DEER HORN METALS INC.

FORM 2A

CSE LISTING STATEMENT

September 19, 2014

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements contained in this Listing Statement that are not historical facts are "*forward-looking statements*" or "*forward-looking information*" (collectively, "**Forward-Looking Information**") (within the meaning of applicable Canadian securities legislation).

Forward-Looking Information includes, but is not limited to, statements relating to the timing, availability and amount of financings; expected use of proceeds; business objectives; the acquisition of interests in mineral properties; the timing and costs of future exploration activities on the Company's properties; success of exploration activities; permitting time lines and requirements for additional capital. In certain cases, Forward-Looking Information can be identified by the use of words such as "*plans*", "*expects*", or "*does not expect*", "*is expected*", "*budget*", "*scheduled*", "*estimates*", "*forecasts*", "*intended*", "*anticipates*", or "*does not anticipate*", or "*believes*" or variations of such words and phrases or statements that certain actions, events or results "*may*", "*could*", "*would*", "*might*" or "*will be taken*", "*occur*", or "*be achieved*".

In making the Forward-Looking Information in this Listing Statement, the Company has applied several material assumptions, including, but not limited to, the assumption that additional financings needed will be available on reasonable terms, that the current exploration and other objectives concerning its properties can be achieved, that general business and economic conditions will not change in a materially adverse manner, and that all necessary governmental approvals for the planned exploration on its properties will be obtained in a timely manner and on acceptable terms. Other assumptions are discussed throughout this Listing Statement and, in particular, in the "*Risk Factors*" found in section 17 of this Listing Statement.

Forward-Looking Information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the Forward-Looking Information. Such risks and other factors include, among others, risks related to the completion of financings and the use of proceeds; operations and contractual obligations; changes in exploration programs based upon results of exploration; future prices of metals; availability of third party contractors; availability of equipment; failure of equipment to operate as anticipated; accidents, effects of weather and other natural phenomena and other risks of the mineral exploration industry; environmental risks; community relations; and delays in obtaining governmental approvals or financing; as well as those factors discussed in the "*Risk Factors*" found in section 17 of this Listing Statement.

Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in Forward-Looking Information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that Forward-Looking Information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on Forward-Looking Information.
The Forward Looking Information contained in this Listing Statement are made as of the date hereof and, unless so required by applicable law, the Company undertakes no obligation to update publicly or revise any Forward Looking Information, whether as a result of new information future events or otherwise. The Forward Looking Information contained in this Listing Statement is expressly qualified by this cautionary statement.

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2. CORPORATE STRUCTURE

2.1 The issuer operates under its legal name "Deer Horn Metals Inc." (the "**Issuer**" or the "**Company**"). The Company's head office is located at Suite 140 – 1440 Garden Place, Delta, British Columbia V4M 3Z2. The Company's registered and records office is located at Suite 1100, 736 Granville Street, Vancouver, British Columbia V6Z 1G3.

2.2 The Company was incorporated as "Golden Odyssey Mining Inc." under the Canada *Business Corporations Act* on April 16, 2004. On January 27, 2011, it changed its name to "Deer Horn Metals Inc."

Effective August 7, 2014, the Company was continued from the federal laws of Canada under the *Business Corporations Act* (Canada) to the Province of British Columbia under the *Business Corporations Act* (British Columbia). As a result, the Company is now subject to the provisions of the *Business Corporations Act* (British Columbia). The Company adopted a new set of Articles concurrent with the completion of the continuation.

2.3 The Company does not have any subsidiaries.

2.3 N/A

2.4 N/A

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 The Company is a junior mineral exploration company with property interests located in British Columbia.

The Company's principal property is the "**Deerhorn Property**", which is comprised of 18 contiguous mineral claims covering approximately 5,133.26 hectares of land located in the Omineca Mining Division in British Columbia. Pursuant to the terms of an option agreement (the "**Option Agreement**") dated August 12, 2009, the Company was granted an option to acquire an initial 50% interest in the Deerhorn Property by incurring work costs totalling $5,000,000 within four years. The Company earned this initial 50% interest in the Deerhorn Property in May 2013. Under the Option Agreement, the Company was granted an option to acquire a further 25% interest in the Deerhorn Property by paying the costs required to bring the Deerhorn Property to the commencement of commercial production.

A National Instrument 43-101 ("**NI 43-101**") compliant preliminary economic assessment report (the "**PEA Report**") dated March 12, 2013, revised July 26, 2013, was filed on SEDAR (www.sedar.com) under the Company's profile on August 7, 2013. Excerpts from this report are included in Appendix "A" attached hereto.

3.2 There were no significant dispositions or acquisitions during the most recently completed financial year.

3.3 As a junior exploration company without revenues, the Company typically needs more capital than it has available to it or can expect to generate through the sale of its products. In the past,

the Company has had to raise, by way of equity financing, considerable funds to meet its capital needs. There is no guarantee that the Company will be able to continue to raise funds needed for its business. Failure to raise the necessary funds in a timely fashion will limit the Company's growth and future development of its mineral property.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 The Company owns a 50% interest in the Deerhorn Property and has been granted an option to acquire an additional 25% interest (for an aggregate 75% interest) in the Deerhorn Property upon payment of all costs required to bring the Deerhorn Property to the commencement of commercial production (refer to Item 3.1 above for further details):

Business Objectives

Due to the current economic downturn for junior resource companies, the Company is currently in a "care and maintenance" phase of exploration. In the event the Company is able to raise sufficient financing over the next 12 months, then the Company's objective for this period is to upgrade the inferred resource contained in the PEA Report. Additional work would include in-fill and step-out drilling, engineering and environmental programs to advance the project to a preliminary feasibility stage. An estimated budget for this work is $2.3 million.

Milestones

In order for the Company to carry out the proposed programs set out above, the Company will need to raise funds, whether through equity or other, at such amounts and at prices or rates that are fair and in the best interests of the Company. There can be no assurances that the Company will be able to raise such funds.

Funds Available

As at August 31, 2014, the Company had estimated working capital of $91,430.

The total funds available to the Company on listing is estimated to be $67,055 all of which is budgeted for general working capital.

4.2 N/A

4.3 See Appendix "A" for information about the Deerhorn Property. The information contained in the Listing Statement regarding the Deerhorn Property is excerpted from the PEA Report which is entitled "*Preliminary Economic Assessment for the Deer Horn Gold-Silver-Tellurium Property, Omineca Mining Division, British Columbia, NTS MAP 093E/06W Latitude 53°22'26"N and Longitude 127°17'16"*" dated March 12, 2013, revised July 26, 2013 and prepared by Bob Lane (P.Geo.), Plateau Minerals Corp; Gary Giroux (P.Eng.), Giroux Consultants Ltd; and Tracey Meintjes (P.Eng.), Moose Mountain Technical Services.

4.4 N/A

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Information - The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the Company's audited financial statements for the financial years ended July 31, 2013 and 2012; and the audited financial statements for the financial years ended July 31, 2011 and 2010, and the notes thereto, as well as the unaudited interim financial statements for the nine month period ended April 30, 2014 and the notes thereto, all of which are filed on SEDAR (www.sedar.com).

	Nine Month Period Ended Apr 30, 2014	**Year Ended July 31, 2013**	**Year Ended July 31, 2012**	**Year Ended July 31, 2011**
	(unaudited) ($)	**(audited) ($)**	**(audited) ($)**	**(audited) ($)**
Revenues	Nil	Nil	Nil	Nil
Total Expenses	82,977	989,303	2,492,128	2,068,031
Other Income (Loss)	332,310[(1)]	30,400	83,794	21,340
Net Income (Loss)	249,333	(958,903)	(2,408,334)	(2,046,691)
Basic & Diluted Income (Loss) per share	--	(0.01)	(0.03)	(0.03)
Total Assets	182,400	270,749	601,340	4,616,277
Total Long-Term Liabilities	Nil	Nil	Nil	Nil
Cash dividends declared	Nil	Nil	Nil	Nil
Shareholders' Equity	108,798	8,658	534,360	2,517,963

Notes:
(1) Mining tax credit recovered.

5.2 Quarterly Information – The following table provides a brief summary of the Company's financial operations for the eight most recently completed quarters. For more detailed information, refer to the Company's interim financial statements for the relevant periods, all of which are filed on SEDAR (www.sedar.com).

	3rd Quarter ended Apr 30, 2014 ($)	**2nd Quarter ended Jan 31, 2014 ($)**	**1st Quarter ended Oct 31, 2013 ($)**	**4th Quarter ended July 31, 2013 ($)**	**3rd Quarter ended Apr 30, 2013 ($)**	**2nd Quarter ended Jan 31, 2013 ($)**	**1st Quarter ended Oct 31, 2012 ($)**	**4th Quarter ended July 31, 2012 ($)**
Revenues	nil	nil	nil	nil	nil	nil	nil	Nil
Net Income (Loss)	249,333	(101,107)	(244,102)	(155,425)	(212,859)	(244,102)	(211,366)	(303,572)
Basic & Diluted Income (Loss) per share	-	-	-	-	-	-	-	-

5.3 Dividends - The Company has not declared or paid any dividends or distributions on its common shares. The Company does not have any restrictions that could prevent it from paying dividends or distributions, other than customary general solvency requirements. It currently intends to retain future earnings, if any, for use in its business and does not anticipate paying dividends or distributions in the foreseeable future on its common shares. Any determination to pay future dividends or distributions will remain at the discretion of the Board of Directors of the Company and will depend on the earnings, financial condition of the Company and such other factors deemed relevant by the Board.

5.4 N/A

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

6.1 Date - The information in this section relates to MD&A for the year ended July 31, 2013, and is taken from the MD&A dated November 27, 2013.

6.2 Overall Performance – The following discussion of the Company's financial performance is based on the audited consolidated financial statements for the years ended July 31, 2013 and 2012.

The Company's current assets, as at July 31, 2013, were $180,377 (July 31, 2012 - $509,880). Non-current assets at July 31, 2013 totaled $90,372 (July 31, 2012 - $91,460). The decrease in current assets is mainly due to a lack of financings during fiscal 2013.

During the year ended July 31, 2013, the Company reported a net loss of $958,903 ($0.01 basic and diluted loss per share) compared with a net loss of $2,408,334 for the year ending July 31, 2012 ($0.03 basic and diluted loss per share). The decrease in net loss is mainly due to a decrease in exploration expenses, investor relations costs, interest, salaries and management fees, professional fees, office costs, share-based compensation, property investigation costs, regulatory and filing fees, travel, foreign exchange loss, and general operating costs.

6.3 Selected Annual Information – The figures in the following table for the years ended July 31, 2013, 2012 and 2011, have been prepared in accordance with IFRS.

All figures are expressed in Canadian dollars.

	Year Ended Jul 31, 2013 (audited) ($)	**Year Ended Jul 31, 2012 (audited) ($)**	**Year Ended Jul 31, 2011 (audited) ($)**
Revenues	nil	nil	nil
Net Income (Loss)	(958,903)	(2,408,334)	(2,046,691)
Basic & Diluted Income (Loss) per share	(0.03)	(0.03)	(0.03)
Total Assets	270,749	601,340	2,688,056
Total Long Term Liabilities	nil	nil	Nil
Cash dividends declared	nil	nil	nil
Shareholders' Equity (Deficit)	8,658	534,360	2,517,963

6.4 Variations

Net Loss

The Company incurred a net loss of $958,903 ($0.01/share) in the fiscal year ended July 31, 2013, compared with a net loss of $2,408,334 ($0.03/share) in the fiscal year ended July 31, 2012 and a net loss of $2,046,691 ($0.03/share) in the fiscal year ended July 31, 2011. The significant variance between the year ended July 31, 2013 and July 31, 2012 was mainly attributable to a decrease in exploration expenses, investor relations costs, interest, salaries and management fees, professional fees, office costs, share-based compensation, property investigation costs, regulatory and filing fees, travel, foreign exchange loss, and general operating costs. The significant variance between the year ended July 31, 2012 and July 31, 2011 was mainly attributable to an increase in exploration expenses, professional fees, salaries and management fees together with a decrease in investor relations costs, regulatory and filing fees, share-based compensation and travel. Explanations for the fluctuations in net losses are summarized below by separately identifying four major categories of expenses. The categories are (i) exploration expenses; (ii) salaries & management fees/share-based compensation; (iii) investor relations; and (iv) professional fees.

Exploration Expenses

For the fiscal year ended July 31, 2013, the Company incurred $326,393 in exploration expenses ($1,236,111 as at July 31, 2012; $785,903 as at July 31, 2011). The difference between fiscal 2013 and 2012 can be explained by the Company's change in focus in fiscal 2013 from exploration to completion of a Preliminary Economic Assessment on its Deerhorn Property. The increase in expenses in fiscal 2012 as compared to fiscal 2011 can be explained by the Company's focus on meeting certain contractual obligations in order to earn its interest in the Deerhorn Property.

Salaries and Management Fees/Share-Based Compensation

For the fiscal year ended July 31, 2013, the Company recognized salary and management fee expenses of $432,654 ($723,536 in fiscal 2012; $316,570 fiscal 2011). The decrease in fiscal 2013 can be explained by the fact that the Company decreased its exploration activities and stream-lined its operations in fiscal 2013 and consequently retained fewer number of employees and consultants. Conversely, the increase in salaries and management fees in fiscal 2012 compared to fiscal 2011, resulted from the Company's increased exploration activities in fiscal 2012 and the consequent increase in employees and consultants during this year.

