue. On a co-product basis, C1 costs are US$0.21 per lb Zn, US$0.17 per lb Pb, US$0.69 per lb Cu, US$426 per oz Au and US$6.14 per oz Ag.

Physicals	Unit		
Project construction	months	20	
First production	date	Q2 2021	
Final production	date	Q2 2030	
Processing rate	Mtpa	2.0	
Ore processed	tonnes	17,800,000	
Zinc grade	%	5.5	
Lead grade	%	1.6	
Copper grade	%	0.8	
Silver grade	g/t	130	
Gold grade	g/t	1.2	
Concentrate Production		Annual Average at Steady State	Life of Mine
Copper	dmt	60,800	524,600
Zinc	dmt	184,800	1,625,100
Lead	dmt	33,200	303,100
Metal Production		Annual Average at Steady State	Life of Mine
Copper	tonnes	13,930	119,800
Zinc	tonnes	95,150	846,400
Lead	tonnes	18,770	169,700
Gold	oz	54,920	489,800
Silver	oz	6,900,000	60,962,000

Table 1: Key physical data derived from PFS – Base Case

Pre-production capital costs have been estimated at US$298 million (at the long-term FX rate assumed), and sustaining capital costs at US$119 million, as summarised in Table 2. Total capital requirement over the life of mine has been estimated at US$417 million. The capital cost estimate is considered accurate to +/- 20% as at September 2016, and cost escalation has not been applied after this date.

Capital Cost Summary	Pre-production (US$ million)	Sustaining (US$ million)	Total (US$ million)
Open Pit Mining	39.6	13.1	52.7
Underground Mining	0.0	16.6	16.6
Processing	103.5	5.6	109.1
Paste Backfill Plant	0.0	11.5	11.5
Infrastructure	93.6	0.7	94.3
Closure	0.0	70.6	70.6
Total Direct Costs	**236.7**	**118.1**	**354.8**
Owners and Indirect	39.6	0.0	39.6
Contingency	21.5	1.0	22.4
Total Capital Costs (US$ million)	**297.7**	**119.1**	**416.9**

Table 2: Capital cost summary – Base Case

The operating cost estimates are based on a combination of experience, reference projects, first principle calculations, third party quotes and estimates, and other factors as appropriate for a PFS. The total LOM costs are summarised in Table 3 and are considered accurate to +/- 15% as at September 2016. The costs presented exclude capitalised pre-production mining costs which are included in the pre-production capital costs.

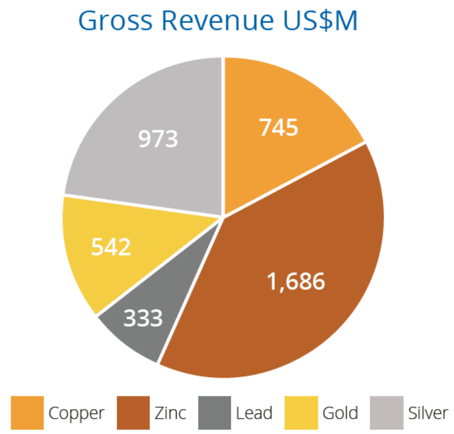
Operating Cost Summary	LOM Total (US$ million)	Average Unit Cost (US$/t processed)
Open Pit Mining	430.70	24.15
Underground Mining	147.80	8.29
Processing	312.00	17.50
Administration	134.50	7.54
Operating leases	33.40	1.87
Royalties	200.40	11.24
Total Operating Cost	**1,258.80**	**70.59**

Table 3: Operating cost summary – Base Case

The PFS demonstrates that the project will be a robust, high-margin project. Key economic results are summarised in Table 4, and are based on long term metal consensus prices of US$1.07/lb zinc, US$0.94/lb lead, US$2.95/lb copper, US$19.31/oz silver and US$1,292/oz gold and a foreign exchange rate of C$1.00:US$0.79.

Economic Summary	Unit	
LOM Gross Revenue	US$ million	4,279
LOM Net Revenue	US$ million	3,192
LOM Operating Margin	US$/tonne	108.30
LOM Operating Margin	%	45%
LOM Free Cashflow, after tax and net of pre-production capital costs	US$ million	1,040
NPV on decision to construct, after tax (7% discount rate)	US$ million	594
IRR on decision to construct, after tax	%	38%
Payback period, after tax	years	2.0

Table 4: Economic Summary - Base Case



The difference between Gross Revenue and Net Revenue is due to costs and charges incurred once concentrate departs the mine site, and includes road and sea freight, concentrate treatment and refining charges and concentrate penalty costs. As per industry convention, these costs are deducted from Gross Revenue to define Net Revenue and are not identified as Operating Costs in Table 3.

Compared to other zinc producers and utilising CRU's, 2016 cost curve that includes site operating expenditure, transport, sales and marketing costs, and sustaining capital expenditure (*Figure 1*), KZK will sit amongst the world's lowest cost zinc producers. Costs presented in Figure 1 do not include by-product credits.

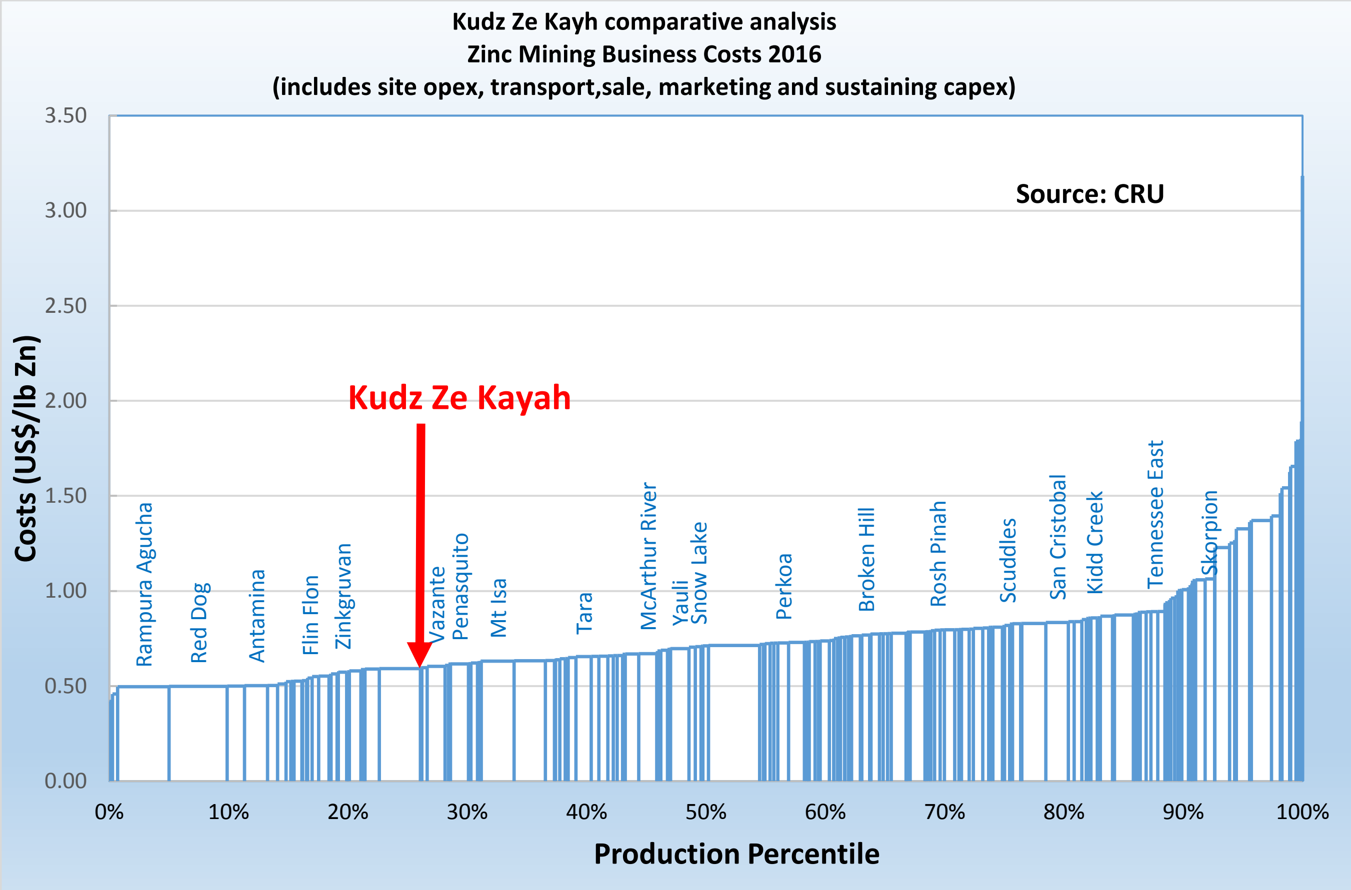


Figure 1: CRU comparative cost curve

The sensitivities of changes in key variables on the base case NPV are shown in *Figure 2*. The sensitivities presented assume a single variable is changed in isolation, with no other changes in related variables. In some instances (for example the inverse relationship between concentrate grade and processing recovery) this is a simplification.

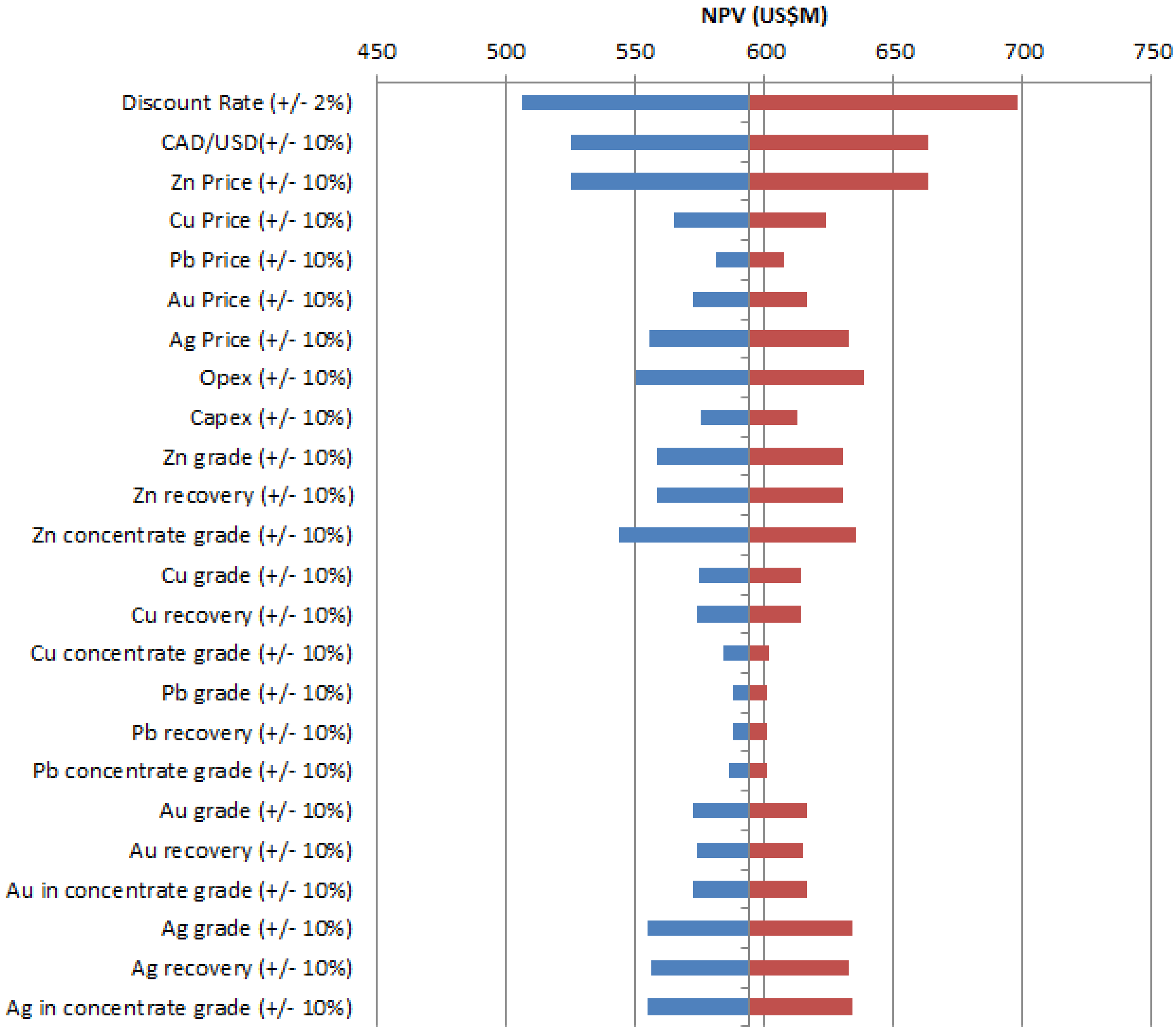


Figure 2: Key Variable Sensitivities – Base Case

Mineral Resource Estimate

A Mineral Resource Estimate for the ABM Deposit was prepared by CSA Global Pty Ltd in accordance with the JORC Code (2012), and has an effective date of November 2016. Mineral Resources reported below are inclusive of Ore Reserves.