During the year ended July 31, 2013, the Company recorded $17,051 of share-based compensation ($130,771 in fiscal 2012; $499,631 in fiscal 2011). The variations in share-based compensation were due to fewer options being granted in fiscal 2013 and an increase in options granted in fiscal 2012.

Investor Relations and Shareholder Information

For fiscal 2013, the Company reported $102,832 in investor relations and shareholder information expenses ($198,584 in fiscal 2012; $264,634 in fiscal 2011). The decrease in fiscal 2013 and 2012, as compared to each previous year, can be explained by the Company's stream-lining of and decrease in operations during the past two years.

Professional Fees

For the fiscal year ended July 31, 2013, the Company reported $34,843 in professional fees (legal and audit)($105,528 in fiscal 2012; $65,662 in fiscal 2011). The decrease in fiscal 2012 from the previous year was a result of the Company's decrease in activity requiring legal assistance. The increase in fiscal 2012, as compared to fiscal 2011, was a result of the Company's increased financing and property acquisition activity.

Total Assets

Total assets decreased to $270,749 as at July 31, 2013 from $601,340 as at July 31, 2012 and $2,688,056 as at July 31, 2011. Total assets consist mainly of cash and other receivables, equipment, reclamation deposits and exploration and evaluation assets. Total assets as at July 31, 2013 decreased significantly from the previous year mainly due to a decrease in the Company's cash position. Total assets as at July 31, 2012 decreased significantly from the previous year mainly due to a decrease in the Company's cash position a decrease in value of the reclamation deposit.

Shareholders' Equity

Total shareholders' equity decreased to $8,658 as at July 31, 2013 ($534,360 as at July 31, 2012; $2,517,963 as at July 31, 2011). Total shareholder equity consisted mainly of share capital and share-based compensation reserve and decreased significantly in each of fiscal 2012 and fiscal 2013 due to cash reserves being depleted and no significant financings being completed during such periods.

6.5 Results of Operations

During the years ended July 31, 2013, 2012 and 2011, the Company did not generate any revenue. The Company recorded a loss of $958,903 during the year ended July 31, 2013 compared to a loss of $2,408,334 for the year ended July 31, 2012 and a loss of $2,046,691 for the year ended July 31, 2011. The decrease in loss in fiscal 2013 from the prior comparative period was due mainly to the Company's change of focus from exploration activity to completion of the Preliminary Economic Assessment Report on its Deerhorn Property and stream-lining of operations in order preserve cash which led to large decreases in exploration expenses, investor relations expenses, professional fees and salaries and management fees. The decrease in loss in fiscal 2012 from the prior comparative period was due mainly to large decreases in investor relations expenses, regulatory and filing fees; and share-based compensation as the Company commenced stream-lining of operations during the 2012 economic crisis and consequent collapse of capital markets.

6.6 Summary of Quarterly Results - The following table sets out selected unaudited quarterly financial information of the Company for the eight most recent quarters of operation. This information is derived form unaudited quarterly financial statements prepared by management. This financial data was prepared in accordance with IFRS.

	3rd Quarter ended Apr 30, 2014 ($)	2nd Quarter ended Jan 31, 2014 ($)	1st Quarter ended Oct 31, 2013 ($)	4th Quarter ended July 31, 2013 ($)	3rd Quarter ended Apr 30, 2013 ($)	2nd Quarter ended Jan 31, 2013 ($)	1st Quarter ended Oct 31, 2012 ($)	4th Quarter ended July 31, 2012 ($)
Revenues	nil	nil	nil	nil	nil	nil	nil	Nil
Net Income (Loss)	249,333	(101,107)	(244,102)	(155,425)	(212,859)	(244,102)	(211,366)	(303,572)
Basic & Diluted Income (Loss) per share	-	-	-	-	-	-	-	-

Overall, exploration expenses, salaries and management fees, investor relations expenses, share-based compensation, professional fees, regulatory and filing fees, and travel were the major components that caused variances in net income/loss from quarter to quarter.

6.7 Liquidity – As at July 31 2013, the Company cash and other receivables, prepaid expenses and exploration advances totaling $180,377 ($509,880 as at July 31, 2012). As at July 31, 2013, the Company had a working capital deficit of $81,713 as compared to working capital of $442,900 as at July 31, 2012. The decrease in working capital is mainly due to the depletion of the Company's cash reserves and a decrease in financing activities during the period.

6.8 Capital Resources – The Company will continue to require funds to meet its ongoing day-to-day operating requirements and will have to continue to rely on equity and debt financing. The Company's capital resources are largely determined by the amount of working capital required for ongoing exploration activities on its properties. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular period or if available, that it can be obtained on terms satisfactory to the Company.

6.9 Off-Balance Sheet Arrangements – There are currently no off-balance sheet arrangements which could have a material effect on current or future results of operations, or the financial condition of the Company.

6.10 Transactions with Related Parties

During the years ended July 31, 2013 and 2012, the following amounts were incurred with respect to the directors, the Chief Executive Officer and the Chief Financial Officer of the Company:

	Year ended July 31, 2013	Year ended July 31, 2012
Management fees paid or accrued to a company controlled by the President and CEO:	$210,000	$282,500
Management fees paid or accrued to the CFO or a company controlled by the CFO:	$30,000	$30,000
Management fees paid or accrued to a company controlled by a Director:	$60,000	$60,000
Exploration costs paid or accrued to a private company controlled by a former director:	--	$1,777,581

6.11 Fourth Quarter – During the three month period ended April 30, 2013, the major expenses of the Company were salaries and management fees, rent, investor relations, office, travel and During the regulatory and filing fees.

6.12 Proposed Transactions – The Company does not currently have any proposed transactions approved by the Board of Directors.

6.13 Change in Accounting Policies

The following new standards, and amendments to standards and interpretations, are not yet effective as of August 1, 2013, and have not been early adopted by the Company and accordingly have not been applied to the Company's financial statements for the fiscal year ended July 31, 2013. None of these are expected to have a material effect on the Company's future financial statements:

(i) Effective for annual periods beginning on or after January 1, 2013

- *IFRS 7, Financial Instruments: Disclosures*

  Amended to enhance disclosure requirements related to offsetting of financial assets and financial liabilities.

- *IFRS 13, Fair Value Measurement and Disclosure Requirement*

  Provides single source guidance on how to measure fair value where its use is already required or permitted by other IFRS and enhances disclosure requirements for information about fair value measurements.

(ii) Effective for annual periods beginning on or after January 1, 2014

- *IAS 32, Financial Instruments: Presentation*

  IAS is amended to clarify requirements for offsetting of financial liabilities.

(iii) Effective for annual periods beginning on or after January 1, 2015

- *IFRS 9, Financial Statements – Classification and Measurement*

  IFRS 9 is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 addresses classification and measurements of financial assets and financial liabilities as well as de-recognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows representing principal and interest. Otherwise it is fair value through profit and loss.

- *IFRS 7, Financial Instruments - Disclosure*

  Amended to require additional disclosure on transition from IAS 39 to IFRS 9.

6.14 Financial Instruments and Other Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities.

(i) Financial Assets

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

- *At Fair Value Through Profit or Loss*

  Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. Cash and cash equivalents and short-term investments are classified as financial assets and liabilities at fair value through profit or loss.

- *Loans and Receivables*

  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest rate method, less any impairment losses. Amounts receivable and amounts due from related parties are classified as loans and receivables.

- *Held-to-Maturity Investments*

  Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payment, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. The Company does not have any assets classified as held-to-maturity.

- *Available-for-sale Investments*

  Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories.

  Available-for-sale investments are recognized at fair value and are subsequently carried at fair value. Gains or losses arising from changes in fair value are recognized in other comprehensive loss. Available-for-sale investments are classified as current except if they are expected to be realized beyond twelve months of the statement of financial position date, where they are classified as non-current. The Company does not have any assets classified as available-for-sale.

(ii) Financial Liabilities

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred. These liabilities are initially recognized on the trade date at fair value when the Company becomes a party to the contractual provisions of the instrument and are subsequently carried at amortized cost using the effective interest rate method. The liabilities are derecognized when the Company's contractual obligations are discharged or cancelled or they expire.

6.15 Interim MD&A – The information provided in section 6.16 is for the nine month period ended April 30, 2014 and is taken from the management discussion & analysis dated June 30, 2014.

6.16 Updated Disclosure

Results of Operations

During the nine months ended April 30, 2014, the Company did not generate any revenue. The Company recorded a gain of $21,640 during this period compared to a loss of $833,878 for the nine month period ended April 30, 2012. The decrease in loss from the prior comparative period was primarily due to a $332,310 mining tax credit recovery received during this period as well as significant decreases in exploration expenses, investor relations expenses, regulatory and filing fees, salaries and management fees and share-based compensation.

Liquidity

As at April 30, 2014, the Company cash and other receivables, prepaid expenses and exploration advances totaling $92,150 compared to $180,377 as at July 31, 2013. As at April 30, 2014, the Company had working capital of $18,548 as compared to a working capital deficit of $81,713 as at July 31, 2013. The increase in working capital was mainly due to receipt of a mining tax credit recovery received during the period ended April 30, 2014.

Capital Resources

The Company will continue to require funds to meet its ongoing day-to-day operating requirements and will have to continue to rely on equity and debt financing. The Company's capital resources are largely determined by the amount of working capital required for ongoing exploration activities on its properties. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular period or if available, that it can be obtained on terms satisfactory to the Company.

Transactions with Related Parties

During the nine months ended April 30, 2014 , the following amounts were incurred with respect to the directors, the Chief Executive Officer and the Chief Financial Officer of the Company:

	9 months ended April 30, 2014	Year ended July 31, 2013
Management fees paid or accrued to a company controlled by the President and CEO:	$157,500	$210,000
Management fees paid or accrued to the CFO or a company controlled by the CFO:	$22,500	$30,000
Management fees paid or accrued to a company controlled by a Director:	$45,000	$60,000

6.17 Additional Disclosure for Issuers Without Significant Revenue - Details relating to the Company's capitalized or expensed exploration and development costs, deferred development costs and general and administration expenses for the fiscal periods ended July 31, 2013 and July 31, 2012, and the nine month period ended April 30, 2014, are set out in the Company's respective financial statements filed on SEDAR under the Company's profile.

6.18 Description of Securities – The Company's authorized voting securities are comprised of an unlimited number of common shares without par value. As at the date of this Listing Statement,

the Company had issued: 15,435,317 common shares, share purchase warrants exercisable into 266,000 common shares and options exercisable into 575,000 common shares. See section 14 below for further details.

6.19 See section 6.17 above.

6.20 See section 6.7 above.

6.21 N/A

7. MARKET FOR SECURITIES

7.1 The Company's common shares are currently listed on the TSX Venture Exchange under trading symbol "DHM".

8. CONSOLIDATED CAPITALIZATION

8.1 On May 14, 2014, the Company consolidated its common share capital on the basis of 10 pre-consolidation common shares held for one new post-consolidation common share (10:1), such that 154,353,166 then issued and outstanding common shares of the Company consolidated into 15,435,317 common shares. Any fractional shares resulting from the consolidation comprising less than ½ common share were rounded down to the nearest whole number, and any fractional shares comprising greater than or equal to ½ common share were converted into one whole common share.

As at the date that the Company's common shares will be listed on CSE (the "**Listing Date**"), the Company will have 15,435,317 common shares issued and outstanding. A summary of common shares, incentive options and warrants as at the date of this Listing Statement is provided in the table below:

Description	Authorized	Outstanding as at July 31, 2013	Outstanding as at the date of this Listing Statement	Outstanding as at the date of this Listing Statement on a fully diluted basis[(1)]
Common shares	Unlimited	104,353,166[(2)]	15,435,317	16,276,317
Long-Term Debt	Nil	Nil	Nil	Nil

Notes:
(1) Assumes exercise of all outstanding options and share purchase warrants.
(2) Prior to the 10:1 consolidation effected on May 14, 2014.

9. OPTIONS TO PURCHASE SECURITIES

9.1 Summary of Stock Option Plan

The Company maintains a 10% rolling stock option plan (the "**2014 Stock Option Plan**") dated June 16, 2014, which was approved by the shareholders of the Company at its annual general & special meeting held on July 21, 2014. The 2014 Stock Option Plan is administered by the Board who has the full authority and sole discretion to grant options under the 2014 Stock Option Plan

to any eligible recipient, including themselves. Eligible recipients, include: directors, officers, employees and consultants of the Company or its subsidiaries. The key terms of the 2014 Stock Option Plan are as follows:

- The aggregate of optioned shares that may be issued upon the exercise of stock options previously granted and those granted under the 2014 Stock Option Plan may not exceed 10% of the number of issued and outstanding common shares of the Company at the time of granting of options.

- Any previously granted options shall be deemed to be accepted into and governed by the 2014 Stock Option Plan.

- No more than 5% of the issued common shares of the Company, calculated at the date of the grant of options, may be granted to any one optionee in any 12 month period (unless disinterested shareholder approval is obtained where permitted by applicable regulators).

- No more than an aggregate of 1% of the issued common shares of the Company, calculated at the date of the grant of options, may be granted to all employees conducting investor relations activities within any 12 month period (which percentage interest may be increased if permitted by applicable regulators).

- If required by applicable regulators, no more than 2% of the common shares outstanding at the time of grant may be reserved for issuance to any consultant in any 12 month period.