	Tonnes Mt	Cu wt%	Pb wt%	Zn wt%	Au g/t	Ag g/t	Cu metal kt	Pb metal kt	Zn metal kt	Au koz	Ag Moz
ABM Deposit											
Indicated	18.3	0.9	1.9	6.3	1.4	148	164.4	346.5	1,154.8	828.1	87.4
Inferred	0.9	1.1	1.6	6.9	1.1	138	9.2	13.6	58.9	30.3	3.8
TOTAL	**19.2**	**0.9**	**1.9**	**6.3**	**1.4**	**148**	**173.6**	**360.1**	**1,213.7**	**858.4**	**91.2**

Table 5: ABM Mineral Resource Estimate – November 2016

Ore Reserve Estimate

The Ore Reserve Estimate for the ABM Deposit was prepared by Entech Mining Ltd under the direction of BMC Minerals in accordance with the JORC Code (2012), and has an effective date of December 2016. All ore reserves are classified as Probable Reserves.

	Tonnes Mt	Cu wt%	Pb wt%	Zn wt%	Au g/t	Ag g/t	Cu metal kt	Pb metal kt	Zn metal kt	Au koz	Ag Moz
ABM Zone	14.7	0.9	1.4	5.5	1.2	120	129.7	209.3	806.1	563.2	56.7
Krakatoa Zone	0.9	0.4	3.1	6.1	1.8	222	3.5	26.6	52.0	49.6	6.1
Total Open Pit	**15.5**	**0.9**	**1.5**	**5.5**	**1.2**	**126**	**133.2**	**235.9**	**858.2**	**612.8**	**62.8**
Krakatoa Underground	2.1	0.5	2.4	5.6	1.3	156	10.1	49.2	115.2	87.6	10.3
TOTAL RESERVES	**17.6**	**0.8**	**1.6**	**5.5**	**1.2**	**130**	**143.3**	**285.1**	**973.3**	**700.4**	**73.1**

Table 6: ABM Ore Reserve

The Ore Reserve Estimate includes material extracted from the designed open pit and underground excavations that is sourced from the Measured and Indicated Mineral resource and has a block value greater than the designated net smelter return ("NSR") for the relevant type of mining. All open pit Ore Reserves are reported to a cut-off NSR value of C$29.33 / tonne, while underground Ore Reserves are reported to cut-off NSR values of C$117.05 / tonne for cut and fill stoping and C$98.63 / tonne for longhole stoping. The NSR values have been calculated from 2016 consensus metal prices of US$2.87/lb copper, US$1.00/lb zinc, US$0.94/lb lead, US$1,291/oz gold, US$19.38/oz silver and an exchange rate of C$1.00:US$0.80.

Reporting and modelling of financial results was carried out in May 2017 using current long term consensus metal prices of US$2.95/lb copper, US$1.07/lb zinc, US$0.94/lb lead, US$1,292/oz gold, US$19.31/oz silver and an exchange rate of C$1.00:US$0.79. The Ore Reserve Estimate was reviewed under the revised metal price and exchange rate settings and no adjustments to the calculated Ore Reserves were necessary.

The Ore Reserve Estimates take into consideration on-site operating costs, selling costs, geotechnical analysis, metallurgical recoveries, allowances for mining recovery and dilution and overall economic viability as detailed in the PFS. BMC initiated permitting of the KZK Project in March 2017 with the submission of the Project Proposal to the YESAB.

Mining

The majority of the ABM deposit will be mined by open pit mining methods. A single pit will be mined (*Figure 3*), with mining of the ABM Zone staged into three separate phases, and the Krakatoa Zone mined in a single phase. A total of 15.5 Mt of ore and 138.8 Mt of waste will be mined by open pit mining methods, for an average LOM strip ratio of 8.95:1. The Stage One ABM Zone pit has a strip ratio of 4.5:1, ensuring a rapid payback of pre-production capital.

Open pit mining is planned to be completed over a period of approximately 10.5 years, inclusive of pre-production mining requirements.

With the open pit mining the majority of the ABM Zone mineralization, underground mining has only been considered for the Krakatoa Zone of the deposit. The primary mining method planned for the underground mine is overhand cut and fill, which will be used for mining of the Main Lens. Long hole stoping with fill will be used for mining of smaller lenses in the hanging wall and foot wall to the Main Lens. All underground stope voids will be filled with paste or cemented aggregate backfill.

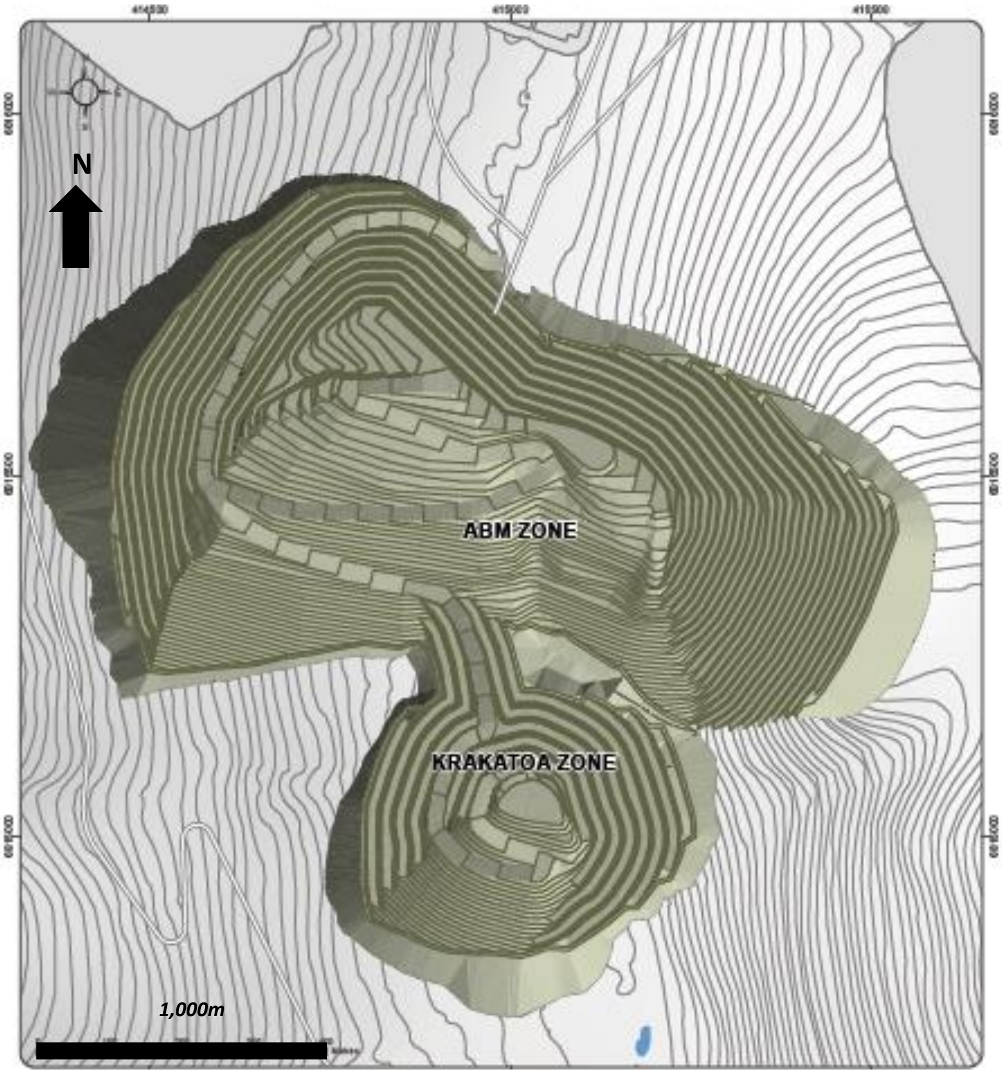


Figure 3: Open pit mine design: ABM and Krakatoa Zone - field of view 1,300m, 5m contours.

The underground mine (*Figure 4*) is planned to commence at the end of Year 2 of the mine plan when the ABM Zone Stage One open pit has been advanced sufficiently to access the planned in-pit portal locations. The underground schedule will finish just prior to completion of open pit mining at the end of Year 9.

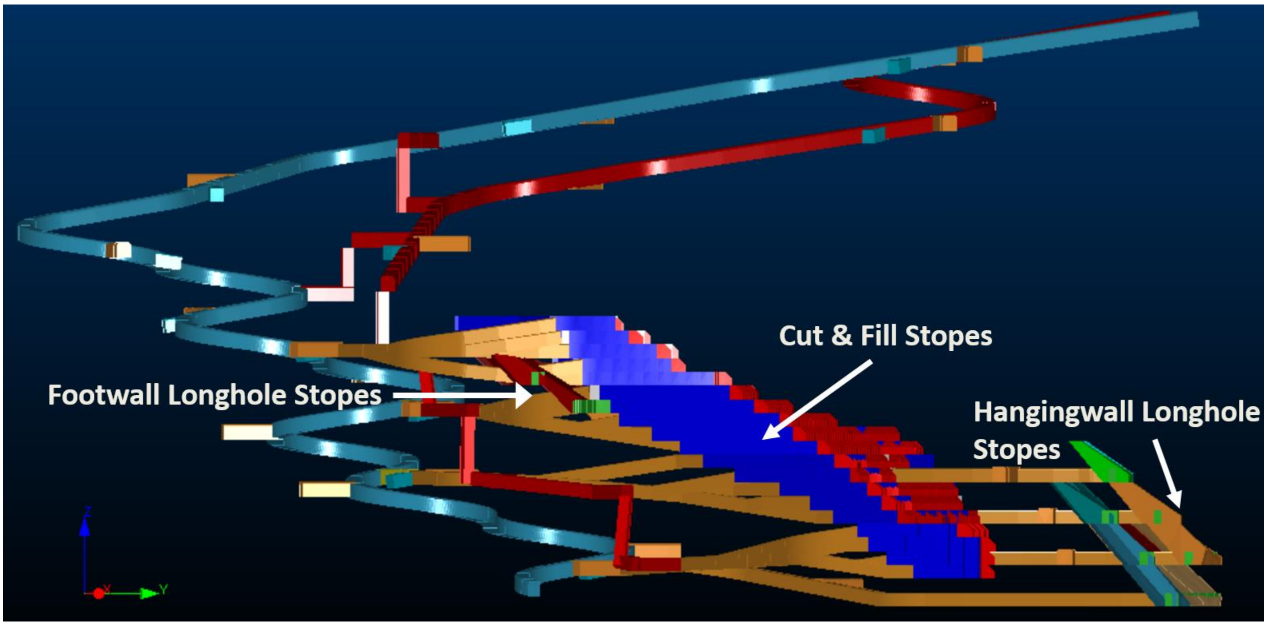


Figure 4: Underground mine design: Krakatoa Zone –portal access inside ABM open pit.

Metallurgical test work and Concentrator design

The previous owner of the KZK project completed a large quantity of metallurgical test work in the 1990's, forming a solid foundation for planning a new programme of confirmatory and optimisation test work. Since acquiring the project, BMC Minerals has prepared new metallurgical composites and completed further test work with ALS Laboratories in Perth, Australia, and SGS in Vancouver, Canada confirming that conventional flotation processes can be utilised to produce separate zinc, lead and copper concentrates of commercial grades at acceptable recoveries.

Based on the metallurgical test work, relationships were developed for concentrate grade and processing recovery to ore head grade, and LOM processing recoveries and concentrate grades are detailed in Table 7 below. Further test work will be required as part of a Feasibility Study to confirm some of the assumptions and extrapolations made in developing the recovery parameters. At this time, precious metals recoveries are based on flotation recoveries only and do not include any provision for recovery via a gravity circuit. The capital costs for a gravity circuit have been included in the PFS on the expectation that future testwork will demonstrate that gravity recovery of gold is beneficial to the project. Recovery improvements have been indicated by preliminary gravity recovery test work, however additional work is required to support gravity recovery predictions and this work is planned to be completed in 2017.