- The exercise price of a stock option shall be fixed by the Board, however, the minimum exercise price of a stock option cannot be less than the closing price of the Company's common shares on the trading day immediately prior to the date of grant less any allowable discounts if permitted under applicable exchange policies.

- Options may have a maximum exercise period of ten (10) years.

- Options are non-assignable and non-transferable.

- Where permitted by applicable regulators, vesting provisions are at the sole discretion of the Board except that options granted to consultants conducting investor relations activities will vest, at a minimum, over a period of not less than 12 months as to 25% on the date that is three months from the date of grant and a further 25% on each successive date that is three months from the date of the previous vesting.

- Where required by exchange policies, any reduction in exercise price of an option previously granted to an insider requires disinterested shareholder approval. All other terms of an option may only be amended in compliance with applicable exchange policies in effect at the time of the proposed amendment.

- In the case of death of an optionee, any vested options held by the deceased at the date of death will become exercisable by the optionee's estate until the earlier of one year after the date of death and the date of expiration of the term otherwise applicable to such option.

- Options granted to an optionee may be exercised in whole or in part by the optionee within a reasonable period of time following the date the optionee ceases to be employed with or provide services to the Company as determined by the Board, in its sole discretion, on the date of such termination, which date will be no later than the earlier of one year and the expiry date otherwise applicable to such options, but only to the extent that such options are vested at the date the optionee ceases to be so employed or provide services to the Company.

- In the case of an optionee dismissed from employment/service for cause, such options, whether vested or not, will immediately terminate without right to exercise same.

The number of options outstanding and exercisable under the 2014 Stock Option Plan as at the date of this Listing Statement are as follows:

Category of Optionee	**Number of Optionees**	**Number of Options**	**Purchase price of Options**	**Expiry Date**
Directors and Executive Officers	2	155,000	$1.00	May 21, 2015
		32,000	$2.50	March 11, 2016
Directors who are not Executive Officers	4	55,000	$1.00	May 21, 2015
		115,000	$2.50	March 11, 2016
		50,000	$2.50	June 24, 2016
		100,000	$1.00	March 25, 2018
Employees	0	n/a	n/a	n/a
Consultants	6	10,000	$1.00	May 21, 2015
		58,000	$2.50	March 11, 2016
TOTAL:	**12**	**575,000**	-	-

10. DESCRIPTION OF THE SECURITIES

10.1 Equity Securities. The authorized share capital of the Company consists of an unlimited number of common shares without par value.

As of the date of this Listing Statement there are 15,435,317 common shares of the Company issued and outstanding. Upon liquidation, dissolution or winding up of the Company, the holders of common shares are entitled to share ratably in all net assets available for distribution to shareholders after payment to creditors and holders of preferred shares. The common shares are not convertible or redeemable and have no preemptive, subscription or conversion rights. There are no conversion, redemption, sinking fund or similar provisions regarding the common shares. Each outstanding common share is entitled to one vote on all matters submitted to a vote of shareholders. There are no cumulative voting rights.

Each holder of common shares is entitled to receive such dividends as may be declared by the Board out of funds legally available for dividends. The Board is not obligated to declare a dividend. Any future dividends will be subject to the discretion of the Board and will depend upon, among other things, future earnings, the operating and financial condition of the Company,

its capital requirements, general business conditions and other pertinent factors. The Company does not anticipate that dividends will be paid in the foreseeable future.

10.2 N/A.

10.3 N/A.

10.4 N/A.

10.5 N/A.

10.6 N/A.

10.7 Prior Sales. There were no securities sold and issued by the Company in the 12 month period preceding the date of this Listing Statement. The following table sets out the number and price of securities proposed to be issued and sold by the Company as at the Listing Date.

Date of Issue	Type of Security	No. of Securities Issued	Price per Security	Approx. Total Consideration	Nature of Consideration
Aug 15, 2013	Common shares	50,000,000[(1)]	$0.005[(1)]	$250,000	Cash – Private Placement

Notes:
(1) Pre-consolidation figures. On May 14, 2014, the Company consolidated its common shares on a 10:1 basis.

10.8 Stock Exchange Price.

The following table sets out trading information for the Company's common shares on the TSX Venture Exchange for the 12 month period before the date of this Listing Statement.

Date	High[(1)] $	Low[(1)] $	Close[(1)] $	Volume[(2)]
August 2014	0.04	0.035	0.035	59,500
July 2014	0.06	0.045	0.045	86,925
June 2014	0.08	0.045	0.055	229,405
May 2014[(1)]	0.10	0.035	0.075	509,927
Quarter ended April 2014	0.05	0.05	0.05	155,567
Quarter ended January 31, 2014	0.10	0.05	0.05	106,262
Quarter ended October 31, 2013	0.10	0.05	0.05	184,470
Quarter ended July 31, 2013	0.15	0.05	0.05	953,936

Notes:
(1) Prices have been adjusted to reflect the Company's 10:1 consolidation effected on May 14, 2014.
(2) Volume has been adjusted to reflect the Company's 10:1 consolidation effected on May 14, 2014.

11. ESCROWED SECURITIES

11.1 None of the Company's issued common shares are held in escrow.

12. PRINCIPAL SHAREHOLDERS

12.1 To the knowledge of the directors and officers of the Company, as at the Listing Date, no person has (a) direct or indirect beneficial ownership of, (b) control or direction over, or (c) a combination of direct and indirect beneficial ownership of and control or direction over, voting securities that constitute more than 10% of the issued share capital of the Company.

13. DIRECTORS AND OFFICERS

13.1 The name, municipality of residence and position with the Company of each director and officer of the Company, and the principal business or occupation in which each director and officer of the Company has been engaged during the immediately preceding five years, and the period during which each director has served as director is set out in the table below.

Name, municipality of residence and position with the Company	**Principal occupation during the past five years**	**Period as director and/or officer**	**No. of common shares held and percentage of issued common shares as at Listing Date[(1)]**
TYRONE DOCHERTY Delta, BC *President, CEO & Director*	President and CEO of the Company (since October 2008); director (since June 2009) of JayHawk Energy Inc., an oil & gas company trading on the OTCQB; director (since October 2006) of Berkley Renewables Inc., a solar energy and life sciences company trading on CSE; and director (since October 2012) of Mason Graphite Inc., a graphite mining company trading on TSX Venture Exchange.	Oct 15, 2008 (director) Oct 14, 2008 (CEO & President)	1,244,950 8.1%
TONY FOGARASSY Vancouver, BC *Chairman & Director*	Lawyer (since 1993) and Principal (since March 1999) of Dunbar Law Corporation.	Jul 13, 2009 (director) Mar 16, 2011 (Chairman)	39,600 0.26%
LINDSAY GORILL Coeur d'Alene, ID USA *Director*	President and CEO (since May 2009) of Canada Fluorspar Inc., a flusorspar exploration and development company trading on TSX Venture Exchange; director (since July 2007) of JayHawk Energy Inc., an oil & gas company trading on the OTCQB; director (since July 2004) of Berkley Renewables Inc., a solar energy and life sciences company trading on CSE; and director and Chairman (since October 2012) of Star Gold Corp., a junior exploration company trading on CSE and the OTCQB.	Aug 28, 2009	nil 0%

MATT WAYRYNEN West Vancouver, BC *Director*	President and Chief Executive Officer (since July 2008) and director (since June 2002) of Berkley Renewables Inc., a solar energy and life sciences company trading on CSE; President (since July 2010) of American Uranium Corporation, a junior exploration company trading on the OTC Pinks; President and CEO (since October 2011) of WestKam Gold Corp. a junior exploration company trading on the TSX Venture Exchange; and a director of JayHawk Energy Inc., an oil & gas company trading on the OTCQB (since April 2008)	Jul 13, 2009	nil 0%
PETER JENSEN North Vancouver, BC *Director*	Lawyer, Bacchus Law Corp. (since 2010); Principal, Devlin Jensen (March 1987 to September 2010); and director (since December 2010) of Replicel Life Sciences Inc., a regenerative medicine company trading on the TSX Venture Exchange and the OTCQB.	Jul 22, 2012	46,750 0.3%
PAMELA SAULNIER Delta, BC *CFO & Corporate Secretary*	Self-employed Chartered Public Accountant (since 2006); and CFO and corporate secretary of the Company (since June 2009); CFO (since March 2009) and corporate secretary (since June 2008) of Berkley Renewables Inc., a solar energy and life sciences company trading on the CSE; CFO and corporate secretary (since August 2008) of Cresval Capital Corp., a junior exploration company trading on the TSX Venture Exchange; CFO and corporate secretary (since July 2012) of WestKam Gold Corp., a junior exploration company trading on the TSX Venture Exchange; corporate secretary (since April 2013) of Gray Rock Resources Ltd., a junior exploration company trading on the TSX Venture Exchange; and corporate secretary (since May 2013) of Coral Gold Resources Ltd., a junior exploration company trading on the TSX Venture Exchange.	Jun 15, 2009	27,000 0.2%

Notes:

(1) Information with respect to the common shares held directly or indirectly by the directors and officers has been provided to the Company by the named individuals.

13.2 Refer to the table in section 13.1.

Each director's term of office expires at the next annual general meeting of the Company or when their successors have been elected and qualified. The executive officers of the Company are appointed by the Company's Board of Directors and hold office until their death, resignation or removal from office.

13.3 Refer to the table in section 13.1.

13.4 The Board of Directors has two committees:

Audit Committee:	Tony Fogarassy Lindsay Gorrill Matt Wayrynen
Compensation Committee:	Tony Fogarassy Lindsay Gorrill Matt Wayrynen

13.5 Refer to the table in section 13.1.

13.6 To the knowledge of the Company, no director or officer of the Company is, as at the date of this Listing Statement, or has been, within 10 years before the date of this Listing Statement, a director or officer of any other company that:

(a) was the subject of a cease trade order or similar order or an order that denied a company access to any statutory exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued while that person was acting in the capacity as director or officer; or

(b) was subject to a cease trade order or similar order or an order that denied a company access to any statutory exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued after that person ceased to be a director or officer and which resulted from an event that occurred while that person was acting in the capacity as director or officer;

(c) while that person was acting as a director or officer became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromises with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(d) within a year of that person ceasing to act as a director or officer, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromises with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

13.7 To the knowledge of the Company, no director or officer of the Company or a shareholder holding sufficient securities of the Company to affect materially the control of the Company:

(a) has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

(b) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

13.8 N/A.

13.9 To the knowledge of the Company, no director or officer of the Company or a shareholder holding sufficient securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons has, within the 10 years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

13.10 The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will declare his or her interest and abstain from voting for or against the approval of such a participation or such terms. The directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by the directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with applicable laws and shall govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. The directors and officers of the Company are not aware of any such conflicts of interest.

13.11 Management of the Company. The following disclosure provides information on each member of the Company's management team.

Tyrone Docherty – President, Chief Executive Officer and Director.

Age 54. Mr. Docherty has served as the President, CEO and a director of the Company since October 2008.

Mr. Docherty spends approximately 95% of his working time carrying out his President and CEO duties on behalf of the Company, which duties include: overseeing Company operations; marketing; strategy; financing; ensuring efficiency, quality, service and cost-effective management of resources; planning,

developing and implementing strategies for possible future revenue opportunities; identifying possible acquisition opportunities; and, in conjunction with Ms. Saulnier, providing such general administration services as may be required from time to time. Mr. Docherty is an independent contractor of the Company and has not entered into a non-competition or non-disclosure agreement with the Company.

Mr. Docherty has over 20 years experience as a director or executive of public companies in North America. Mr. Docherty is currently also a director (since June 2009) of JayHawk Energy Inc., an oil & gas company trading on the OTCQB; director (since October 2006) of Berkley Renewables Inc., a solar energy and life sciences company trading on CSE; and director (since October 2012) of Mason Graphite Inc., a graphite mining company trading on TSX Venture Exchange. During the past 10 years, Mr. Docherty was also the President, CEO and a director of Quinto Mining Corporation, a public TSX Venture Exchange-listed iron-ore/graphite company that was acquired by Consolidated Thompson Iron Mines Limited in 2008.

Pamela Saulnier – Chief Financial Officer and Corporate Secretary

Age 42. Ms. Saulnier has served as the Company's Chief Financial Officer and corporate secretary since June 2009.

Ms. Saulnier spends approximately 20% of her working time carrying out her CFO and corporate secretary duties on behalf of the Company, which duties include: overseeing the financial operations of the Company; implementing and administering corporate governance policies within the Company; liaising with the external auditors and legal counsel; and, in conjunction with Mr. Docherty, providing such general administration services as may be required from time to time. Ms. Saulnier is an independent contractor of the Company and has not entered into a non-competition or non-disclosure agreement with the Company.

Ms. Saulnier is a Chartered Public Accountant (since 2006). Ms. Saulnier is currently a self-employed accountant (since 2006). Ms. Saulnier has over 12 years experience providing financial, management and regulatory services to public companies in Canada. Ms. Saulnier is currently, or within the past 5 years has acted as, an executive officer or director of the following companies:); CFO (since March 2009) and corporate secretary (since June 2008) of Berkley Renewables Inc., a solar energy and life sciences company trading on the CSE; CFO and corporate secretary (since August 2008) of Cresval Capital Corp., a junior exploration company trading on the TSX Venture Exchange; CFO and corporate secretary (since July 2012) of WestKam Gold Corp., a junior exploration company trading on the TSX Venture Exchange; corporate secretary (since April 2013) of Gray Rock Resources Ltd., a junior exploration company trading on the TSX Venture Exchange; and corporate secretary (since May 2013) of Coral Gold Resources Ltd., a junior exploration company trading on the TSX Venture Exchange.

14. CAPITALIZATION

14.1 Prepare and file the following chart for each class of securities to be listed:

Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	%of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	15,435,317	16,276,317	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	1,358,300	1,851,300	8.8%	11.4%
Total Public Float (A-B)	14,077,017	14,425,017	91.2%	88.6%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	Nil	Nil	0%	0%
Total Tradeable Float (A-C)	14,077,017	14,425,017	91.2%	88.6%

Public Securityholders (Registered)

Instruction: *For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.*

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	--	--
100 – 499 securities	--	--
500 – 999 securities	--	--
1,000 – 1,999 securities	--	--
2,000 – 2,999 securities	4	10,277
3,000 – 3,999 securities	4	14,540
4,000 – 4,999 securities	1	4,000
5,000 or more securities	14	14,406,499[(1)]
TOTAL:	23	14,435,316

Notes:
(1) Includes 12,945,939 common shares held by CDS & Company.

Public Securityholders (Beneficial)

Instruction: *Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.*

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	5	216
100 – 499 securities	28	7,030
500 – 999 securities	27	17,337
1,000 – 1,999 securities	55	67,120
2,000 – 2,999 securities	29	67,750
3,000 – 3,999 securities	31	104,318
4,000 – 4,999 securities	13	55,742
5,000 or more securities	143	7,318,447
Unable to confirm	--	6,439,057
TOTAL:	331	14,077,017

Non-Public Securityholders (Registered)

Instruction: *For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.*

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	--	--
100 – 499 securities	--	--
500 – 999 securities	--	--
1,000 – 1,999 securities	--	--
2,000 – 2,999 securities	--	--
3,000 – 3,999 securities	--	--
4,000 – 4,999 securities	--	--
5,000 or more securities	1	1,000,000
	1	1,000,000

14.2 *Provide the following details for any securities convertible or exchangeable into any class of listed securities*

Description of Security (include conversion/ exercise terms, including conversion/exercise price)	Number of convertible/ exchangeable securities outstanding	Number of listed securities issuable upon conversion/exercise
Incentive stock options. Each option is exercisable to purchase one common share at a price of $1.00/share at any time on or before May 21, 2015	220,000	220,000
Incentive stock options. Each option is exercisable to purchase one common share at a price of $2.50/share at any time on or before March 11, 2016	205,000	205,000
Incentive stock options. Each option is exercisable to purchase one common share at a price of $2.50/share at any time on or before June 24, 2016	50,000	50,000

Incentive stock options. Each option is exercisable to purchase one common share at a price of $1.00/share at any time on or before March 25, 2018	100,000	100,000
Warrants. Each warrant is exercisable to purchase one common share at a price of $1.00/share at any time on or before October 12, 2018	266,000	266,000
TOTAL:	**841,000**	**841,000**

14.3 N/A.

15. EXECUTIVE COMPENSATION

For the purposes of this Item 15:

Chief Executive Officer ("**CEO**") means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year.

Chief Financial Officer ("**CFO**") means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year.

Named Executive Officer ("**NEO**") means each of the following individuals:

(a) a CEO;

(b) a CFO;

(c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 – Statement of Executive Compensation, for that financial year; and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

"**option-based award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features.

"**share-based award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

Based on the foregoing definition, as at the date of this Listing Statement, and during the last completed fiscal year of the Company, there were two (2) Named Executive Officers, namely, Tyrone Docherty, the Company's President and CEO, and Pamela Saulnier, the Company's CFO and corporate secretary.

(1) EXECUTIVE COMPENSATION (NEOs)

Compensation Discussion and Analysis

The Company does not have a formal compensation program in place, other than the payment of management fees (as applicable), incentive bonuses, and incentive stock options to the Company's NEOs as approved from time to time by the Board in its discretion. The Company recognizes the need to provide compensation packages that will attract and retain qualified and experienced executives, as well as align the compensation level of each executive to that executive's level of responsibility.

Remuneration plays an important role in attracting, motivating, rewarding and retaining knowledgeable and skilled individuals to the Company's management team. The main objectives the Company hopes to achieve through its compensation arrangements are:

- to attract and retain executives critical to the Company's success, who will be key in helping the Company achieve its corporate objectives and increase shareholder value;
- to motivate the Company's management team to meet or exceed targets;
- to recognize the contribution of the Company's executive officers to the overall success and strategic growth of the Company; and
- to align the interests of management and the Company's shareholders by providing performance-based compensation in addition to salary.

The Company has no other forms of compensation, although payments may be made from time to time to individuals or companies they control for the provision of consulting services. Such consulting services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm's length service providers. The Company did not pay any such consulting fees to NEOs for the financial year ended July 31, 2013.

The process for determining executive compensation relies solely on Board discussions with the input from and upon the recommendations of the Compensation Committee.

Summary Compensation Table

The following table sets out certain information respecting the compensation paid to the Company's NEOs for the financial years ended July 31, 2013 and July 31, 2012.

NEO Name and Principal Position	Year Ended Jul 31	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All Other Compensation ($)	Total Compensation ($)
					Annual Incentive Plans	Long-term Incentive Plans			
Tyrone Docherty *CEO, President & Director*	2013 2012	210,000[(1)] 270,500[(2)]	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	12,000[(3)] 12,000[(3)]	222,000 282,500
Pamela Saulnier *CFO, Corporate Secretary*	2013 2012	30,000[(4)] 30,000[(4)]	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	30,000 30,000

Notes:
(1) Mr. Docherty was paid $17,500 per month with regard to his position as the President and CEO of the Company.
(2) Mr. Docherty was paid $22,541.70 per month with regard to his position as the President and CEO of the Company.
(3) Mr. Docherty was paid $1,000 per month as a car allowance.
(4) Ms. Saulnier was paid $2,500 per month with regard to her position as the CFO and corporate secretary of the Company.

As at the date of this Listing Statement, the Company has no intention of making any material changes to executive compensation during the current fiscal year.

Narrative Discussion

NEO compensation is determined by the Board upon the recommendation of the Compensation Committee. The Compensation Committee makes its recommendations based primarily on review of publicly available information about the remuneration paid by other reporting issuers of the same size and in the same industry.

The compensation paid to NEOs is reviewed annually by the Board and the Compensation Committee in conjunction with annual reviews of the Company's executive officers, and where appropriate, increases in compensation are implemented by the Board in its sole discretion at the recommendation of the Compensation Committee. The amount of any increases to the compensation paid to NEOs is determined by the Board in its sole discretion.

The Company has a verbal arrangement with Mr. Tyrone Docherty pursuant to which Mr. Docherty is presently paid $17,500/month for providing President and CEO services to the Company. In addition, Mr. Docherty receives $1,000/month for car allowance. Mr. Docherty has been the President of the Company since 2008.

The Company has a verbal arrangement with Ms. Pamela Saulnier pursuant to which Ms. Saulnier is presently paid $2,500/month for providing CFO and corporate secretary services to the Company. Ms. Saulnier has been the CFO and corporate secretary of the Company since 2009.

Pursuant to the Company's Stock Option Plan (defined below), the Board grants options to directors, executive officers, other employees and consultants as incentives.

It is anticipated that during the following year the level of stock options awarded to a Named Executive Officer, if and when granted, will be determined by such NEO's position and his or her potential future contributions to the Company.

As at the date of this Listing Statement, the Company has no intention of making any material changes to executive compensation during the current fiscal year.

Incentive Plan Awards for NEOs

Outstanding Share-Based Awards and Option-Based Awards

The Company has not granted any share-based awards.

The following table sets out for each NEO the incentive stock options to purchase common shares of the Company (option-based awards) outstanding as of July 31, 2013, including awards granted before the year ended July 31, 2013:

	Option-based Awards				**Share-based Awards**	
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**[1]	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**[1]
Tyrone Docherty President, CEO and Director	150,000[2] 27,000[2]	$1.00[2] $2.50[2]	May 21, 2015 Mar. 11, 2016	Nil Nil	N/A	N/A
Pamela Saulnier CFO and Corporate Secretary	5,000[2] 5,000[2]	$1.00[2] $2.50[2]	May 21, 2015 Mar. 11, 2016	Nil Nil	N/A	N/A

Notes:

(1) No value was attributed to unexercised options that were out of the money on July 31, 2013.

(2) Adjusted for a 10:1 share consolidation effected on May 14, 2014.

The Company did not grant any option-based awards to NEOs during the financial year ended July 31, 2013.

During the financial year ended July 31, 2013, no options were exercised by NEOs.

Value Vested or Earned During the Year

The following table sets forth the value vested or earned during the year of option-based awards, share-based awards and non-equity incentive plan compensation paid to NEOs during the most recently completed financial year ended July 31, 2013:

Name	Option-based awards – Value vested during the year ($)[1]	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Tyrone Docherty President, CEO and Director	Nil	N/A	N/A
Pamela Saulnier CFO and Corporate Secretary	Nil	N/A	N/A

Notes:

(1) No value was attributed to unexercised options that were out of the money on July 31, 2013.

Narrative Discussion

No stock options were exercised by an NEO during the financial year ended July 31, 2013.

No stock options were granted to NEOs during the financial year ended July 31, 2013.

An aggregate of 197,000 post-consolidation options, with exercise prices ranging from $1.00/share - $2.50/share and with varying expiry dates were outstanding to NEOs during the financial year ended July 31, 2013.

Pension Plan Benefits for NEOs

No pension or retirement benefit plans have been instituted by the Company and none are proposed at this time.

Termination and Change of Control Benefits for NEOs

As at the fiscal year ended July 31, 2013, the Company had no plans or arrangements whereby NEOs could be compensated in the event of such NEO's resignation, retirement or other termination of employment, or in the event of a change of control of the Company or a change in such NEO's responsibilities.

(2) DIRECTOR COMPENSATION

As of the date of this Listing Statement, and as at the year ended July 31, 2013, the Company has and had five directors, one of which was also an NEO, Tyrone Docherty.

The Company grants stock options to directors pursuant to the terms of the Stock Option Plan (see "*Narrative Discussion*" below for details). The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to align the personal interests of such persons to that of the Company's shareholders.

Director Compensation Table

The following table sets forth the value of all compensation paid to the Company's non-NEO directors during the most recently completed financial year ended July 31, 2013:

Name	Fees earned ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Tony Fogarassy	Nil	Nil	Nil	Nil	Nil	$60,000[(2)]	$60,000
Lindsay Gorrill	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Matt Wayrynen	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Peter Jensen	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Please see "*Summary Compensation Table*" under "*Executive Compensation*" above for details of compensation paid by the Company to those directors who are also NEOs.

(2) Paid to Mr. Fogarassy in consideration for geological services provided to the Company.

As at the date of this Listing Statement, the Company has no intention of making any material changes to compensation paid to non-NEO directors during the current fiscal year.

Narrative Discussion

During the fiscal year ended July 31, 2013, no compensation was paid to the non-NEO directors of the Company for services rendered in their role as directors of the Company.

During the fiscal year ended July 31, 2013, Mr. Fogarassy was paid $60,000 for geological consulting services rendered to the Company. Mr. Fogarassy was paid at market rates for his services.

The Company had no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments during the most recently completed financial year or subsequently, up to and including the date of the Information Circular.

The Company grants stock options to directors pursuant to the terms of the Company's Stock Option Plan. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to align the personal interests of such persons to that of the Company's shareholders.

As at the date of this Listing Statement, the Company has no intention of making any material changes to compensation paid to non-NEO directors during the current fiscal year.

Incentive Plan Awards for Directors

Outstanding Share-Based Awards and Option-Based Awards &

The Company has not granted any share-based awards.

The following table sets out for each director that is not an NEO the incentive stock options to purchase common shares of the Company (option-based awards) outstanding as of July 31, 2013, including awards granted before the year ended July 31, 2013:

	Option-based Awards				Share-based Awards	
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)[1]**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)[1]**
Tony Fogarassy	20,000[2] 60,000[2] 50,000[2]	$1.00[2] $2.50[2] $2.50[2]	May 21, 2015 Mar 11, 2016 June 24, 2016	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Matt Wayrynen	20,000[2] 30,000[2]	$1.00[2] $2.50[2]	May 21, 2015 Mar 11, 2016	Nil Nil	Nil Nil	Nil Nil
Lindsay Gorrill	15,000[2] 25,000[2]	$1.00[2] $2.50[2]	May 21, 2015 Mar 11, 2016	Nil Nil	Nil Nil	Nil Nil
Peter Jensen	100,000[2]	$1.00[2]	Mar 25, 2018	Nil	Nil	Nil

Notes:

(1) No value was attributed to unexercised options that were out of the money on July 31, 2013.

(2) Adjusted for a 10:1 share consolidation effected on May 14, 2014.

The only option-based awards granted to non-NEO directors during the financial year ended June 30, 2013 were 100,000 (post-consolidation) options granted to Peter Jensen, which options have a post-consolidation exercise price of $1.00/share and expire on March 25, 2018.