Life of Mine	Cu %	Pb %	Zn %	Au g/t	Ag g/t
Copper Concentrate Grade	22.8%			21.1	2,176
Lead Concentrate Grade		56.0%		9.3	1,573
Zinc Concentrate Grade			51.5%	0.8	169
Metallurgical Recoveries	81.5%	58.7%	85.9%	69.0%	82.3%

Table 7: Life of mine metallurgical recoveries and concentrate grades, with no allowance for gravity recovery of precious metals

The process plant design criteria were derived from the metallurgical test work results. The key criteria selected for the plant design are:

- Nominal treatment rate of 2.0 Mtpa of ore.
- Design availability of 93% (after ramp-up) with allowance for standby equipment in most areas to achieve this availability.
- Sufficient plant design flexibility for treatment of ore blend types at the design throughput.

The proposed process plant design is based on a flowsheet with unit operations that are well proven in the base metals industry, incorporating the following unit process operations:

- Primary crushing using a jaw crusher to produce a crushed product size of nominally 80% passing (P_{80}) 90 mm based on the known nature of the ore.
- Stacking of ore onto a conical, covered stockpile with a nominal 12 hour, live capacity.
- Semi-autogenous grinding ("SAG") mill/ball mill configuration comminution circuit including open circuit SAG mill and closed-circuit ball mill grinding with potential for recycle of some of the cyclone underflow to the SAG mill, to produce a P_{80} grind size of 70 µm.
- Gravity gold recovery on part of the cyclone underflow in the grinding circuit using a centrifugal concentrator, with secondary upgrade in the gold room via a shaking table (included in plant design and capital cost estimates, however gravity gold recovery has not been included in plant recoveries shown in Table 7).
- Sequential flotation of copper, lead and zinc using conventional pre-float, rougher and cleaner flotation cells.
- Regrinding of copper, lead and zinc rougher concentrate with fine grinding mills.
- Thickening and filtration of the separate copper, lead and zinc concentrates.
- Storage of the concentrate and load-out via front end loader and truck.

- Dewatering of the flotation tailings by thickening and filtration with the residual filter cake either transported to the dry stack tailings storage facility or combined with cement to produce underground paste backfill.
- Concentrator water and air services and associated infrastructure.

Infrastructure

Infrastructure required for the development of the project includes upgrading of the existing tote road and Finlayson airstrip, construction of waste rock and dry stack tailings storage facilities, water management facilities, site power generation equipment, camp, paste backfill, fuel and explosive storage facilities. Waste rock and tailings will be stored in specialist designed waste storage facilities according to the assessed potential of the material for acid generation and metal leaching. Waste rock that is strongly reactive will be co-disposed with dry stack tailings in a single storage facility that allows progressive reclamation to limit contact with water and oxygen, as well as removing the long-term storage risk associated with conventional wet tailings disposal.

Diversion ditches will be constructed to divert non-contact water around the site, with contact water collected for storage, reuse and treatment as required to ensure that site water discharge quality requirements are achieved.

Concentrate Quality and Marketing

Metal concentrates will be transported by road to the ports of Stewart (British Columbia) or Skagway (Alaska) for delivery to market. It is expected that Asian smelters will be the primary destination for all concentrates produced by the KZK project.

Direct marketing has not been completed for concentrates as part of the PFS, however assays of concentrates produced from the metallurgical test work programme have been reviewed by independent concentrate traders, who have confirmed that they expect all concentrates will be able to be successfully marketed. Allowances have been made in the financial model for expected penalty charges relating to deleterious elements in concentrates. Although no marketability issues have been identified, the commissioning (first 12-18 months) copper concentrate will contain elevated levels of arsenic, antimony and mercury combined with very high precious metals content. This commissioning concentrate will have a very specific market and will incur increased treatment cost penalties; allowances have been made for this within the PFS.

Permitting

BMC Minerals submitted a Project Proposal to YESAB for development of the project on March 3rd, 2017, which was accepted on March 17th. The Project Proposal is currently undergoing adequacy review, after which it will progress to screening. BMC Minerals will actively manage and respond to information requests from the Assessment Board to enable progression through the permitting process in a timely manner.

The Project Proposal was supported by the collection of approximately 17 years of baseline data by the previous project owner, plus a further 2 years of data collected by BMC Minerals subsequent to the acquisition of the project. Consultation and engagement with Kaska First Nations, government and other stakeholders has been a key focus in the preparation of the Project Proposal.

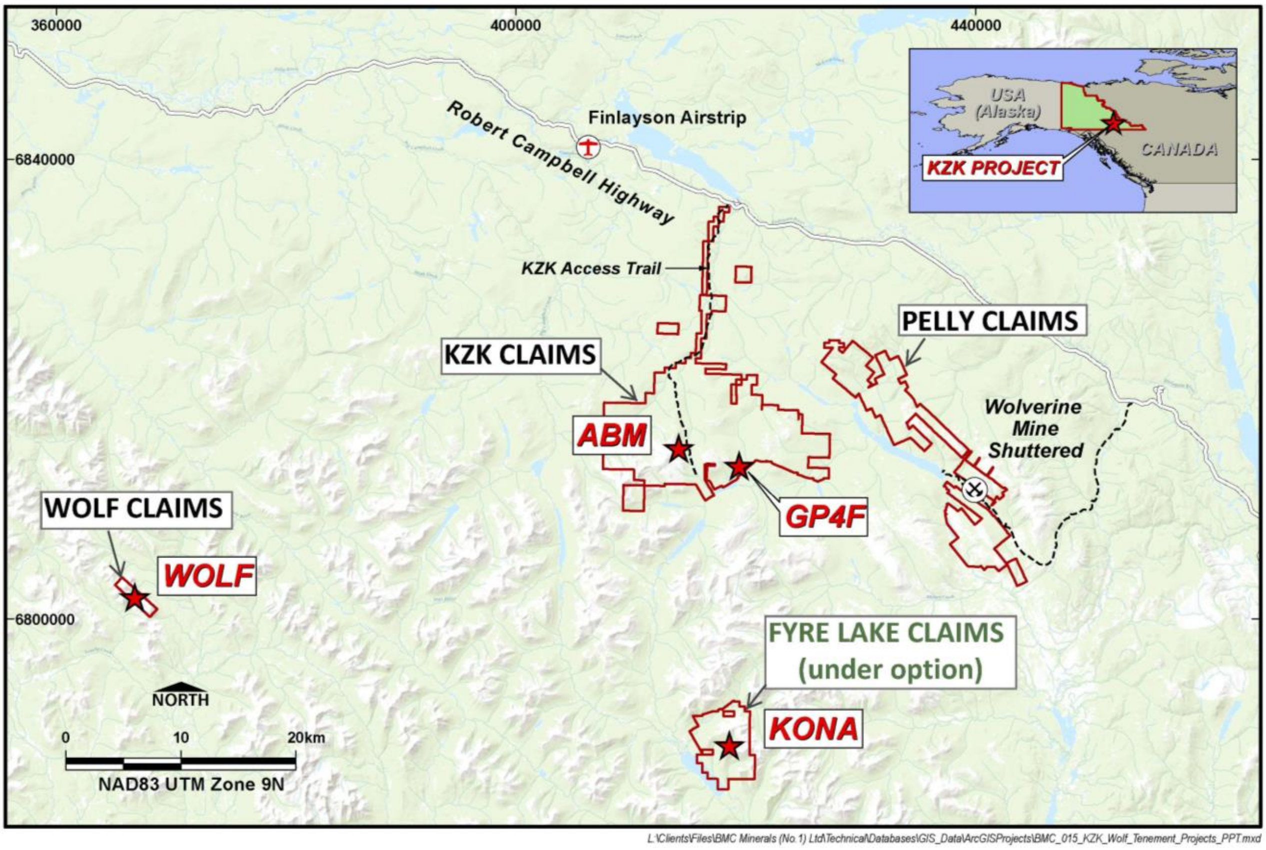


Figure 5: BMC Minerals project outline. The claim blocks are held 100% by BMC Minerals and, in the case of the Fyre Lake claims encompassing the Kona deposit, under an option to purchase agreement.

Additional Information

BMC

BMC Minerals (No.1) Limited is the Canadian subsidiary of BMC (UK) Limited, a mining development company. It was created as the result of a strategic relationship between a team of established mine developers and a major natural resources private equity group focused on advancing superior base metals assets into development. The BMC executive team has a strong track record of discovery, development and operation of independent zinc, copper and other base metals projects worldwide. BMC seeks to identify, acquire and develop a portfolio of metals assets during the current depressed commodity prices, with the express intent of delivering a new suite of mining ready production assets into the next commodity cycle upturn.

BMC is the owner of the KZK project in the southeast Yukon. The company identified the KZK Project as having the potential for full mine development due to its size, grade, metallurgical properties and the opportunity for resource growth. On March 27th 2017, YESAB advised the Company that they had accepted the Company's Project Proposal and that it was being advanced to the check for "Adequacy" stage with an effective date of 17th March 2017.

BMC is a strong supporter of local businesses; during the 2016 field season nearly 100% of suppliers and major contractors employed at KZK were from the Yukon or had a strong Yukon background. Of that number, over 70% were from businesses or corporations associated with Kaska or other First Nation corporations or members. BMC believes the KZK Project will mean enhanced business opportunities for local involvement as well as employment training, work skills and increased meaningful opportunities for employment at supervisory and management level and intends to continue to promote the use of local businesses in the development and the operation of the project as far as is practicable.

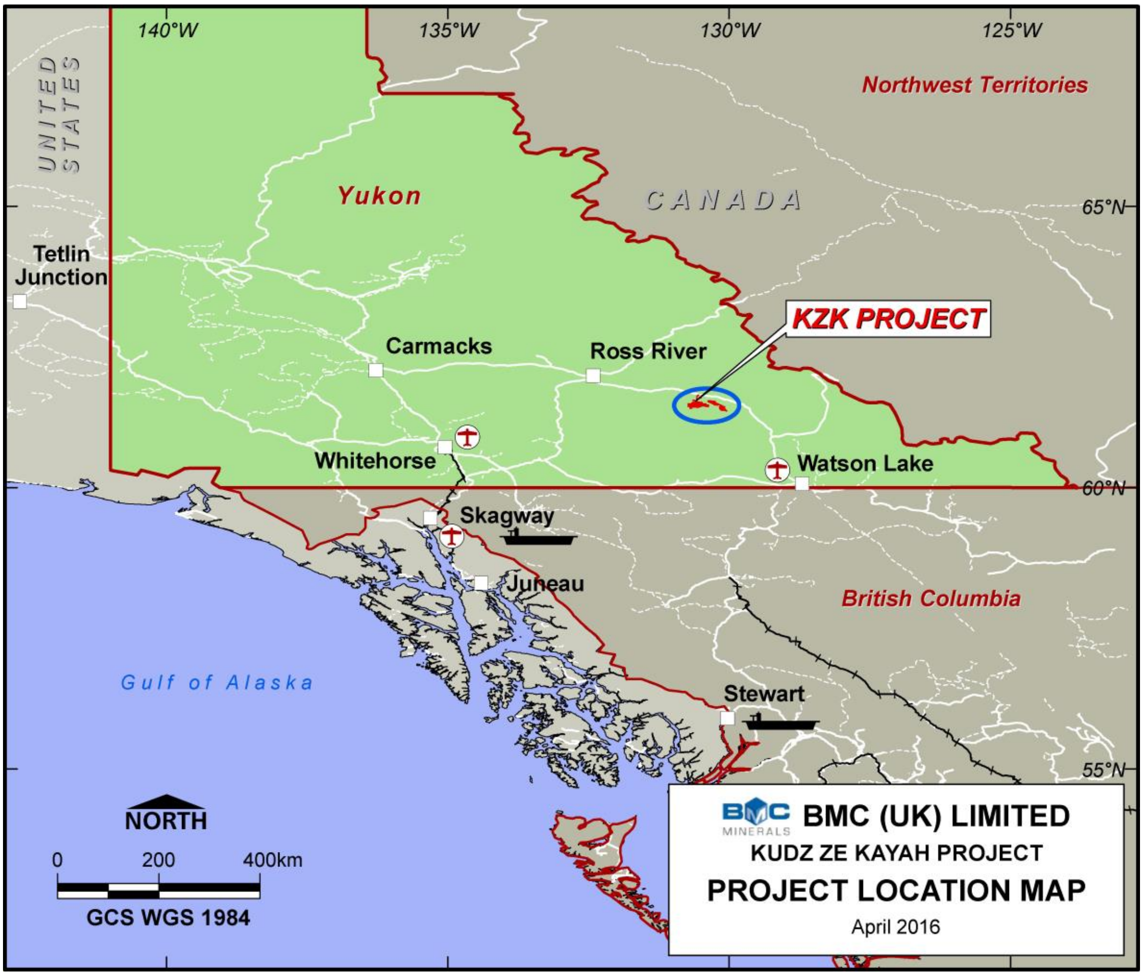


Figure 6: Location of KZK Project, Yukon, Canada

KZK Project

The ABM deposit is located within the KZK Project which is in turn situated on the northern flank of the Pelly Mountain Range, 260 km northwest of Watson Lake and 115 km southeast of Ross River in Yukon, Canada (*Figures 5 & 6*). The Project area lies approximately 23 km south of Finlayson Lake and 25 km west of the Wolverine Mine (Yukon Zinc). The project is accessed via a 20 km long access road from the Robert Campbell Highway, and all season road access exists to ice free port facilities at Skagway (Alaska) and Stewart (British Columbia).

BMC, through its wholly owned Canadian subsidiary BMC Minerals (No. 1) Ltd, purchased the KZK Project from Teck Resources Limited (“Teck”) on 14th January 2015. The ABM project area is covered by a Socio-Economic Participation Agreement (“SEPA”), with both BMC and the Ross River Dena Council, on behalf of the Kaska Nation, being party to the SEPA. BMC and Kaska are currently in discussion aimed at modernising this agreement.

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JORC Competent Person Statement

The information in this report that relates to the ABM Deposit Mineral Resource has been compiled by Aaron Green, who is a full-time employee of CSA Global Pty Ltd. Mr Green is a Member of the Australian Institute of Geoscientists and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012). Mr Green consents to the disclosure of this information in this report in the form and context in which it appears.

The information in this report that relates to the Ore Reserves has been compiled by George Smith, who is a full-time employee of BMC (UK) LIMITED. Mr Smith is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012). Mr Smith consents to the disclosure of this information in this report in the form and context in which it appears.

The information in this report that relates to the other Mineral Resources is in part a compilation of previously published data for which a Competent Persons consent was obtained. Their consent remains in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent. The information in this report has been extracted from the BMC Public Releases ***"Mineral Resource Update for KZK Zn-Pb-Cu-Ag-Au Project, Yukon" dated 10th November 2016, Preliminary Wolf Deposit Mineral Resource Estimate, Kudz Ze Kayah Project, Yukon dated 23rd January 2017, and BMC Acquires Option over Fyre Lake (Cu-Au) Property, Yukon dated 23rd January 2017,*** *and these are available on the BMC website www.bmcminerals.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements*

Forward Looking Statements

These materials include forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

Appendix 1 JORC Code – Table 1

Section 1: Sampling Techniques and Data (Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	The ABM Zone was sampled using diamond drill holes at nominal 50 m spacing on 25 m north-south oriented sections extending out to 100 m on the peripheries of the deposit. The Krakatoa Zone is sampled targeting pierce points of 25 m to 60 m in the central portion of the deposit to 100 m on the peripheries. Drilling at the project was completed by Cominco from 1994 through 1998 (199 holes). Since 2015, BMC MINERALS (No. 1) LTD. completed a further 164 holes for 30,853.96 m at the ABM deposit. A total of 335 diamond drill holes define the ABM deposit for 55,782.36 m of drilling. 241 assayed drill holes intersect the interpreted mineralization zones. ABM holes were generally angled (–30° to –90°) towards grid south with dip angles set to optimally intersect the mineralized horizon. Approximately 20% of the holes have been drilled vertically. Krakatoa holes mostly drilled grid southwest and angled at –30° to –90° to avoid bounding faults. Only one hole was drilled vertically.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Diamond drilling was used to delineate the resource. Diamond core was used to obtain high quality samples that were logged for lithological, structural, density and other attributes. <u>Cominco:</u> Drill hole locations were originally picked up by survey contractors. The majority of holes have used 'single-shot', acid-etch style down-hole surveys taken approximately every 30 m down hole. In 2015, BMC resurveyed a total of 66 Cominco collar locations using a RTK-GPS system the results of which confirmed the accuracy and location of the historical surveys. BMC drilling indicates no significant major issue with Cominco drill hole survey data. Limited quality assurance procedures and quality control results have been documented in various internal reports. A selection of drill holes from 3 sections were sampled and re-assayed at SGS Laboratory in Burnaby, BC (Vancouver) using the same assaying methodology as the 2015 program. <u>BMC:</u> Proposed drill hole locations were surveyed and marked by survey contractors prior to drilling. After drilling was completed a total of 161 holes were surveyed by survey contractors and the remaining 5 were located via an Azimuth Positioning System (APS) for x and y coordinates and RL from a digital elevation model derived from a LIDAR survey. Holes were surveyed using a Reflex EZ-Shot on advancement of the hole. Readings were capture below the collar and at 25 m intervals thereafter. In 2016, 30 holes were surveyed using a Reflex Gyro Non-magnetic Instrument upon completion of the holes. The 2015/16 BMC field QAQC programs entailed submission of coarse blank material every 20th sample and Certified Reference Material (CRM) every 20th sample. CRM was selected in several grade ranges and manufactured from sulphide ore similar to the target mineralization. Approximately 3% of samples analysed were submitted to an alternate laboratory for umpire analyses. Additional quartz wash was inserted in the pulverizing stage between major changes in intensity of mineralization. Quartz wash residues were retained for possible later analyses. Wet screen analyses were completed every 50th sample. Based on an assessment of the past reports, historical drilling results and review of the current procedures, CSA Global considers the entire dataset to be acceptable for use in Mineral Resource estimation.
	Aspects of the determination of mineralization that	<u>Cominco:</u> The majority of sulphide intersections were sawn using an

Criteria	JORC Code explanation	Commentary
	are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralization types (e.g. submarine nodules) may warrant disclosure of detailed information.	open-circulation rock saw, typically into 1.5 m long samples, however it is evident from field observation that some were split with a manual core splitter. Samples were sent to Cominco Exploration Research Laboratory (CERL) in Vancouver. Samples were subjected to a three stage crushing procedure, pulverised, and screened to -150 mesh prior to aqua regia digestion (and solvent extraction in the case of Au) and assaying. BMC: All sulphide intersections were sawn using an open-circulation rock saw, typically into 1.0 m long samples. Samples were sent to SGS. Samples were weighed, dried and crushed to 75% passing 2 mm, with a 250 g split pulverized to 85% passing 75 microns. Gold was analysed by 30 g fire assay with an AAS finish and silver analysed by ICP with an AAS finish on a two gram 2-acid digest aliquot. Gold and silver over limits were triggered at Au >5 g/t and Ag >150 g/t respectively, resulting in re-analysis using a 30 g fire assay with gravimetric finish. Assay results for copper, lead, zinc, barium, sulphur and iron were completed using a Na peroxide fusion and ICP-AES analysis. Select samples were analysed for trace elements using aqua regia digest and ICP-MS finish.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic etc.) and details (e.g. core diameter, triple of standard tube, depth of diamond tails, face-sampling bit or other type, whether core is orientated and if so, by what method, etc.).*	Cominco: All Cominco drilling at the deposit was NQ size diamond core and was not oriented. BMC: BMC drilling was composed of NQ3 and HQ3 size diamond drill core. Larger diameter core was used where wedging from parent holes to retrieve core used for metallurgical studies was required. In total, 109 holes were completed using HQ3 and 57 completed using NQ3 tools. Triple tube coring with inner split tubes were used to maximize recovery. All core was orientated from 20 m above the mineralized zone to the end of hole using the Reflex ACTII RD core orientation system.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Diamond core was visually logged for every hole and recorded in the database. The historical drilling database only recorded sample recovery for core holes drilled in 1998. Significant core loss has been recorded over some mineralized intervals, although the weighted average recovery recorded was 93%. The 1995 PFS document reported: 'Preliminary rock quality data interpreted from drill core, indicates that the western and central portions of the deposit yield fair (50-75%) to good (75-90%) rock quality designation (RQD) values while the eastern portion yields poor (25-50%) to fair (50-75%) RQD values.' Drilling recovery and RQD was recorded for all BMC holes. Rock quality was good with recovery values averaging greater than 89% and RQD values confirm the same distribution delineated in the historical data. Special attention was paid to recovery through mineralized intervals and several mineralized intervals were redrilled to achieve better recoveries.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	CSA Global is not aware of the historical drilling practices employed to maximise recoveries. However, visual inspection of numerous historical holes displayed excellent core recoveries throughout the mineralized zones. Triple tube coring with inner split tubes were used to maximize core recovery for BMC drilling.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	The massive sulphide style of the mineralization and the consistency of the mineralized intervals are considered to preclude any issue of sample bias due to material loss or gain.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Drill core was extensively logged in detail to support historical and current mining feasibility studies.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.)	Logging of diamond core recorded lithology, mineralogy, mineralization, structural, weathering, colour and other relevant

Criteria	JORC Code explanation	Commentary
	photography.	features of the samples. Logging is both qualitative (e.g. colour) and quantitative (e.g. mineral percentages). All drill core, including historical core, was photographed.
	The total length and percentage of the relevant intersections logged.	All drill holes were logged in full.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	All BMC and the majority of historical sulphide intersections were sawn with an open circulation rock saw in half with half core submitted for chemical analysis. It is evident from field observation that some historical core was split with a manual core splitter. The remaining half core was retained for reference and/or further test work.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Not applicable - no non-core holes have been drilled at the deposit.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	In 1994, all sulphide intersections were sawn with an open circulation rock saw, typically into 1.5 m long samples, and sent to CERL in Vancouver. Samples were subjected to a three stage crushing procedure, pulverised, and screened to –150 mesh prior to aqua regia digestion (and solvent extraction in the case of Au) and assaying. In 1995, all samples were split by hydraulic splitter, typically to 1.5 m lengths, and subject to the same preparation and analytical procedures as above. Details of the post-1995 sampling and preparation procedures have not been located but it can be assumed that similar procedures to those used previously were adopted. These procedures were considered appropriate 'industry standard' techniques at the time. For BMC drilling, all sulphide intersections were sawn using an open-circulation rock saw, typically into 1.0 m long samples. Samples were sent to SGS Laboratory in Burnaby, BC. Samples were weighed, dried and crushed to 75% passing 2 mm, with a 250 g split pulverized to 85% passing 75 microns. These procedures are considered to be industry standard techniques and appropriate for the style of mineralization.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	No documented quality assurance procedures have been located for the Cominco drilling programs. Detailed and systematic quality control programs do not appear to have been in place during the Cominco drilling, however it may be that the documentation has not yet been located. Limited umpire assaying was conducted during the 1995 drill program with good correlation between the results reported. However, this data has not been verified. The 2015 & 2016 field QA/QC programs entailed submission of coarse blank material every 20th sample and Certified Reference Material (CRM) every 20th sample. CRM was selected in several grade ranges and with a matrix similar to the mineralogy of the ABM deposit. Overall, the accuracy of the data is considered to be excellent. Results from the coarse blank material show little evidence of cross contamination. Additional quartz wash was inserted in the pulverizing stage where high grade mineralization was suspected. Quartz wash residues were retained for possible later analyses. Wet screen analyses was completed every 50th sample to ensure consistent crush size.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Although no documentation has been located detailing the result of field duplicates, ¼ core sampling and visual validation of the logging compared to the assay results supports the representivity of the sampling. In 2015, field duplicates were not collected however remaining half core from 27 historical holes on three sections drilled by Cominco