During the financial year ended July 31, 2013, no options were exercised by non-NEO directors.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value vested or earned during the year of option-based awards, share-based awards and non-equity incentive plan compensation paid to non-NEO directors of the Company during the most recently completed financial year ended July 31, 2013:

Name	Option-based awards – Value vested during the year ($) [1]	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Tony Fogarassy	Nil	Nil	Nil
Matt Wayrynen	Nil	Nil	Nil
Scott Gifford	Nil	Nil	Nil
Lindsay Gorrill	Nil	Nil	Nil
Peter Jensen	Nil	Nil	Nil

Notes:
(1) No value was attributed to unexercised options that were out of the money on July 31, 2013.

Narrative Discussion

No stock options were exercised by a non-NEO director during the financial year ended July 31, 2013.

A total of 100,000 (post-consolidation) stock options were granted to non-NEO directors during the financial year ended July 31, 2013, which options have a post-consolidation exercise price of $1.00/shares and expire on March 25, 2018.

Pension Plan Benefits - Directors

The Company does not have a pension plan that provides for payments to the directors at, following or in connection with retirement.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

16.1 There is no indebtedness of any: (a) director; (b) executive officer; (c) proposed nominee for election as a director; (d) associate of a director, executive officer or proposed nominee for election as a director; (e) employee or (f) former director, executive officer or employee of the Company, to or guaranteed or supported by the Company or any of its subsidiaries either pursuant to an employee stock purchase program of the Company or otherwise, during the most recently completed financial year.

16.2 N/A

17. RISK FACTORS

17.1 An investment in the common shares of the Company should be considered highly speculative due to the nature of the Company's business and the current stage of its development. In evaluating the Company and its business, investors should carefully consider, in addition to the other information contained in this Listing Statement, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with its operations. There may be other risks and uncertainties that are not known to the Company or that the Company currently believes are not material, but which also may have a material adverse effect on its business, financial condition, operating results or prospects. In that case, the trading price of the common shares could decline substantially and investors may lose all or part of the value of the common shares held by them.

Limited operating history

The Company is a mineral exploration company and has no operating earnings. The likelihood of success must be considered in light of the problems, expenses and difficulties, complications and delays frequently encountered in connection with the establishment of any business. The Company has limited financial resources and there is no assurance that additional funding will be available to it for further exploration and development of its projects. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the property interests of the Company with the possible dilution or loss of such interest. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of exploration programs and general market conditions for natural resources. There is no assurance that the Company can operate profitably or that it will successfully implement its plans.

No assurance of profitability

The Company operates at a loss and there is no assurance that the Company will ever be profitable.

Future financings

Additional funds will be required for the development of the Deerhorn Property and to place it in commercial production. The only source of future funds foreseeably available to the Company is through the sale of equity capital. There is no assurance that such sources of financing will be available on acceptable terms, if at all.

Risks associated with exploration program

Exploration and development is highly speculative and may not be successful. There are a number of inherent risks which even careful evaluation, experience and knowledge may not eliminate. These risks include among other things unprofitable efforts resulting not only from the failure to discover gold, silver or tellurium deposits but from finding gold, silver and tellurium deposits that are insufficient in quantity and grade to be profitable when put into production. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, flooding, fires, power outages, labour disruptions, explosions, cave ins, land slides, and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the business of exploration and development programs. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of the Company's properties, personal injury or death, environmental damage, delays in or interruption of the Company's projects, monetary losses and potential legal liability and adverse governmental action, all of which could have a deleterious effect on the Company's business, results of operations and financial status.

The development of the Company's projects into a commercially viable mine cannot be assured. Estimates of mineral reserves and mineral resources are, to a large extent, based upon the interpretation of geological data obtained from drill holes and other sampling techniques and technical report studies. These estimates are used to calculate estimates of the capital cost and operating costs based on anticipated tonnage and grades of ore to be mined and processed, the configuration of the mineral resource, expected recovery rates, comparable facility and equipment

operating costs, anticipated climactic conditions and other factors. As a result, it is possible that the actual capital cost, operating costs and economic returns of any proposed mine may differ from those estimated and such differences could have a deleterious effect on the Company's business, financial status, results of operations and prospects. There can be no assurance that the Company will be able to complete the development of any mineral project on time, on budget or at all, due to among other things, and in addition to those items mentioned above, changes in the economics of the mining project and delays in receiving required consents, permits and licenses (including mineral subsurface rights).

Substantial expenditures are required to establish mineral resources and mineral reserves through drilling in order to develop processes to extract gold, silver or tellurium from mineral reserves and to investigate the economic feasibility of construction of mining and processing facilities and infrastructure for a mine site. No assurance can be given that mineralization will be discovered in sufficient quantities or grades or in appropriate geological structures, to justify commercial operations or that funds required for development can be obtained. The exploration for minerals is a speculative venture necessarily involving some substantial risk. There is no certainty that the expenditures to be made by the Company in the acquisition and exploration of the interests will result in discoveries of commercial quantities of ore.

Mining industry risks

Resource exploration and development is a speculative business and involves a high degree of risk. The marketability of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond its control. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Gold, silver and tellurium prices may affect the Company's value

Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the minerals produced. The Company's long-term viability and profitability depend, in large part, upon the market price of minerals which have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns and speculative activities and increased production due to improved mining and production methods. The recent fluctuations in the price of commodities, including gold, silver and tellurium, for which the Company is presently exploring, is an example of a situation over which the Company has no control and may materially adversely affect the Company in a manner that it may not be able to compensate for. The supply of and demand for gold, silver, tellurium and other minerals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any minerals produced from the Company's properties will be such that any such deposits can be mined at a profit.

Operational risks

Mining operations generally involve a high degree of risk. Hazards such as unusual or unexpected formations and other conditions are involved. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material adverse effect on the Company's financial position.

Production risks

The grade of any ore ultimately mined from a mineral deposit may differ from that produced from drilling results. Production volumes and costs can be affected by such factors as the proximity and capacity of processing facilities, permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Short-term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on the results of operations. Moreover, there can be no assurance that minerals recovered in small scale laboratory tests will be achieved under production scale conditions. Although precautions to minimize risks will be taken, processing operations are subject to hazards such as equipment failure or failure of tailings impoundment facilities, which may result in environmental pollution and consequent liability.

Resource estimates may not be accurate

There is a degree of uncertainty attributable to the calculation of reserves, resources and corresponding grades being dedicated to future production. Until reserves or resources are actually mined and processed, the quantity of reserves or resources and grades must be considered as estimates only. In addition, the quantity of reserves or resources may vary depending on metal prices. Any material change in the quantity of reserves, resource grade or stripping ratio may affect the economic viability of the Company's properties. In addition, there can be no assurance that mineral recoveries in small scale laboratory tests will be duplicated in large tests under on-site conditions or during production.

Title Risks

The acquisition of title to mineral exploration properties is a very detailed and time-consuming process. Title to and the area of mineral properties may be disputed or otherwise claimed, including claims with respect to aboriginal land title. While the Company has diligently investigated title to its properties, they may be subject to prior unregistered agreements or transfers or aboriginal land claims and title may be affected by undetected defects. There is no guarantee that title to the Company's properties will not be challenged or impugned. There may be valid challenges to the title of the Company's properties, which, if successful, could impair the Company's ability to explore, develop and/or operate its properties or to enforce its rights with respect to its properties. Aboriginal rights and title may be claimed with respect to Crown properties or other types of tenure with respect to which mining rights have been conferred. In addition, other parties may dispute the Company's title to the properties in which it has an interest and such properties may be subject to prior unregistered agreements or transfers or land claims by aboriginal people, and title may be affected by undetected encumbrances or defects or government actions. An impairment to or defect in the Company's title to its properties could have a material adverse effect on the Company's business, financial condition or results of

operation. In addition, such claims, whether or not valid, will involve additional costs and expenses to defend or settle, which could adversely affect the Company's profitability.

Loss of Key Personnel

The Company relies on its senior management and technical team, as well as outside technical advisors, the loss of any one of whom could have a detrimental effect on its business and results of operations.

The Company may not be successful in attracting, training and retaining qualified personnel which could adversely affect the Company's business and future operations

The Company's success is dependent on recruiting, training and retaining qualified personnel. The number of people skilled in the acquisition, exploration and development of mining properties is limited and the competition for such people is intense. As the Company grows its business activities, additional key financial, administrative and geological/mining personnel as well as additional operations staff will be required. Although the Company believes it will be successful in attracting, training and retaining qualified personnel there can be no assurance it will be successful. The Company may not be able to attract, train or retain qualified personnel which will have an adverse impact on its operations.

Industry competition

The mineral exploration and mining business is competitive in all of its phases. The Company will compete with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company, in the search for and the acquisition of attractive mineral properties. The ability of the Company to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable properties or prospects for mineral exploration. There is no assurance that the Company will continue to be able to compete successfully with its competition in acquiring such properties or prospects.

Ability to obtain necessary permits

The current or future operations of the Company, including exploration and development activities and commencement of production on its properties, require permits from various levels of government. Such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. The Company believes it is in substantial compliance with all material laws and regulations that currently applies to its activities. There can be no assurance however, that all permits which the Company may require for construction of mining facilities and conduct of mining operations, particularly environmental permits, will be obtainable on reasonable terms or that compliance with such laws and regulations would not have an adverse effect on the profitability of any mining project that the Company might undertake.

Civil and criminal fines or penalties

Failure to comply with applicable laws, regulations and permit requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital

expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to applicable laws

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Environmental hazards

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. Environmental liability may result from mining activities conducted by others prior to the Company's ownership of its properties. To the extent the Company is subject to uninsured environmental liabilities, the payment of such liabilities would reduce funds otherwise available to the Company and could have a material adverse effect on the Company. Should the Company be unable to fund fully the cost of remedying an environmental problem, it might be required to suspend operations or enter into interim compliance measures.

Conflicts of interest

Certain of the proposed directors of the Company serve as directors of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. If such a conflict of interest arises at a Board of Directors meeting, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with the laws of the Province of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Risks relating to recent market events and conditions

During the period of 2012 – 2014, the price of gold and base metals experienced significant declines. The profitability of many mining companies declined significantly and many mining companies were carrying high debt levels due to significant capital investments over the preceding years. As a result, global investors retreated from the mining sector and mining company share prices declined significantly. Furthermore, investors demanded that mining companies reduce their debt levels and refrain from new capital investments and/or project development. These events virtually eliminated the availability of investment capital, especially to small capital and exploration mining companies which caused many exploration companies, including the Company, to significantly reduce activities and expenditures. To date in 2014, the availability of funding for the minerals sector has seen modest improvement, nevertheless

conditions remain challenging and it may continue to be difficult for the Company to obtain, the necessary risk capital to fund its exploration projects. The Company's access to this additional capital may not be available on terms acceptable to it or at all.

Risks relating to general economic conditions

Many industries, including the gold and base metal mining industry, are impacted by global market conditions. Some of the key impacts of the current financial market conditions include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability. Specifically:

- the global credit/liquidity crisis could impact the cost and availability of financing and the Company's overall liquidity;

- the volatility of gold and other base metal prices may impact the Company's future revenues, profits and cash flow;

- volatile energy prices, commodity and consumables prices and currency exchange rates may impact potential production costs; and

- the devaluation and volatility of global stock markets impact the valuation of the Company's common shares, which may impact the Company's ability to raise funds through the issuance of common shares.

Risks relating to share price volatility

Since in 2012 the share prices of most junior mining and exploration companies have experienced declines in value and there has been a significant decline in the number of buyers willing to purchase such securities. As a consequence, market forces may render it difficult or impossible for the Company to secure placees to purchase new share issues at a price which will not lead to severe dilution to existing shareholders, or at all. Therefore, there can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

Dilution

The Company is authorized to issue an unlimited number of common shares. The Board has the authority to cause the Company to issue additional common shares without consent of any of the Company's shareholders. Consequently, shareholders may experience more dilution in their ownership of the Company in the future.

No Dividends

The Company has not declared or paid any dividends on its shares since inception, and does not anticipate paying any such dividends for the foreseeable future. Investors seeking dividend income or liquidity should not invest in the Company's common shares.

17.2 N/A

17.3 N/A

18. PROMOTERS

18.1 There are no promoters of the Company other than the Company's directors.

18.2 N/A

19. LEGAL PROCEEDINGS

19.1 The Company is not aware of any legal proceedings or pending legal proceedings to which the Company is or is likely to be a party to or of which its business is likely to be the subject of.

19.2 N/A.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

20.1 Except as otherwise disclosed in this Listing Statement, no director, executive officer or principal shareholder (i.e. a person that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued common shares) of the Company, or an associate or affiliate of a director, executive officer or principal shareholder of the Company, has any material interest, direct or indirect, in any transaction which has occurred within the three fiscal years preceding this Listing Statement or during the current fiscal year, or in any proposed transaction that has materially affected or is reasonably expected to materially affect the Company.

21. AUDITORS, TRANSFER AGENTS AND REGISTRAR

21.1 The Company's auditor is Davidson & Company LLP, Chartered Accountants, located at Suite 1200 – 609 Granville Street, Vancouver, British Columbia V7Y 1G6.

21.2 CST Trust Company, at its Vancouver office located on the Suite 1600 – 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1, is the transfer agent and registrar for the Company's common shares.

22. MATERIAL CONTRACTS

22.1 The Company has not entered into any material contracts in the two years prior to the date of this Listing Statement, other than contracts entered into in the ordinary course of business.