Criteria	JORC Code explanation	Commentary
		were resampled and analysed on the same intervals. Comparison between the Cominco results and the 2015 results delineate the following: • Cu – good agreement up to 3% • Pb – slight positive bias in SGS data, once samples with>1% Ba were re-assayed • Zn – positive bias in SGS data >2.6 to 15% • Ag – good agreement to 250 ppm • Au – good to fair agreement to 3 ppm • Fe – good agreement in the range 8-15%; positive bias in SGS data <8%; negative bias in SGS data between 15 and 20%. Overall agreement between the 2015 and historical data are considered to be very good.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are considered appropriate for the rock type, style of mineralization (massive sulphides), the thickness and consistency of the intersections, the sampling methodology and percent value assay ranges for the primary elements at ABM.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Following aqua regia digestion (and solvent extraction in the case of Au), all 1994 samples were analysed by atomic absorption spectrophotometry (AAS) for Cu, Pb, Zn, Ag, Au and Fe. Base metals and Fe were then determined using standard wet chemical assay procedures and precious metals were analysed by fire assay. Ba was determined by pressed pellet/x-ray florescence (XRF). All samples were also analysed by multi-element ICP. Similar assaying procedures were used in 1995, although Ba and Fe were not assayed. In 1997, a total of 349 core samples were collected. Of these, 320 were analysed for 27 elements by ICP, Au by aqua regia decomposition/AAS and Ba by XRF, in addition to whole rock major and minor oxides by XRF and trace elements Zr and Y by pressed pellet AAS at CERL in Vancouver. For drilling conducted in 1998, a total of 197 core samples were collected and analysed for Cu, Pb, Zn, Ag, As, Cd, Co, Ni, Fe, Mo, Cr, Bi, Sb, V, Sn, W, Sr, Y, La, Mn, Mg, Ti, Al, Ca, Na and K by ICP, Au by aqua regia decomposition/AAS and Ba by XRF at CERL. Intervals with greater than 1% Pb, Zn or Cu were assayed for Cu, Pb, Zn, Fe (total), Ag (AAS), Au (fire assay with AA and gravimetric finish) and Se by ICP and XRF. From BMC drilling at ABM, a total of 2,906 samples were collected and analysed for Cu, Pb, Zn, Ag, Au, Fe; 2,256 samples for Ba and 2,315 samples analysed for S using a Na-peroxide fusion and ICP-AES finish. The Na-peroxide fusion is considered to be a complete digestion. 1,145 were analysed for As, Bi, Hg, Sb and Se using aqua regia digest with ICP-MS finish. Au was analysed by 30 g fire assay with an AAS finish and Ag analysed by ICP with an AAS finish on a two gram 2-acid digest aliquot. Samples that returned >4% Ba were analysed by XRF. Au and Ag over-limits were triggered at Au >5 g/t and Ag >150 g/t respectively, resulting in re-analysis using a 30 g fire assay with gravimetric finish.
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Magnetic susceptibility measurements were recorded for all mineralized intervals in all holes in the 2015 drill program using an average of three readings per sampled interval from a KT-10 Magnetic Susceptibility Meter. Magnetic susceptibility measurements were collected from a selection of holes at 0.5 m intervals from top to bottom using a MPP Probe M Magnetic Susceptibility Meter. There is no record of Cominco recording magnetic susceptibility in the earlier drilling campaigns.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy	No documented quality assurance procedures have been located for the Cominco drilling programs. The 2015 & 2016 field QAQC programs entailed submission of coarse

Criteria	JORC Code explanation	Commentary
	(i.e. lack of bias) and precision have been established.	blank material every 20th sample and Certified Reference Material (CRM) every 20th sample. CRM was selected in several grade ranges and with a matrix similar to the mineralogy of the ABM deposit. Results from the 2015 CRM analyses indicate a slight positive bias in the Pb and Zn data of 2% and 3% respectively while Cu, Ag and Au values indicate a slight negative bias of -1%, -2% and -2.6% respectively. The observed level of bias is acceptable and the overall quality of data is considered to be good. The vast majority of the CRM analyses from the 2016 drilling lie within one standard deviation of the certified values and average biases are typically less than 2%. Relative standard deviations of the repeat analyses of the CRMs are well less than 5%. Overall, the accuracy of the data based on these results is considered to be excellent. Approximately 3% of samples analysed in 2015 were submitted to ALS Minerals for umpire analyses via Na peroxide fusion and ICP-OES finish. The check assays are in close agreement for Cu and Zn while Pb shows a slight positive bias relative to SGS and Ag a slight negative bias. Gold shows some variability between the two laboratories reflecting the nuggety nature of the Au distribution. Pulps from a total of 38 samples were submitted to ALS in 2016 for check assay using the same analytical methods as those employed at SGS. There is very good agreement between Ag values from SGS and ALS. Apart from Au, all the data examined show strong positive correlations between the SGS and ALS data but with a positive bias in the SGS data Cu and Pb data relative to ALS, and a negative bias for Zn. Overall there is very good agreement between the SGS and ALS results. Results from the coarse blank material show little evidence of cross contamination. Additional quartz wash was inserted in the pulverizing stage where high grade mineralization was suspected. Quartz wash residues were retained for possible later analyses. Wet screen analyses was completed every 50th sample to ensure consistent crush size.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Historical and 2015 drill core has been viewed by CSA Global and BMC's Exploration Manager. Visual validation of mineralization against assay results was undertaken for several holes.
	The use of twinned holes.	A total of 10 Cominco holes on three sections were twinned by BMC in 2015. In general, the hole pairs match well in terms of downhole metal distribution and observable mineralized intersections.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	<u>Cominco:</u> Documentation of data protocols adopted by Cominco have not been located. BMC has validated all historical data against original records to produce a complete database for the KZK Project. <u>BMC:</u> Data are entered in the field into a Geospark database on a Toughbook field laptop. The data was validated in the field and electronically transferred to an Access database off site. Further validation was completed via routine queries.
	Discuss any adjustment to assay data.	No adjustments or calibrations were made to any assay data.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Many of the early drill holes appear to have been drilled on a truncated local grid. Following completion, the 1994 Cominco drill hole collars were surveyed by qualified surveyors, McElhanney Consulting Services Limited of Vancouver, B.C. The holes were surveyed using static GPS vectors and adjusted by least squares to within two decimal places and are considered accurate. Details of surveying for post-1994 (but pre-2015) drilling have not been identified, however the majority of these holes were located and resurveyed during the 2015 field season. A total of 84 Cominco collars (66 from ABM) were located, verified and surveyed by Challenger Geomatics in 2015 using Leica Viva (RTK) GNSS

Criteria	JORC Code explanation	Commentary
		resulting in location accuracy of 0.25 m. A total of 158 holes drilled in 2015 & 2016 field seasons by BMC at ABM were surveyed by Challenger Geomatics using Leica Viva (RTK) GNSS resulting in location accuracy of 0.25 m. The remaining 6 drill holes were located via an APS for x and y coordinates and RL from a digital elevation model derived from a LiDAR survey. The APS unit is capable of accuracy down to less than 1 m and the vertical precision of the LiDAR survey is 0.1 m. The majority of the Cominco holes have used 'single-shot' surveys approximately every 30 m down hole. The reliability of the historical downhole surveying is considered poor. Down hole surveying for BMC drilling was conducted using a Reflex EZ-Shot "single-shot" during advancement of the hole starting from start of bedrock and on 25 m intervals thereafter. Accuracy of azimuth values were judged based on magnetic readings from the instrument. Only values between 5600 nT and 6000 nT were deemed to be accurate. In 2016, 30 holes were surveyed using a Reflex Gyro Non-magnetic Instrument upon completion of the holes.
	Specification of the grid system used.	The grid system for the KZK Project is UTM zone 9 NAD83.
	Quality and adequacy of topographic control.	Topographic control with accuracy to 0.1–0.3 m was provided by a LiDAR survey data flown in 2015 by Challenger Geomatics Ltd.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	ABM Zone holes are drilled at nominal 50 m spacings on 25 m north-south oriented sections extending out to 100 m on the peripheries of the deposit. The Krakatoa Zone is drilled by southwest oriented holes targeting pierce points of 25 m to 60 m in the central portion of the deposit to 100 m on the peripheries.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The mineralized domains for ABM have demonstrated sufficient continuity in both geological and grade continuity to support the definition of Mineral Resources and the classification applied under the JORC Code (2012).
	Whether sample compositing has been applied.	Sample compositing was not applied.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The ABM Zone was drilled towards grid south at angles ranging from –30° to vertical (–90°) to intersect the mineralized zones close to perpendicular for the bulk of the deposit. The Krakatoa Zone was drilled towards grid southwest at varying angles to obtain close to true width intersections and to avoid bounding faults.
	If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	To date, mineralization orientation has been favourable and sample widths are not considered to have added a sampling bias.
Sample security	*The measures taken to ensure sample security.*	No records detailing sample security have been located for the historical Cominco drilling. For BMC drilling, sample chain of custody is managed by BMC. All samples were bagged in poly sample bags labelled with unique sample numbers and equivalent bar-coded sample tags included in the bag. Samples were then packaged in lots of 5-10 in white poly rice sacks. The rice sacks were sealed using fibre tape and uniquely numbered non-reusable security seals. Sacks were then palletised and shrink wrapped for shipment to the lab. Tracking numbers, bag inventory and security tag information is then provided to the lab with instructions to notify upon receipt and of any compromised bags.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	A review of the sampling techniques and data was carried out by CSA Global during October 2015. The sampling techniques and data were considered to be of sufficient quality to carry out resource estimation.

Section 2: Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	BMC has acquired 100% of a total of 1,301 Mineral Claims that make up the KZK project. No residual third party royalties exist on the area covering the ABM and GP4F Mineral Resources.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The project lies within boundaries of Ross River Kaska territory, an untreatied First Nation band. BMC have a Socio Economic Participation Agreement (SEPA) across the ABM resource and surrounding claims which outlines mutual obligations for both parties (executed 2004 with Cominco and assigned to BMC when the project was purchased). SEPA was signed by RRFN on behalf of Kaska Nation. All tenure is in good standing with the Yukon Territorial Government
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The majority of previous exploration has been conducted by Cominco and is considered to be of a high standard. Limited exploration work and an updated feasibility study was also completed by Expatriate Resources Ltd in 2000 before the project was handed back to Teck Cominco in 2001.
Geology	*Deposit type, geological setting and style of mineralization.*	The ABM deposit is a volcanic-hosted massive sulphide (VMS) style of deposit within a thick felsic tuff and sill/flow complex. The ABM Zone mineralization sub-crops under 2 m to 20 m of glacial overburden and extends for approximately 800 m in an east-west direction. It ranges in thickness from less than 2 m to greater than 30 m, averaging 18 m. It remains open along strike to the northwest. The Krakatoa Zone occurs under approximately 30 m of glacial overburden and averages approximately 22 m true thickness in the main lens. This zone is approximately 240 m wide and extends for 630 m down plunge. It remains open at depth.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.*	Not applicable.
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Not applicable.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	Drill hole intervals are calculated using a length-weighted average. Assay values were considered significant and composited if Cu >1% or Pb >2% or Zn >2% with a maximum internal waste of 3 m. When assay value is below detection limit half of the detection limit is used. Intervals were split based on the style of mineralization (massive, stockwork, disseminated).
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Not applicable.

Criteria	JORC Code explanation	Commentary
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are currently being used.
Relationship between mineralization widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralization with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	Mineralization is typically intersected with true-width approximately equal to down hole lengths. Where the drill holes intersect the mineralization orthogonally the calculated true widths are provided in the drill results table.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Previously made available via public release "*Mineral Resource Update for KZK Zn-Pb-Cu-Ag-Au Project, Yukon*" dated 10th November, 2016, and available at www.bmcminerals.com.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Not applicable.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Cominco: Bulk density determinations were completed on the first 40 drill holes completed at ABM using the water immersion method. A 'representative' 10 cm long core sample was selected from each assayed interval. BMC: Bulk densities were measured in the field on new core samples over the entire length of the sample interval (usually 1 m) using the water immersion method. Routine calibrations readings were undertaken as well as a regular QC program involving standards, blanks and laboratory checks.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Additional exploration drilling is also warranted to test possible extensions to the deposit both down dip and along strike.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	All relevant diagrams and inferences have been illustrated in this report.

Section 3 Estimation and Reporting of Mineral Resources (Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Database integrity	*Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*	The drill hole database was managed off site by OMI Pty Ltd (OMI) based on information provided by BMC, Equity Exploration and the laboratories. Original 'hard copy' data was located by BMC and entered by OMI into an Access database. Results from the 2015 & 2016 exploration programs were managed by OMI and loaded directly into the master Access database. Data used in the Mineral Resource estimate is sourced from a database export provided by OMI. Relevant tables from the database were imported into Surpac software.
	Data validation procedures used.	Throughout the 2015 and 2016 exploration programs, the data was extensively reviewed and validated by BMC and CSA Global. Validation of the final data import by CSA Global included checks for overlapping intervals, missing survey data, missing assay data, missing lithological data and missing collars.

Criteria	JORC Code explanation	Commentary
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	The Competent Person (CP), Aaron Green of CSA Global, visited the project from 11th to 13th October 2015. Diamond drilling programs were underway at KZK during the site visit. The CP reviewed drilling and sampling procedures, as well as examine the mineralization occurrence and associated geological features. Site sample storage facilities and the analytical laboratory in Vancouver (SGS) were also inspected. There were no negative outcomes from any of the above inspections, and all samples and geological data were deemed fit for use in the Mineral Resource estimate.
	If no site visits have been undertaken indicate why this is the case.	Not applicable.
Geological interpretation	*Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*	Geological interpretation was completed by Equity Exploration, BMC and CSA Global geologists. The geological interpretations were found to be of a high standard. Continuity of mineralization is excellent and is intimately associated with massive sulphide horizons. The geological interpretation provided a sound foundation for interpretation of boundaries to the polymetallic Cu-Pb-Zn-Au-Ag mineralization.
	Nature of the data used and of any assumptions made.	Detailed geological logging, including re-logging of historical Cominco/Teck holes to ensure data consistency, in conjunction with chemical assays has been used to identify individual lithological units during the interpretation process. Cu, Pb, Zn, Au, Ag and lithology were plotted on drill hole traces to assist the interpretation.
	The effect, if any, of alternative interpretations on Mineral Resource estimation.	Geological continuity is very good between drill holes and conforms well to anticipated geological models for VMS mineralization. This is supported by the minor changes required to the geological interpretation following the 2015 and 2016 resource infill drilling programs and Cominco/Teck drill hole re-logging. The data does not lend itself to alternative interpretations.
	The use of geology in guiding and controlling Mineral Resource estimation.	Geology has been the primary influence in controlling the Mineral Resource estimation. Wireframes have been constructed for the main mineralized horizons and geological features as determined by the geological logging and chemical assays.
	The factors affecting continuity both of grade and geology.	Continuity of geology and structures can be identified and traced between drill holes by visual and geochemical characteristics. The massive, semi-massive and stockwork sulphide zones hosting the mineralization have been logged in the drill core and have been modelled.
Dimensions	*The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	The ABM Mineral Resource, including both the ABM Zone and Krakatoa Zone, is contained within an area defined by a strike length of 900 m (414,500 mE to 415,400 mE) and across-strike from 6,814,865 mN to 6,814,755 mN (890 m). The reported Mineral Resource lies within 420 m of surface (1,440 mRL to 1,020 mRL).
Estimation and modelling techniques	*The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*	All modelling was undertaken using Surpac V6.2, V6.5 and V6.6 software. The deposit was divided into two distinct zones, ABM and Krakatoa, each estimated separately. For ABM, hard boundaries were used for the majority of the domains (both stockwork and massive sulphide), consistent with the geological interpretation. 5 minor domains, which had very low data support, had semi-soft boundaries applied with adjacent domains that were deemed appropriate based on grade, domain type and proximity. These soft boundaries were only applied one way – so that the smaller domain used data from a larger domain, but not vice versa. For Krakatoa, only hard boundaries were used, due to the greater separation and uniqueness of the individual domains. For both ABM and Krakatoa, high grade cuts were applied to the massive sulphide and stockwork domains following statistical analysis. Statistical analysis was completed using GeoAccess

Criteria	JORC Code explanation	Commentary
		software. Block grades were interpolated using ordinary kriging (OK). An orientated 'ellipsoid' search was used to select data for interpolation. For ABM, search ellipsoid orientations were based on orientations derived from the variographical analysis. An ellipsoid was produced for each individual element, with bearings varying from 0° to 20°, and plunges between –30° and –35°, all with zero dip (Surpac convention). These orientations honour the orientation of the ABM deposit. Where the mineralization approaches a more horizontal habit north of 6,815,550 m N, the ellipses were adjusted to suit – with the plunges adjusted by –25° to between –5° and –10°. For Krakatoa, search ellipse orientations were duplicated from ABM, as the strike and dip trends of both deposits are very similar. The Krakatoa deposit maintains a consistent strike and dip trend along its extent, and so no plunge adjustment was required. A three-pass estimation search was used to complete estimation for Cu, Pb, Zn, Au, Ag, Fe, As, Ba, Bi, Hg, S, Sb and Se within the domain objects, with separate dimensions for each element, based on the variogram ranges. For ABM, first pass search radii of 55 m to 150 m, and second pass search radii of 80 m to 225 m along strike were used with the minimum number of samples set to 6 for both passes. The number of samples per hole was limited to 3. A third expanded estimation pass with radii of 160 m to 450 m was used to inform remaining un-estimated blocks. For Krakatoa, first pass search radii ranging from 22 m to 187 m, and second pass search radii of 34 m to 283 m along strike were used with the minimum number of samples set to 4 or 6 (varying by object) for both passes. The number of samples per hole was limited to 2. A third expanded estimation pass with radii of 68 m to 566 m was used to inform remaining un-estimated blocks. The search parameters were based on Kriging Neighbourhood Analysis, undertaken using Supervisor software, with some consideration towards the overall drilling density.
	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	Numerous resource estimates were completed by Cominco between 1994 and 1998. Subsequent resource estimates were also reported by Teck Cominco in 2001 and 2006, and Expatriate Resources (2000). After acquiring the project in 2015, BMC undertook a resource estimate based on historical data to generate an Inferred resource. The reported ABM Zone Mineral Resource estimate is comparable in size and grade to previous estimates, although slightly increased tonnage is a result of successful extensional drilling down dip and to the west. Minimal differences can be attributed to changes in estimation techniques, bulk density values, minor adjustments to resource wireframes with increased drilling (both extensional and infill) and previous reporting of resources as 'mineral inventory' following mining evaluation studies (Cominco 1995 & 1998, Teck 2007). The Krakatoa Zone was discovered in October 2015 and this is the first update of the Mineral Resource estimate for this zone since the maiden resource reported on 22nd January 2016. The reported Krakatoa Zone Mineral Resource estimate represents a decrease in tonnage compared to the previous resource, primarily because of drilling to the west (towards the East Fault) failing to intersect significant mineralization. No mining has yet taken place at the ABM deposit.
	The assumptions made regarding recovery of by-products.	Gold and silver have been estimated as it is assumed they will be recoverable as part of the Cu, Pb and/or Zn recovery process and/or potentially via gravity separation. This was demonstrated by Cominco metallurgical test work and ore petrography undertaken in 1990s, and is supported by recent test work undertaken by BMC.
	Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage	Potentially deleterious Se (Selenium), Hg (Mercury), Bi (Bismuth), Ba (Barium) and S (Sulphur), Antimony (Sb) and As (Arsenic) have been estimated into the block model for use in mining studies.

Criteria	JORC Code explanation	Commentary
	characterisation).	
	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	A parent cell size of 10 m E by 10 m N by 5 m RL was adopted with standard sub-celling to 5 m E by 5 m N by 2.5 m RL to maintain the resolution of the mineralized lenses whilst restricting the overall size of the model. The block size is considered to be appropriate given the dominant drill hole spacing, style of mineralization and proposed mining methods.
	Any assumptions behind modelling of selective mining units.	No assumptions were made regarding selective mining units.
	Any assumptions about correlation between variables.	No assumptions were made about the correlation between variables.
	Description of how the geological interpretation was used to control the resource estimates.	The geometry of the massive sulphide horizons, as defined in logging and detailed sectional/plan interpretation, formed the basis for mineralization interpretations. At the ABM Zone, a footwall mafic intrusive (sill or dyke?) was modelled to control the base of the massive sulphide mineralization. The main massive sulphide lens is offset down dip by the east-west trending Northwest Fault. The Krakatoa Zone massive sulphide represents a down-thrown block? (likely in oblique dextral fashion) to the east of the ABM Zone by the East Fault and appears to be cut-off further to the east by the Fault Creek Fault. It remains open down plunge. Unlike the ABM Zone, the main mineralized lens at Krakatoa occurs within the mafic intrusive unit with smaller, less continuous massive and stockwork mineralization in the immediate footwall and hangingwall of the mafic. Additional geological control was provided by modelling of rhyolite intrusives, hangingwall carbonaceous mudstone units and the overlying Wind Lake Formation sediments. Hard boundaries for estimation were used between mineralized lithological domains.
	Discussion of basis for using or not using grade cutting or capping.	Following statistical analysis, it was determined that high grade cuts were required for Pb, Zn and Au in the massive sulphide domains for the ABM Zone, whilst high grade cuts for Cu and Pb were applied to the stockwork domains. For the Krakatoa Zone, high grade cuts were applied on an individual domain basis. The largest domain (object 208) had a high-grade cut applied to Cu and Au only. Varying high grade cuts for Cu, Zn, Au and Ag were also applied to numerous smaller objects. Statistical analysis was completed using GeoAccess software. The cuts were applied after compositing.
	The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	Validation checks included statistical comparison between drill sample grades and OK block estimate results for each domain. Visual validation of grade trends for each element along the drill sections was also completed in addition to swath plots comparing drill sample grades and model grades for northings, eastings and elevation. These checks show good correlation between estimated block grades and drill sample grades. No reconciliation data is available as no mining has taken place.
Moisture	*Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Tonnages have been estimated on a dry in situ basis. No moisture values were reviewed.
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied.*	The Mineral Resource has not been reported above a cut-off grade as the mineralization was modelled primarily by logged massive, semi and stockwork sulphide lithologies. These zones correlated to significant grades of Cu, Pb, Zn, Au and Ag. On this basis it was deemed that no cut-off grade was required.

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	*Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	Previous and current mining studies have shown that the ABM deposit could be economically exploited by open cut and/or underground mining methods at the reported average model grades. A minimum mining width of 1.5 m was applied (downhole composite width). No other mining assumptions were made. A minimum 3 m 'dilution skin' was created for both the ABM and Krakatoa Zones to be used for mine planning purposes. The 'skin' was created as an independent wireframe enclosing each zone and interpolated as a 'hard boundary' using ID3 interpolation and parameters from the massive sulphide estimation (min & max samples, search ellipses etc.). ID3 interpolation was used to restricted smoothing and reduce the influence of discontinuous, high grade mineralization 'outliers'.
Metallurgical factors or assumptions	*The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	Previous metallurgical test work undertaken on the ABM deposit by Cominco has shown that conventional flotation can produce separate zinc, copper and lead concentrates for shipment to a smelter. The 2015 drilling program included 29 metallurgical holes (for 3,406 m) to test and collect representative samples for seven metallurgical geodomains interpreted from an initial desktop study. All holes consisted of HQ3 size core to ensure sufficient quantities of material for metallurgical testing. On 19th July 2016, BMC reported that: • "KZK can produce marketable Cu, Zn and Pb concentrates with precious metals credits using a conventional flotation process; • Early (near surface) ore would also produce marketable concentrates but with elevated precious metals credits for an initial 12-18 months" Metallurgical test work as part of the ongoing PFS was incomplete at the time of the reported Mineral Resource estimate.
Environmental factors or assumptions	*Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	Previous mining studies have highlighted waste production of potentially acid generating (PAG) rock as a key environmental issue. It is assumed that such disposal will not present a significant hurdle to exploitation of the deposit and that any disposal and potential environmental impacts would be correctly managed as required under the regulatory permitting conditions. BMC have engaged Access Consulting to undertake characterisation of waste rock for acid rock drainage (ARD) and metal leaching (ML) sample analysis. A preliminary geological interpretation and wireframes for ARD geodomains was completed by Equity Exploration and CSA Global, and incorporated into the block model for analysis. The analytical work programme is ongoing.
Bulk density	*Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*	CSA Global used fixed density values assigned into the block model for each regolith and lithological unit, setting fresh felsic material to 2.76 t/m^3 (based on the median of the normal histogram from the measured bulk density dataset), 2.80 t/m^3 for the mafic intrusive rock, 2.74 t/m^3 for the mudstone and Wind Lake Formation, 2.68 t/m^3 for the rhyolite intrusive (RHYi), and 2.00 t/m^3 for overburden. For the mineralized domains, bulk density was estimated using OK, utilising the variogram parameters that were derived for Fe to honour the relationship between density and Fe content. In order to create a reliable bulk density dataset with which to estimate, a regression was derived based on sulphur content (where available) for samples that had no clean bulk density measurement. For samples that had neither a bulk density or a sulphur value, bulk densities were calculated using the Fe-Cu-Pb-Zn formula - (1.0*Cu%)+(1.81*Pb%)+(0.97*Zn%)+(1.20*Fe%). For Krakatoa data, measured bulk densities were available for all samples within the mineralization wireframes. Based on the parameters detailed above, calculated bulk densities were derived for 1,027 core samples from 54 holes at ABM for use