22.2 N/A.

23. INTEREST OF EXPERTS

23.1 The audited financial statements of the Company included with this Listing Statement have been subject to audit by Davidson & Company LLP and their audit report is included herein. Davidson & Company LLP have advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

The information on the Deerhorn Property is summarized from the report titled "*Preliminary Economic Assessment for the Deer Horn Gold-Silver-Tellurium Property, Omineca Mining Division, British Columbia, NTS MAP 093E/06W Latitude 53°22'26"N and Longitude 127°17'16"*" dated March 12, 2013, revised July 26, 2013 and prepared by Bob Lane (P.Geo.), Plateau Minerals Corp; Gary Giroux (P.Eng.), Giroux Consultants Ltd; and Tracey Meintjes (P.Eng.), Moose Mountain Technical Services. Messrs. Lane, Giroux and Meintjes are each a "Qualified Person" (as such term is defined in National Instrument 43-101). A copy of the full report can be found on the Company's disclosure page on SEDAR (www.sedar.com).

23.2 N/A.

23.3 N/A.

23.4 N/A.

24. OTHER MATERIAL FACTS

24.1 There is no other material fact about the Company and its securities that are not otherwise disclosed in this Listing Statement.

25. FINANCIAL STATEMENTS

25.1 The following financial statements of the Company are on SEDAR at www.sedar.com:

(a) the Company's audited financial statements for the years ended July 31, 2013 & July 31, 2012 and for the years ended July 31 2012 & July 31, 2011; and

(b) the Company's unaudited financial statements for the quarter ended April 30, 2014.

25.2 N/A.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Deer Horn Metals Inc., hereby applies for the listing of the above mentioned securities on CSE. The foregoing contains full, true and plain disclosure of all material information relating to Deer Horn Metals Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia this 19th day of September, 2014.

/s/ "*Tyrone Docherty*"
Tyrone Docherty, Chief Executive Officer

/s/ "*Pamela Saulnier*"
Pamela Saulnier, Chief Financial Officer

/s/ "*Tony Fogarassy*"
Tony Fogarassy, Director

/s/ "*Matt Wayrynen*"
Matt Wayrynen, Director

APPENDIX A: MINERAL PROJECTS
DEERHORN PROPERTY, BRITISH COLUMBIA

Bob Lane (P.Geo.), Plateau Minerals Corp; Gary Giroux (P.Eng.), Giroux Consultants Ltd; and Tracey Meintjes (P.Eng.), Moose Mountain Technical Services were retained by the Company to prepare a National Instrument 43-101 ("**NI 43-101**") independent preliminary economic assessment report on the Deer Horn Property in 2013. Information in this section of a scientific or technical nature in respect of the Deerhorn Property is based upon the technical report (the "**PEA Report**") titled "*Preliminary Economic Assessment for the Deer Horn Gold-Silver-Tellurium Property, Omineca Mining Division, British Columbia, NTS MAP 093E/06W Latitude 53°22'26"N and Longitude 127°17'16"*" dated March 12, 2013, revised July 26, 2013 and prepared by Bob Lane (P.Geo.), Plateau Minerals Corp; Gary Giroux (P.Eng.), Giroux Consultants Ltd; and Tracey Meintjes (P.Eng.), Moose Mountain Technical Services.

Messrs. Lane, Giroux and Meintjes are each a "Qualified Person" (as such term is defined in National Instrument 43-101) and are independent of the Company

The following information has been prepared with the consent of Messrs. Lane, Giroux and Meintjes, and, in some cases, is a direct extract from the PEA Report. *[Any information below that is in brackets and italicized indicates information provided by management of the Company.]*

The PEA Report has been filed with certain Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under the Company's profile on SEDAR (at www.sedar.com), and is incorporated by reference herein.

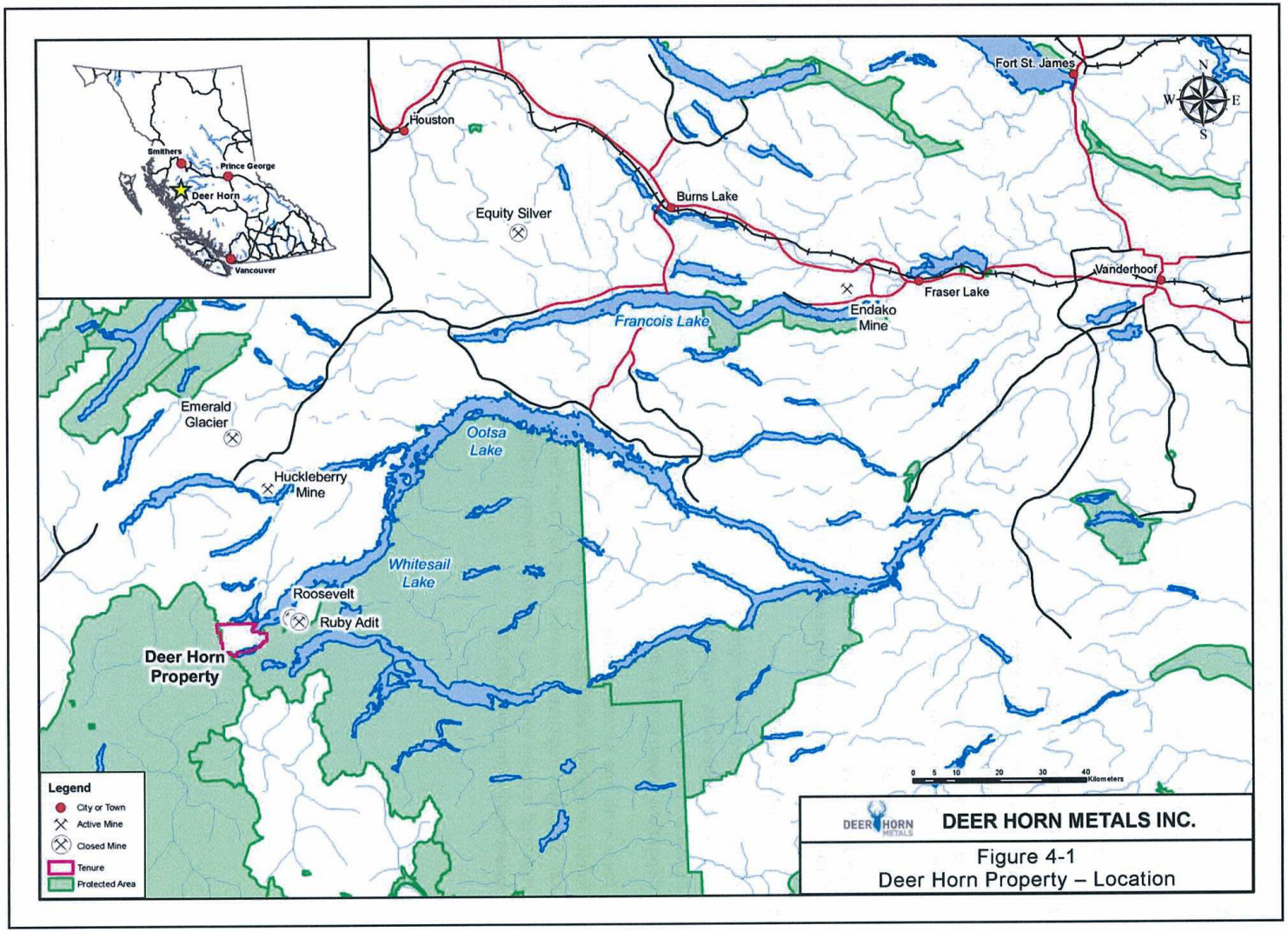
(1) PROPERTY DESCRIPTION AND LOCATION

Property Location

The Deer Horn property (the "**Property**" or the "**Deerhorn Property**") is situated immediately north of Lindquist Lake, about 135km southwest of the community of Burns Lake and 36km south of the Huckleberry mine, in west-central British Columbia (Figure 4-1). The property is located on BCGS map 093E.034 and centered at approximately 614000E, 5914000N (Zone 9, NAD 83) or on NTS Map 93E/6W and centered at Latitude 53°21'43"N and Longitude 127°17'19"W.

Property Description

The present claim configuration of the Property consists of *[17]* MTO cell mineral claims. The *[17]* claims are contiguous and cover approximately 5133.26 hectares of land available for exploration (excluding major lakes and protected areas) in the Omineca Mining Division of British Columbia. The mineral claims that comprise the Deer Horn property are listed in Table 4-1 and are shown in Figure 4-2.


Smithers
Prince George
Deer Horn
Vancouver
Houston
Fort St. James
Burns Lake
Equity Silver
Vanderhoof
Fraser Lake
Francois Lake
Endako Mine
Emerald Glacier
Ootsa Lake
Huckleberry Mine
Whitesail Lake
Roosevelt
Ruby Adit
Deer Horn Property
N
W
E
S
0 5 10 20 30 40 Kilometers
Legend
City or Town
Active Mine
Closed Mine
Tenure
Protected Area
DEER HORN METALS
DEER HORN METALS INC.
Figure 4-1
Deer Horn Property – Location

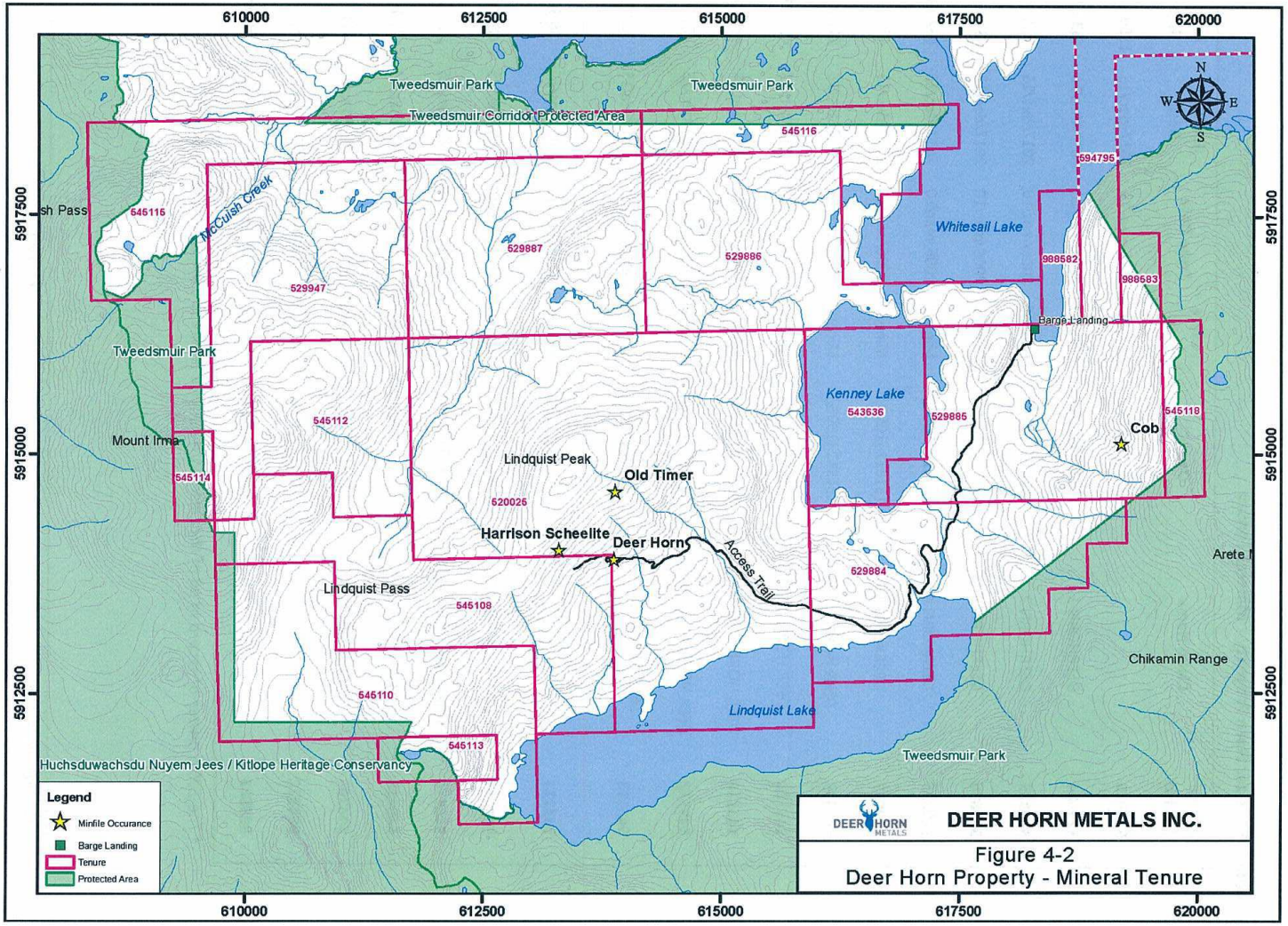

610000
612500
615000
617500
620000
5917500
5915000
5912500
Tweedsmuir Park
Tweedsmuir Corridor Protected Area
545116
594795
McCuish Creek
545115
529887
529886
529947
Whitesail Lake
988582
988583
Barge Landing
Tweedsmuir Park
Kenney Lake
543636
529885
545112
545118
Cob
Mount Irma
Lindquist Peak
Old Timer
545114
620026
Harrison Scheelite
Deer Horn
Access Trail
529884
Lindquist Pass
545108
Chikamin Range
545110
Lindquist Lake
545113
Huchsduwachsdu Nuyem Jees / Kitlope Heritage Conservancy
Tweedsmuir Park
N
W
E
S
Legend
Minfile Occurance
Barge Landing
Tenure
Protected Area
DEER HORN METALS
DEER HORN METALS INC.
Figure 4-2
Deer Horn Property - Mineral Tenure