Criteria	JORC Code explanation	Commentary
		in the bulk density interpolation. The average bulk densities determined for the ABM stockwork and massive sulphide mineralization were 3.44 t/m^3 and 4.19 t/m^3 respectively, while the average bulk density values for the Krakatoa Zone were 3.86 t/m^3 and 4.09 t/m^3 respectively.
	The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.	Density measurements were calculated using the water immersion method from drill core across the deposit and from the various rock types. The entire sample sent for geochemical analysis (i.e. half core) was measured for bulk density in 2015 and 2016.
	Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	Average densities were applied to overburden material as well as the various lithological domains based on measured densities. The bulk density for the mineralized zone was interpolated using a combination of measured and calculated bulk densities for samples within the mineralized wireframes. It is assumed that use of the regression formulas based on correlation between combined metal content and density is an appropriate method of representing the expected variability in bulk density for the grade estimated mineralized blocks. Analysis of the results of application of the regression formulas to the model by individual mineralized domain unit shows that the mean model density compares closely to the mean of the density measurements from within each zone.
Classification	*The basis for the classification of the Mineral Resources into varying confidence categories.*	The Mineral Resource was classified as Indicated and Inferred considering the level of geological understanding of the deposit, quality of samples, density data, drill hole spacing, sampling and assaying processes, and the success of the 2015 and 2016 infill drilling programs in confirming the geological interpretation and continuity of mineralized horizons. ABM Zone: Majority of resource classified as Indicated based on continuity of mineralization and grade, as well as drill spacing. Minor stockwork zones classified as Inferred. Krakatoa Zone: Majority of resource classified as Indicated based on continuity of mineralization and grade, as well as drill spacing. Minor footwall stockwork zones classified as Inferred.
	Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).	The classification reflects areas of lower and higher geological confidence in mineralized lithological domain continuity based the intersecting drill sample data numbers, spacing and orientation. Overall mineralization trends are reasonably consistent within the various lithology types over numerous drill sections.
	Whether the result appropriately reflects the Competent Person's view of the deposit.	The Mineral Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews	*The results of any audits or reviews of Mineral Resource estimates.*	Internal audits were completed by CSA Global which verified the technical inputs, methodology, parameters and results of the estimate. An external audit of the ABM MRE was undertaken in April 2016 by Michelle Wild of Wildfire Resources Pty Ltd. No fatal flaws were identified during the audit.
Discussion of relative accuracy/ confidence	*Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.*	The Mineral Resource accuracy is communicated through the classification assigned to various parts of the deposit. The Mineral Resource estimate has been classified in accordance with the JORC Code, 2012 Edition using a qualitative approach. All factors that have been considered have been adequately communicated in Section 1 and Section 3 of this Table.
	The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which	The Mineral Resource statement relates to a global estimate of in-situ tonnes and grade.

Criteria	JORC Code explanation	Commentary
	should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.	
	These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	The deposit has not, and is not currently being mined.

Section 4 Estimation and Reporting of Ore Reserves (Criteria listed in the preceding sections also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	*Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.*	The ABM Deposit Mineral Resource estimate dated November 21, 2016 and prepared by CSA Global (Report R325.2016) has been used as the basis for conversion to an Ore Reserve.
	Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.	Mineral Resources are reported inclusive of Ore Reserves.
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	The Competent Person (CP), George Smith of BMC MINERALS (No. 1) LTD, visited the Project June 20, 2016. The location of all planned site facilities were reviewed during the site visit, as was a representative sample of diamond drill core. No issues were identified during the site visit.
	If no site visits have been undertaken indicate why this is the case.	Not applicable.
Study status	*The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.*	A study of the ABM Deposit has been completed to a Prefeasibility level to enable Mineral Resources to be converted to Ore Reserves.
	The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	The Prefeasibility Study has confirmed that a mine plan can be developed that is technically achievable and economically viable. Material Modifying Factors have been considered in the preparation of the Prefeasibility Study.
Cut-off parameters	*The basis of the cut-off grade(s) or quality parameters applied.*	Cut-off grades for open pit and underground mining have been established on a net smelter return (NSR) basis. The NSR calculation takes into account estimated process plant recoveries, concentrate freight, treatment and refining costs, metal payabilities of metals contained in concentrates and August 2016 consensus metal prices of US$2.87/lb copper, US$1.00/lb zinc, US$0.94/lb lead, US$1,291/oz gold, US$19.38/oz silver and an exchange rate of US$0.80:CAD$1.00. All open pit reserves are reported to a cut-off NSR value of CAD$23.56 / tonne, while underground reserves are reported to cut-off NSR values of CAD$117.05 / tonne for cut and fill stoping and CAD$98.63 / tonne for longhole stoping.
Mining factors or assumptions	*The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimization or by preliminary or detailed design).*	For mineralization to be mined by open pit mining methods, Whittle pit optimization software was utilized to assess economic pit limits for both the ABM and Krakatoa Zones. The shell selected for the ABM Zone generated the maximum discounted pit value, and mined the majority of the ABM Zone Resource. The shell selected for the Krakatoa Zone was smaller than the optimal pit defined by the optimization software as it was determined that a smaller shell should be selected with underground mining methods more economical to mine the remainder of the deposit after taking the high strip ratios associated with open pit mining of this Zone into account. Input variables to the Whittle pit optimization process were based on earlier, unreported prefeasibility work completed by BMC. For mineralization to be mined by underground mining methods, an

Criteria	JORC Code explanation	Commentary
		underground design was completed for the mineralization not mined by open pit mining methods, using the stated NSR cut-off grades. Following completion of the design individual stope blocks were reviewed to assess whether they made a positive contribution to project value. Those stope blocks that did not were removed from the Prefeasibility design.
	The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.	Open pit mining with medium sized equipment has been selected as the primary mining method, taking into account that the ABM Deposit lies close to surface, allows better resource recovery than underground mining methods and that prestripping requirements are low. The primary mining method planned for the underground mine is overhand cut and fill, which will be used for mining of the Main Lens of the Krakatoa Zone. This method is appropriate considering the dip and thickness of mineralization, allowing high recovery of the Main Lens. Long hole stoping with fill will be used for mining smaller lenses in the hanging wall and foot wall to the Main Lens.
	The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling.	Golder Associates prepared feasibility level geotechnical slope design parameters for Cominco in 1996, which have been utilized by BMC for optimization and pit design purposes for the ABM Zone. Cominco's geotechnical data for the ABM Zone open pit was reviewed for both Krakatoa open pit and underground geotechnical assessments (discussed below) and no concerns on the data were raised during this work. A geotechnical drilling program was initiated by BMC following discovery of the Krakatoa Zone. Data from these holes, together with logging of other resource diamond drill holes were utilized by Rockland Ltd to prepare prefeasibility level geotechnical slope design parameters for the Krakatoa Zone open pit. Underground mining geotechnical parameters were assessed by SRK (Canada) Inc and Rockland Ltd. The assessment completed by SRK focussed on a review of 2015 resource drilling core photographs and field logging to guide preliminary underground geotechnical recommendations. The Rockland assessment was based on 2016 geotechnical drilling and logging, point load testing and commercial laboratory testing on representative core samples, with geotechnical recommendations framed to the selected mining methods. Open pit grade control is planned to be completed by the use of a dedicated RC drilling program, campaigned on a three to six month basis to keep in advance of mine planning requirements. Underground grade control will typically be via visual observation due to the high sulphide content of the mineralization. Face sampling will be utilized for day to day grade control purposes and specific underground diamond drill programs will be implanted on an as required basis to understand localized geological complexities.
	The major assumptions made and Mineral Resource model used for pit and stope optimization (if appropriate).	The major assumptions for pit optimizations are detailed in the following: • Processing recoveries and concentrate grades were based on Cominco metallurgical test work, as BMC's test work program was incomplete at the time of optimization work; • Concentrate payabilities and concentrate treatment and refining charges were based on advice on typical charges from a concentrate trading house; • Metal prices and exchange rates were based on the average long term forecast of 27 financial institutions as at August 2016; and • Operating costs were based on preliminary sourced cost data from mining contractors, consultants and BMC estimated costs. The Mineral Resource model used for pit optimization was abm_ok_20160921_eng.mdl, prepared by CSA Global.

Criteria	JORC Code explanation	Commentary
	The mining dilution factors used.	Dilution factors for open pit mining were reviewed on a 20 m section basis through the ABM Zone, with an average mining dilution factor of 10% allowing for 1.5 m of dilution on both the hangingwall and footwall contacts. The same dilution factor was assessed as appropriate for open pit mining of the Main Lens of the Krakatoa Zone. Due to the other lenses in the Krakatoa Zone being narrower and less continuous, a dilution factor of 30% was assumed for mining of these lenses. Unplanned dilution of overhand cut and fill was estimated to be 10% and for long hole stoping with fill was estimated to be 25%.
	The mining recovery factors used.	Mining recovery for all open pit mining was estimated to be 95%. Mining recovery for overhand cut and fill was estimated to be 90% and for long hole stoping with fill was estimated to be 80%.
	Any minimum mining widths used.	The minimum mining width used for open pit design purposes was typically 50 m, with a reduction to 25 m allowed at the base of the Krakatoa Zone open pit to accommodate the tighter pit dimensions compared to that of the ABM Zone pit. Minimum drift size for underground stope development was 5m wide.
	The manner in which Inferred Mineral Resources are utilized in mining studies and the sensitivity of the outcome to their inclusion.	Inferred Mineral Resources have not been considered in developing the Ore Reserve estimate for the Prefeasibility Study. A small quantity of inferred mineralization (275,000 tonnes) will be mined by the ABM open pit which has been modelled as being stockpiled during mining operations and reclaimed for processing in the final year of the mine life. The inclusion of processing of the inpit Inferred Resource extends the mine life by 1.65 months and improves Project NPV by 2.0%
	The infrastructure requirements of the selected mining methods.	Infrastructure requirements for the selected mining methods include: • Open pit and underground mine; • Processing facility and associated ROM and low grade stockpile facilities; • Paste backfill plant; • Three waste storage facilities for tailings and waste rock. Waste rock will be placed in different storage facilities based on the assessed potential for generation of acidic drainage and metal leaching; • Overburden and topsoil stockpiles that will be reclaimed during operations and on closure; • Water management infrastructure, including a pit rim pond for mine dewatering, collection ponds, water management ponds and surface water diversion ditches; • Camp facilities; and • General mine infrastructure including explosives facilities, workshops, fuel facilities and core storage area.
Metallurgical factors or assumptions	*The metallurgical process proposed and the appropriateness of that process to the style of mineralization.*	Run of mine ore will be crushed and ground with sequential flotation utilized to produce separate copper, lead and zinc concentrates with precious metal credits. Tailings will be thickened and filtered for disposal in a 'dry-stack' facility. The unit operations are well proven for base metals processing and are appropriate for processing VMS style mineralization.
	Whether the metallurgical process is well-tested technology or novel in nature.	All metallurgical processes used in the flowsheet are well tested technology.
	The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.	Cominco completed a volume of metallurgical test work between 1994 and 1997, comprising comminution, flotation (bulk and sequential), mineralogical analysis and pilot plant test work. The location of most, but not all samples used for metallurgical test work was able to be determined by BMC. Cominco's earlier test work was based on composites by geological domains OA to OJ, with later work based on yearly production composites. Taking the Cominco work as a base, BMC completed its own flotation optimization program for flow sheet development with SGS in Vancouver and ALS in Perth. SGS completed nine comminution tests (with two check tests at ALS in Kamloops), 48

Criteria	JORC Code explanation	Commentary
		open circuit flotation tests, feed mineralogy and limited gravity gold tests. The ALS test work program completed 24 flotation optimization open circuit tests, followed by two open circuit and two locked cycle tests using optimized flowsheet conditions with Perth and site water on ABM Master Composite #1. An additional 15 open circuit tests were completed on variability composites, using the optimized flowsheet conditions. Open circuit bulk flotation tests were completed to produce copper, lead and zinc concentrates and tailings for subsequent vendor, geotechnical and environmental test work. Other tests including Bond ball mill work index, gravity gold separation and mineralogical analysis was also completed in this test work program. Seven metallurgical domains were defined by BMC. For the ABM Zone these were: • +1,340RL (Cu bearing sulphosalt rich shallow material); • MET2-4 (Magnetite-Pyrrhotite-Rich massive sulphide); • MET5-7 (Pyrite-Rich massive sulphide); and • MET8 (Stockwork / vein style ores). For the Krakatoa Zone these were: • Krakatoa Inpit Main (Krakatoa Main Lens, within planned open pit); • Krakatoa Inpit Upper (Krakatoa Upper Lens, within planned open pit); and • Krakatoa -1,250RL (Krakatoa Main Lens, below planned open pit). The results of BMC's test work was combined with Cominco's yearly composite results to produce a dataset for analysis and prediction of metallurgical performance. Relationships between head grade and recovery were established for the following: • Copper, lead and zinc in copper concentrate; • Lead in lead concentrate; and • Zinc in zinc concentrate. Relationships were not able to be derived for copper and zinc into lead concentrate, copper and lead into zinc concentrate and gold and silver into all concentrates, and average recoveries for all tests were utilized instead. Adjustments were made to base metal recoveries for the +1,340RL domain to reflect the lower recovery performance observed during test work. Average recoveries over the mine plan were predicted to be 81.5% for copper, 58.7% for lead and 85.9% for zinc. Gold and silver recoveries into concentrates were predicted to be 69.0% and 82.3% respectively.
	Any assumptions or allowances made for deleterious elements.	Comprehensive assays of concentrates were completed for the ABM Master Composite #1, +1,340RL composite and life of mine composite. Deleterious elements identified in concentrates that will incur penalty payments have been included in the economic analysis. The concentrate assays were also provided to a concentrate trading house who confirmed that these concentrates would be saleable.
	The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.	Cominco completed a bulk sample and pilot plant test program in 1996 and 1997. The processing recoveries from this work were lower than that determined in the laboratory. Samples for this work were sourced from near surface material, and Cominco attributed the lower performance to the presence of unidentified surface alteration effects. As identified previously, the presence of sulphosalts in the +1340RL domain is considered by BMC to be the more likely contributor to the poorer recoveries determined from the near surface samples.
	For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to	Not applicable.