Table 4-1 Deer Horn Property – Mineral Tenure

Tenure Number	Claim Name	Owner*	Tenure Type	Issue Date	Good To Date	Area (ha)
520025		131812 (100%)	Mineral	2005/sep/15	*[2019/dec/15]*	1350.55
529884	DEERHORN 1	131812 (100%)	Mineral	2006/mar/10	*[2019/dec/15]*	463.13
529885	DEERHORN 2	131812 (100%)	Mineral	2006/mar/10	*[2019/dec/15]*	482.26
529886	DEERHORN 3	131812 (100%)	Mineral	2006/mar/10	*[2019/dec/15]*	482.08
529887	DEERHORN 4	131812 (100%)	Mineral	2006/mar/10	*[2019/dec/15]*	462.78
529947	DEERHORN 5	131812 (100%)	Mineral	2006/mar/12	*[2019/dec/15]*	482.10
543636	DEER HORN 2006	131812 (100%)	Mineral	2006/oct/19	*[2019/dec/15]*	212.19
545108	DEER HORN WEST	131812 (100%)	Mineral	2006/nov/10	*[2019/dec/15]*	482.43
545110	DEER HORN SOUTHWEST	131812 (100%)	Mineral	2006/nov/10	*[2018/dec/15]*	482.52
545112	DEER HORN NORTHWEST	131812 (100%)	Mineral	2006/nov/10	*[2018/dec/15]*	270.06
545113	DEER HORN SOUTH FRACTION	131812 (100%)	Mineral	2006/nov/10	*[2018/dec/15]*	57.91
545114	DEER HORN GLACIER FRACTIO	131812 (100%)	Mineral	2006/nov/10	*[2018/dec/15]*	38.58
545115	DEER HORN NORTH	131812 (100%)	Mineral	2006/nov/10	*[2018/dec/15]*	482.00
545116	DEER HORN NORTHEAST	131812 (100%)	Mineral	2006/nov/10	*[2018/dec/15]*	231.35
545118	DEER HORN MOLY	131812 (100%)	Mineral	2006/nov/10	*[2018/dec/15]*	77.16
988582	DH B1	131812 (100%)	Mineral	2012/may/21	*[2018/may/21]*	57.85
988583	DH B2	131812 (100%)	Mineral	2012/may/21	*[2018/may/21]*	38.57

** The 100% owner-of-record of all of the Deer Horn mineral tenure is Guardsmen Resources Inc.*

Ownership

The *[17]* MTO cell mineral claims that comprise the Deerhorn Property are owned 100% by Guardsmen Resources Inc. ("**Guardsmen**"). Guardsmen has indicated that there are no underlying royalties or encumbrances associated with the claims.

Tenure Rights

The present mineral tenure rights are 100% owned by Guardsmen. There are no other agreements, liens, judgments, debentures, royalties, or back-in rights known to the authors of the PEA Report. The claims abut Tweedsmuir Provincial Park and the Kitlope Heritage Conservancy. There are no surface tenure rights over the mineral dispositions known to the authors.

There is no tree harvesting activity within the area encompassed by the mineral tenures and no special forest management exists. (e.g. crown-granted woodlots). The registered guide-outfitters for the area are Karl Seitzinger (registration number 604G009) and Dennis Schlauch (registration number 601G045). The registered trappers for the area are William Palmer (trapline 604T044), Violet Amons (trapline 603T036), and a vacant trapline (trapline 603T113).

Resources, Reserves, Development & Infrastructure

The Property is considered to be at an intermediate to advanced stage of exploration. Historically, at least three calculations of gold and silver content have been made and these figures have appeared in print and have been referenced and/or reported in a number of mineral deposit compilations. An initial NI 43-101

resource estimate was calculated in 2010 by Gary Giroux (Lane and Giroux, 2010), followed by an updated resource estimate that included gold, silver, and tellurium in 2012 by Gary Giroux (Lane ad Giroux, 2012).

The Deerhorn Property lacks any significant infrastructure. However, a barge landing and road that was cleared of slide alder and modestly upgraded in 2009, provides access to the Property and a seasonal exploration camp. There is no mining infrastructure on the Property apart from the historic, but intact Deer Horn adit which is described below.

Environmental Liabilities

There are known environmental liabilities attached to the Deer Horn project. Unreclaimed disturbance related to past mineral exploration consists of a 7.8km road to the site from the south shore of Whitesail Lake, a limited number of drill access roads and drill sites and the Deer Horn adit and underground workings, which remain open. Most of this disturbance relates to exploration conducted during the 1940s and 1950s and was not reclaimed. However, the site access road and a number of drill roads were reopened in 2009 to support the fall exploration drilling program. Rehabilitation of the access consisted of removing vegetation, consisting mainly of slide alder, and slide debris from the road bed and back-blading the road surface.

1989 Assessment

Water quality and acid rock drainage ("ARD") studies were conducted by a previous property owner, Golden Knight Resources Inc. ("Golden Knight"), in 1989. Water sampled from five creeks in the Property was reported to be 'pure' , while a low volume of water (estimated rate of 1-2 litres per second) being issued from the Deer Horn adit contained dissolved zinc (0.31mg/l) that measured above the provincial mining objective of 0.2mg/l (Folk, 1990a). Fifteen rock samples were analyzed for their potential to generate ARD. Eleven of fifteen samples returned negative net neutralizing potential ("NNP") numbers, indicating that there is potential for ARD to develop (Folk, 1990a). However these samples were collected from high-grade drill core intersections of the Main Vein, of the Contact Zone or from underground zones of quartz stringers, of immediate hanging wall or of immediate footwall. The results at the time of the study were believed to be indicative of the sulphide content of the ore zones which would be accounted for in mine design and tailings disposal.

2009 Assessment

Ecofor Consultants of Fort St. James, BC were contracted to conduct a state of the environmental baseline for the Deer Horn project and initiated field sampling and assessment for several environmental disciplines in the fall of 2009. Ecofor initiated a water quality study at six stations within the local study area, including one station at the Deer Horn adit. Prior to commencement of the program Ecofor met with the BC Ministry of Environment ("MoE") staff to review the proposed water quality baseline assessment and ensure sites and measured parameters met the MoE guidelines. Two sampling events were conducted prior to winter freeze, in September and October of 2009. Low water flows and frozen conditions precluded a November event.

Results obtained from the October set of samples were considerably higher than the September set for certain parameters. The high level of total metals recorded at the Deer Horn adit and two others sites are reflective of the high turbidity and total suspended solids recorded at each station. However, the shallow

nature of the streams and an abundance of snow made collecting "clean" water samples extremely difficult.

The results obtained from the two sampling sessions were them compared to the BC guideline for protection of aquatic health to determine if the water quality is meeting standard guidelines. Guidelines were not being met for certain elements at the Deer Horn adit site (dissolved zinc in September and October; total aluminum, arsenic, lead and copper in October) or for a restricted number of elements at four of the other sites (Dup-A1 (total aluminum in October), A2 (total aluminum, lead and silver in October), A4 (fluoride in October) and C1 (total aluminum in October). These findings were consistent with Golden Knight's 1989 water quality analytical results. Water quality sampling and surface hydrology will continue through 2010 to supplement the environmental studies commenced in September 2009.

A preliminary ARD/Metal Leaching ("ARD/ML") assessment was conducted along the access road after re-opening. The entire length of the access road is routed through coarse-grained, foliated granodiorite. No exposures of pyrite or supplied bearing material were found and no ABA samples were collected.

Preliminary ABA sampling and analysis was conducted for hangingwall and footwall rocks and there are no anticipated acid rock drainage or metal leaching concerns.

Permits

Prior to the commencement of any exploration work that constitutes mechanical disturbance of the ground, an application must be made and approval and a permit received from the MEM. Any proposed work involving significant exploration-related mechanical ground disturbance would also require the proponent to post with the Crown a reclamation security (bond) of an appropriate amount to cover the third-party costs of reclamation in the event of failure of the company to complete the reclamation work. The current exploration permit for the Deerhorn Property is MX-1-737 and is held by Guardsmen.

On March 12, 2011, a permit for a multi-year area-based ("MYAB") exploration program on the Property was granted by the MEM. As a condition of the permit, and prior to its issuance, the Company posted additional reclamation security with the B.C. Ministry of Finance. The total amount of reclamation security now held under permit MX-1-737 is $82,000. This sum is an estimate of the third-party costs for reclaiming site disturbance related to the 2009 exploration program and to the work approved in 2011. [*The MYAB permit expired March 31, 2014. The Company is currently in the process of applying for an extension of the MYAB.*]

The first phase of the approved exploration program includes diamond drilling from up to 57 sites, trenching, surface mapping and sampling, 43 line-kilometers of additional magnetic and 3D induced polarization geophysical surveys, inspection of the underground workings by a qualified mining engineer, less than 2000 metres of drill access construction and refurbishment of the main site access road. The second phase of the approved exploration program consists of excavation, mining and on-site processing of up to 10,000 tonnes of mineralized rock from the resource area. The proposed location for the excavation is west of the Deer Horn adit where 2009 drilling confirmed a suitable area of near surface mineralization. Required infrastructure includes a modular processing facility, settling pond, waste dump, soil stockpile, trailer camp, maintenance shop, explosives magazine, equipment laydown area, and further upgrades to the access road and installation of a bridge crossing.

(2) ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRCUTRE AND PHYSIOGRAPHY

Access

Access to the Property is via helicopter, float plane or barge. Helicopter and float plane bases are located in numerous nearby communities that lie to the north, such as Houston, Burns Lake and Smithers. Flight times to the Property are typically one hour or less. The communities of Bella Coola and Kitimat, which lie to the west, are also about a one hour flight from the Property.

Transportation to the Property by barge would facilitate the most cost-effective means of delivering heavy equipment to the Property. The barge would depart from Andrews Bay or the East Ootsa logging camp on Ootsa Lake to the south end of Whitesail Lake. An overgrown 7.8km road extends from the barge landing to the area of interest in the alpine. The principal showings of interest, including the Deer Horn adit, are at an elevation of about 1290m.

Local Resources

The Deerhorn Property falls within the administrative boundary of the Nadina Forest District of the Northern Interior Forest Region. The project also falls within the administrative boundary of the Lakes Land and Resource Plan Area (Lakes LRMP) for which a provincial government approved land use plan was adopted in January, 2000. The Lakes LRMP is a consensus built land use plan that directs the management of resources by land managers, resource proponents and resource agency staff. All land use and resource management within the Lakes LRMP are subject to existing legislature, policies and regulations for crown land and resource management.

During development of the Lakes LRMP, all recognized resource values were evaluated with a view to integrating resource development with recognized conservation values and the biodiversity of the land base. Other significant resources were evaluated during the formation of the plan including timber, fisheries, water quality, wildlife, agriculture, range, outdoor recreation and tourism, along with subsurface resources (mining exploration). Tweedsmuir North Provincial Park and Tweedsmuir South Provincial Park form one of British Columbia's largest parks and was created in 1938. Land use within park boundaries is regulated by the Tweedsmuir Master Plan, which was released to the public in 1988. The park is roughly triangular in shape and protects a number of ecosystems. Backcountry hiking, fishing and camping opportunities exist for visitors to the park.

Wildlife & Fisheries

The Property falls within the Lakes North Sustainable Resource Management Plan (Lakes North SRMP) area of the Nadina Forest District. The plan is consistent with, and builds upon the provisions of the Lakes LRMP. The plan includes seven landscape units encompassing 451,105ha of which 404,556ha is Crown forest land.

The Lakes North SRMP area has a diversity of fish populations inhabiting the rivers and lakes. Several fish species require specific management objectives, with other species being managed indirectly. Although riparian and biodiversity retention provide habitat for a large number of species, wildlife management for individual species is also necessary. This represents a fine filter component of the provincial approach to biodiversity. Selected species are also of particular importance to First Nations,

guide-outfitters, trappers, hunters and non-consumptive wildlife users. A number of legislated Wildlife Habitat Areas (WHAs) exist in the Lakes North SRMP area. These areas contain various species including mule deer, mountain caribou, mountain goat, moose, grizzly bear, and fur bearers.

Climate and Physiography

The climate of the Property is typical of north-central British Columbia. Summer temperatures average daytime highs in the 20°C range with occasional temperatures reaching the low 30°C range. October through April see average subzero temperatures with extreme lows reaching -30°C from November through March.

The Property is located on the edge of the Coast Range and topography is fair to relatively rugged. Elevation on the Property ranges from approximately 865m at Kenney Lake to 1788m on Linquist Peak. The Deer Horn workings are primarily located above treeline on the southeastern slope of Lindquist Peak, north of Lindquist Lake.

The predominant soil development is humo-ferric podzols. The bioclimatic zone varies from Spruce-Subalpine Fir with leading growth of pine, poplar and spruce; this gives way to Alpine Tundra marked by stunted juniper, sedges and grasses at higher elevations. Seepages are widespread, notable by thick peat accumulations and an undergrowth of mountain alder.

There is an ample water supply for all exploration and camp requirements from numerous drainages that are fed by a snow pack that remains at higher elevations year-round, particularly on the north facing slopes. Snow begins to accumulate by late-September and the lakes are frozen throughout the winter months. The summer months are highly influenced by coastal weather. The most dependable weather forecasts for the Property are those issued for the town of Kitimat.