Criteria	JORC Code explanation	Commentary
	meet the specifications?	
Environmental	*The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterization and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	Baseline environmental and socio-economic studies were completed in 1994 and 1995 to support Cominco's Initial Environmental Evaluation. Since the regulatory approvals were received by Cominco, baseline studies have been conducted that meet the requirements of the existing Type A Water Licence. Surface water quality, fish, and benthic invertebrates have been collected every two years since 2002. BMC initiated a new baseline studies program in April 2015 and the studies have been ongoing through 2016. Impacts expected to arise from the operation have been identified with mitigation measures proposed as part of the Project Proposal that was submitted to the Yukon Environmental and Socioeconomic Assessment Board (YESAB) March 17, 2017, initiating the permitting process for the project. Waste rock domains have been categorized by BMC, and waste rock characterization studies are in progress, assessing acid generation and metal leaching characteristics. Waste rock will be stored in surface waste storage facilities according to expected acid generation and metal leaching potential (strongly reactive – Class A, weakly reactive – Class B or non-reactive – Class C). Current predictions are that 9% of waste rock will be Class A, 39% Class B and 52% Class C. Geochemical characterization of tailings is also in progress, and tailings will be co-disposed with waste rock in the Class A Waste Storage Facility. Waste rock storage facilities are located in reasonable proximity to the open pit, taking into account costs of haulage, topography and water management requirements.
Infrastructure	*The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	Limited infrastructure currently exists at the Project, namely a 24 km tote road with gated access and a 49 person exploration camp. Sufficient land is available in close proximity to the open pit for siting of processing plant, waste storage facilities, water management infrastructure, permanent camp and other required facilities. The existing tote road will be upgraded to meet the requirements for construction and operations, designed to meet a 50 km/h speed limit. The road connects to the Robert Campbell Hwy, which provides access to the port of Stewart in British Columbia for the transportation of concentrates to market. The local Finlayson airstrip will also be upgraded to enable the use of 18 seat passenger aircraft to service the site. Power will be generated on site by bi-fuel (LNG / diesel) generators. Hydrological modelling and test wells indicate that there is available water in appropriate quantities and qualities to supply all requirements for mining, processing and camp activities. This water is permitted for use under the existing Type A Water Licence, and will be permitted under any new Licence. A permanent camp of 250 person capacity will be constructed at the site of the existing exploration camp. The operation will be Fly-In/Fly-Out and work on a nominal roster of two weeks on, one week off. BMC expects to employ the majority of the workforce from within Yukon, either directly or through contractors. It is expected that the majority of personnel will be based in Whitehorse, with local communities including Ross River and Watson Lake also serving as potential sources of labour.
Costs	*The derivation of, or assumptions made, regarding projected capital costs in the study.*	The majority of the capital costs (processing plant, administration and camp infrastructure) have been estimated by Allnorth Consultants Ltd. Additional capital cost estimates were prepared by Knight Piesold (surface infrastructure including waste rock and water management), Cryopeak LNG Solutions Corp (power generation), Entech Mining (open pit preproduction and underground capital), with BMC estimates of minor capital

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		requirements not captured by the various consultants. Sustaining capital has been estimated to allow for expansion of waste storage facilities and replacement of equipment as appropriate. Capital costs have been prepared to an accuracy of +/- 20% with a base date of Q3, 2016. Escalation of costs have not been included after this date.
	The methodology used to estimate operating costs.	Operating costs have been estimated by a variety of methods. Budget costs were sourced from open pit mining contractors, based on a preliminary mining schedule. Costs were provided on a mining phase and bench basis, according to the different destinations of waste rock and ore. Adjustments were subsequently made to the budget cost for revisions to the mining schedule and diesel price. Budget unit costs were sourced from an underground mining contractor and applied to the underground mining schedule. Processing operating costs were estimated from first principles by Allnorth Consultants Ltd. BMC sourced quotes where appropriate for administration operating costs (for example camp catering and air charters), and made estimates for labour and other operating expenses to efficiently manage the day to day operation. Costs were prepared to an accuracy of +/- 15% with a base date of Q3, 2016. Escalation of costs have not been included after this date.
	Allowances made for the content of deleterious elements.	Penalty costs for deleterious elements in concentrates have been included based on the grades determined in analysis of concentrates during metallurgical test work.
	The source of exchange rates used in the study.	BMC sourced long term base metal prices and exchange rate forecasts from a range of financial institutions between January and March 2017. The average exchange rate was used in the prefeasibility study.
	Derivation of transportation charges.	Allnorth Consultants Ltd completed a concentrate logistics study to examine transportation of concentrates from the mine site to port, which included an estimate of road transportation costs. Shipping transportation costs used in the prefeasibility study were based on discussions with Hellman Logistics in Vancouver.
	The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.	Ten year metal pricing and treatment and refining charge forecasts were sourced from CRU. As the metal prices provided by CRU were different than the consensus metal prices used in the prefeasibility study, the data was examined to derive a relationship between treatment charges and metal prices for the three concentrates. A concentrate trading firm provided indicative costs of penalty elements for each concentrate.
	The allowances made for royalties payable, both Government and private.	No commercial royalties are applicable to the mine plan presented in the prefeasibility study. Yukon mining royalties under the Quartz Mining Act (QMA) are payable to the Yukon Government annually, and have been included in the prefeasibility study. The QMA royalty is a net profits royalty, based on annual mineral production and sales after deduction of eligible expenses and allowances.
Revenue factors	*The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc..*	Head grades have been determined from the life of mine plan on a monthly basis, assuming that ore is blended into a single plant feed. BMC sourced long term base metal prices and exchange rate forecasts from a range of financial institutions between January and March 2017. The average long term metal prices and exchange rate were used in the prefeasibility study, and were copper, US$2.95 / lb, lead US$0.94 / lb, zinc US$1.07 / lb, gold US$1,292 / oz, silver US$19.31 / oz and exchange rate US$0.79:CAD$1.00. A concentrate trading firm provided typical levels of payability of metals in concentrates.
	The derivation of assumptions made of metal or commodity price(s), for the principal metals,	Discussed above.

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	minerals and co-products.	
Market assessment	*The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.*	Peak annual metal production from the project compared to global 2015 mine production will be 0.1% for copper, 0.5% for lead and 0.8% for zinc. These production levels are not considered to be significant enough to impact the market and therefore a market assessment has not been completed for the prefeasibility study.
	A customer and competitor analysis along with the identification of likely market windows for the product.	See previous comment.
	Price and volume forecasts and the basis for these forecasts.	See previous comment.
	For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	Not applicable.
Economic	*The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc..*	A discount rate of 7% has been selected as appropriate for the economic analysis of the Project, based on guidance from a range of financial institutions. Inflation has not been considered in either prices or costs.
	NPV ranges and sensitivity to variations in the significant assumptions and inputs.	The post tax NPV (7% discount rate) has been determined to be US$594M. Sensitivity to a range of parameters including metal prices, exchange rates, processing recoveries, and capital and operating costs were assessed at a range of +/- 10%, with the exception of WACC at +/- 2%. WACC was the most sensitive parameter followed by exchange rate and zinc price, with NPV ranging from US$506M to US$698M.
Social	*The status of agreements with key stakeholders and matters leading to social licence to operate.*	A socioeconomic participation agreement (SEPA) exists with the Kaska First Nation, having last been updated between Teck and Kaska in 2004. Upon acquisition of the Project, the SEPA was assigned to BMC. BMC and Kaska have agreed to work together to modernize the 2004 SEPA in order to provide improved certainty and better economic outcomes for the benefit of both parties. These discussions have commenced and are expected to be completed in 2017 prior to Project development commencing.
Other	*To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:*	
	• *Any identified material naturally occurring risks.*	No material naturally occurring risks have been identified that would impact on the Project or on the estimation and classification of Ore Reserves.
	• *The status of material legal agreements and marketing arrangements*	Marketing agreements for sale of concentrates have not been entered into at this level of project assessment. Concentrate traders have advised that the qualities of the concentrates produced through metallurgical test work will be able to be placed in the market. Feasibility level work will include establishment of concentrate offtake agreements. The key legal agreement outstanding is the updating of the SEPA agreement as noted earlier. BMC does not anticipate that this will not be able to be concluded on mutually agreeable terms and does not consider that this will impact on the Project or on the estimation and classification of Ore Reserves.
	• *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within*	The Project is commenced the permitting process with submission of the Project Proposal to YESAB March 3, 2017. The Project Proposal is currently undergoing Adequacy Review prior to progressing through to Project Screening. The Yukon Socioeconomic Assessment Act legislates time periods that YESAB must respond to project proponents as a project moves through the permitting process, with the clock stopping when YESAB requests additional information or clarification from the project proponent. BMC has established a Permitting Management Plan to ensure that

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	the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.	the permitting process is actively managed to the best extent possible and that responses to YESAB requests for information are made in a timely and efficient manner. The Yukon government has been regularly briefed on the development plans for the Project, and BMC has no reason to expect that the Project will not be approved, nor that the timeline for approvals as presented in the Prefeasibility Study will not be realized.
Classification	*The basis for the classification of the Ore Reserves into varying confidence categories.*	Indicated Resource mineralization above cut-off included in the designed open pit has been classified as a Probable Ore Reserve. The underground design was based on Indicated Resource mineralization only, and all Indicated Resource mineralization above cut-off included in the underground design has been classified as a Probable Ore Reserve.
	Whether the result appropriately reflects the Competent Person's view of the deposit.	In the opinion of the Competent Person the estimation process undertaken represents a reasonable estimate of the Ore Reserves.
	The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	Nil (no Measured Resources have been defined).
Audits or reviews	*The results of any audits or reviews of Ore Reserve estimates.*	The Ore Reserve estimate has been reviewed by CSA Global as a precursor to preparation of a NI43-101 Prefeasibility Study report.
Discussion of relative accuracy/ confidence	*Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.*	Ore Reserves are based Indicated Mineral Resources of 18.3 Mt at a grade of 0.9% Cu, 1.9% Pb, 6.3% Zn, 148 g/t Ag and 1.4 g/t Au. The Mineral Resource estimate was authored by the competent person, Aaron Green, an employee of CSA Global Pty Ltd (CSA Global). The Competent Person does not consider there to be a material bias in the underlying data or grade estimation and modelling methodology employed by CSA Global that would affect the classification of the Mineral Resources. The designs, schedule, and financial model on which the Ore Reserve is based have been completed to a prefeasibility study standard, with a corresponding level of confidence.
	The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.	The Ore Reserve estimate is based on the global Mineral Resource estimate of the ABM Deposit.
	Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.	The accuracy and confidence limits are based on the current mine design in the technical and economic evaluation. Material changes to the technical or economic assumptions used, including operating costs, treatment and refining charges, transport charges, concentrate payability factors, exchange rates, and metal prices may materially impact the accuracy of the economic value of the Project, however it is not expected that it would have a material impact on the quantity or quality of Ore Reserves.
	It is recognized that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	The Project has not been in production at this time and a comparison with production data is not possible.