Infrastructure

The small towns of Smithers, Burns Lake, and Houston, located north of the Property, are population centres that offer services, supplies, and sources for skilled labour. Field operations are generally conducted with crews located in a camp setting on the Property. Seasonal access to the Property from the barge landing on the south shore of Whitesail Lake was developed in the 1950s and rehabilitated in 1989. It is now overgrown and in need of additional rehabilitation in order to support an exploration program. There is no nearby electrical power grid. Year round working conditions are hampered by extended periods of cold weather, snow accumulation and local avalanche conditions, and access roads requiring snow clearing.

(3) HISTORY

The Deerhorn Property, or Harrison property as it was originally known, was first staked in 1943 by the Harrison brothers following their discovery of scheelite in talus about one km southwest of Lindquist Peak. Discovery of nearby gold and silver bearing veins was made in 1944 by Franc Joubin (Joubin, 1950). Prior to the Company's involvement, four phases of mechanical exploration had taken place on the Property since it was first staked. Pioneer Gold Mines of BC Limited ("**Pioneer**") optioned the Property in 1944 and completed extensive trenching and diamond drilling until allowing its option to lapse in 1946. The Property was inactive from 1947 until 1951 when newly formed Deer Horn Mines Limited purchased the Harrison property outright. It explored the Property from 1951 to 1955. During

that period the company constructed a road from the shores of Whitesail Lake to the Property and developed an exploration adit and conducted underground and surface diamond drilling. Field work in support of a Master's Thesis on the geology of the deposit was also completed during this time (Papezik, 1957). In 1967, Granby Consolidated Mining, Smelting and Power optioned the Property and completed further road work and extensive machine trenching. The Property reverted to the Crown in 1975 and was the subject of possible addition to Tweedsmuir Provincial Park. A temporary 'No Staking Reserve' covered the area. The 'No Staking Reserve' was lifted in 1989 and the creation of specific enclaves in the north Tweedsmuir Provincial Park area were created to allow claim staking and exploration to recommence in areas regarded to be highly prospective. In 1989, the British Columbia Government put part of the area, which covered what was then 'parceled' claims XK1214, XK1414 and XK1412, as well as an additional three claims located immediately to the west, up for bid. The six claims covered a total of 24 square km including the prospective Deer Horn vein system and were awarded to Golden Knight. The surrounding ground was made available for one-post staking and twelve claims were acquired by Michael Renning and Scott Gifford, the principals of Guardsmen. Ownership of the twelve claims was later transferred to Guardsmen. Modest geophysical and geochemical programs were conducted on some of there peripheral claims in 1990 by Amber Minerals Ltd. on behalf of Guardsmen.

Through 1989 and 1990, Golden Knight carried out extensive exploration programs that included: prospecting; geological mapping and sampling; grid-based soil geochemical sampling; VLF and magnetometer surveying; rehabilitation, mapping and chip sampling of the underground working; 4511m of surface diamond drilling; environmental water sampling and preliminary metallurgical testing. The Golden Knight work was the last mechanical exploration to occur on the Property.

Repadre Capital acquired the assets of Golden Knight in 1990, but sold the claims to Guardsmen in 2000. In that year, Guardsmen completed a modest field review of the Property, and in 2005 converted all of its legacy claims to modern MTO cell mineral claims. Christopher James Gold Corp ("**Christopher James**") optioned the Property from Guardsmen in 2006 and in 2006-2007, conducted a reconnaissance geochemical sampling program over several areas of the Property. Christopher James later dropped its option and the Property reverted back to Guardsmen. In 2009, Guardsmen optioned the Property to Golden Odyssey Mining Inc. (which became Deer Horn Metals Inc.). In the fall of 2009 it drilled a total of 35 NQ and HQ diameter diamond drillholes, with an aggregate length of 1706m. All available surface and drilling data was used to support the calculation of a NI 43-101 resource estimate for the Deerhorn Property in 2010.

Pioneer Gold Mines of B.C. Limited

In 1944, Pioneer Gold Mines of B.C. Limited ("**Pioneer**") optioned the Deerhorn Property and built a pack trail from the south shore of Whitesail Lake to the Property (Holland, 1945). From 1944 to 1946 Pioneer completed limited surface sampling and a total of 3822m of surface diamond drilling on the Main vein. This work determined that the vein was faulted into a series or disjointed vein segments that dip gently to the north. The Main vein was traced down-dip for approximately 45m where it met the Contact zone or vein, a series of narrow stringers and quarts veins up to 1.2m across that dip 55° to the south (Duffell, 1959).

Pioneer outlined eight segments or panels of the Main vein that ranged in dimension from 7.6m long by 1.3m wide with an estimated average grade of 7.44g/t Au and 54.9g/t Ag to 82m long by 3.3m wide with an estimated average grade of 10.08g/t Au and 281.1g/t Ag (Holland, 1946; Duffell, 1959). Despite promising results, Pioneer was unable to meet the financial obligations of its option and following the 1946 field season, its option on the property was allowed to lapse (Joubin, 1950).

Little exploration took place between 1947 and 1950, but the central part of the Property was geologically mapped in 1950 by Joubin (1950).

Deer Horn Mines Limited

The Deerhorn Property was purchased by Deer Horn Mines Limited ("**Deer Horn Mines**") in 1951. In 1952 the company embarked on a program of trench rehabilitation, re-examining drill core and other surface works. During the period 1953 to 1955, the company constructed a road from the shores of Whitesail Lake to the Property and completed 913.5m of surface diamond drilling (Bacon, 1956). Drill results from a segment of the Main vein (location unknown) measuring 180m long, averaging 3.4m wide and traced for 60m down dip averaged 9.70g/t Au and 284.6g/t Ag (results reported in the August 1953 edition of the *Western Miner)*. Assay results for individual drillholes were compiled by Golden Knight, but the exact location of the drill collars could only be estimated (Folk, 1990a).

Underground development took place in 1954 and 1955 consisting of 589.8m of drifting and raising and 1129m of underground diamond drilling (Duffell, 1959). Results and plans from this early work are missing (although later assessment of the underground workings by Golden Knight provides the most current information). The first 120m of the horizontal adit was developed along an azimuth of approximately 308° and intersected a segment of the Main vein twice, a shallow north dipping vein at the portal and a shallow south dipping vein. The adit intersected the Contact zone at a distance of 102m from the portal and was extended a further 18m into the footwall sedimentary rocks. At the 102m mark drifting followed the trend of the Contact zone along an azimuth of approximately 270°. Results of underground sampling are discussed below.

In 1952, Deer Horn Mines investigated the area of scheelite mineralization first discovered by the Harrison brothers in 1943. The tungsten showing consists of anomalous talus and bedrock near the contact between stratified rocks of the Hazelton Group and the Coast intrusions (Diakow and Koyanagi, 1987b). Deer Horn Mines identified an area measuring 485m by 50m wide that averaged 0.34%WO_3 (Duffell, 1959) through systematic sampling of the talus. A single trench excavated through the talus did encounter scheeleit mineralization in bedrock. No further work was conducted on the occurrence.

The Granby Mining Company Limited

In 1967, Granby Mining Company Limited ("**Granby**") optioned the Deerhorn Property from Deer Horn Mines and built 2.4km of access road, completed fifteen dozer trenches totaling 1.5km, and conducted limited geological mapping (MEMPR AR, 1967). The company completed no further work and the Property reverted to the Province in 1975. The results of Granby's work was not located by the authors, therefore its work has not contributed to the understanding of the geology or mineralization of the Property.

Golden Knight Resources Inc.

Golden Knight embarked on an extensive exploration program following acquisition of the Property on July 10, 1989, that included: establishment of a 3km by 1km grid over the principal area of interest; collection of 2090 soil geochemical samples; a VLF and magnetometer survey over half of the grid area; prospecting, bedrock mapping and sampling rehabilitation, surveying, mapping and chip sampling of underground workings; and completion of 31 surface diamond drillholes totaling 2253.4m (Folk, 1990a). Golden Knight's work focused entirely on the Contact zone and Main vein.

The 1989 drilling intersected a number of narrow, high-grade veins (i.e. 93.5g/t Au and 1480g/t Ag over 0.3m in hole 89-07), generally regarded to be stringer zones in the hangingwall on the Contact zone (Folk, 1990a). However, and perhaps more importantly, the 1989 drilling also identified the previously unrecognized potential for bulk tonnage gold mineralization of the Contact zone as evidenced by a 42.53m intersection averaging 2.88g/t Au and 84.68g/t Ag in hole 89-02 collared near the Deer Horn adit (Folk, 1990a).

Chip sampling of Main vein mineralization, exposed in two areas in the first 70m of the adit, returned erratic, but potentially economic results, ranging from 0.006oz/t Au and 0.35oz/t Ag over 1.2m to 1.037oz/t Au and 22.75oz/t Ag over 1.1m (Folk, 1990a). Sampling of the vein material in the remainder of the underground workings, mainly developed along and/or parallel to the Contact zone, returned poor results. One exception was a 2.55m wide chip sample of Contact zone vein mineralization collected from a raise 210m from the portal (Folk, 1990b). Golden Knight concluded that at the time of underground development the geometry of the Contact zone was not well understood and, as a consequence, most of the Deer Horn adit was driven along veins essentially barren of gold-silver value.

In 1990, Golden Knight continued with its surface diamond drilling program completing 29 more holes for an aggregate length of 2256.2m. One of the last 1990 holes, collared approximately 210m west of the portal, encountered significant grades of gold and silver with elevated base metal values. The 11.2m intersection averaged 14.36g/t Au, 781.5g/t Ag, 0.40% Cu, 0.24% Pb and 1.02% Zn, including a 3.0m interval that graded 37.73gt Au and 2065g/t Ag.

Over the two years Golden Knight drilled sixty holes totaling 4510.6m. This work, together with drilling data from the earlier programs, outlined a 400m long south-dipping and shallow eastward plunging component of the Contact zone that is open to the east and to the west as well as down-plunge (Folk,1990b)

Golden Knight also completed a preliminary acid rock generation study of material from the underground workings, an environmental water sampling program and preliminary metallurgical testing.

Amber Minerals Ltd.

In 1990, a limited VLF-EM, magnetometer and reconnaissance biochemical sampling program and a later follow-up prospecting program, was conducted on ground adjoining and immediately east of the Deerhorn Property. The work was completed by Amber Minerals Ltd. (Coffin and Renning, 1990; Renning, 1990) on behalf of Guardsmen. The program outlined weak northeast trending linear features and anomalous levels of molybdenum and zinc in a twenty sample biogeochemical survey.

Guardsmen Resources Inc.

In the year 200, IMAP Interactive Mapping Solutions conducted a brief field program on behalf of Guardsmen. The primary focus of this work was to examine gold and silver bearing quartz-sulphide veins near the Deer Horn adit and in the Lindquist Peak area. Work conducted included geological mapping and sampling. A total of 24 rock samples were collected for geochemical analysis (Kaip and Childe, 2000). This work confirmed the results of earlier surface sampling.

Christopher James Gold Corp.

In 2006, Guardsmen optioned the Deerhorn Property to Christopher James Gold Corp. ("**Christopher James**"). Modest prospecting and geochemical exploration programs were conducted by Guardsmen on behalf of Christopher James in 2006 and 2007. The programs included clearing of a section of the access road from temporary camp at Lindquist Lake, reconnaissance soil, silt and rock sampling in four areas, and an attempt to relocate core from the 1989 and 1990 drilling campaigns (Renning et al., 2007; Renning 2008). The geochemical sampling program targeted areas west, northwest and south of the Deer Horn adit, and east, west and southwest of Kenney Lake. Results included (1) a strong gold, silver, arsenic, lead, cesium coincident soil geochemical anomaly west of the adit, (2) impressive molybdenum silt anomalies (148ppm Mo and 60.7ppm Mo) west of Kenney Lake where several creeks drain gossanous, sedimentary rock bluffs east of Lindquist Peak, and (3) a number of rock and silt samples anomalous in molybdenum collected southwest of Kenney Lake, where fine-grained molybdenum occurs in quartz veinlets, along fractures and as disseminations in andesite grading up to 1350ppm Mo (Renning, 2008).

Golden Odyssey Mining Inc. (as the Company was then named)

In October and early November 2009, the Company drilled a total of 35 HQ and NQ diameter diamond bore holes, with an aggregate length of 1706m, on the Property. Drilling targeted the two known west-trending mineralized structures, the Main Vein and Contact Zone, over a stroke length of 320m in the vicinity of the Deer Horn adit. Most of the bore holes were drilled on an azimuth of either 000 or 180 degrees, and were shallow, with lengths ranging from 23.77m to 79.20m. Surface channel sampling was also carried out primarily on exposures of the Main Vein. In addition, a fifteen line-kilometre grid was established over the central part of the Property and ground magnetic, 3D-IP and Maxmin surveys were conducted over all or part the grid. An airborn LiDAR (Light Detection and Ranging) survey was completed over the Property to provide detailed digital topographic information.

Early in 2010, an initial NI 43-101 compliant resource estimate was reported for the Deerhorn Property (Lane and Giroux, 2010). Golden Odyssey later changed its name to Deer Horn Metals Inc.

Deer Horn Metals Inc.

In July, August and September, 2011, a total of 55 NQ2 diameter diamond bore holes, with an aggregate length of 3772.5m, were completed on the Property (Lane, 2012). A total of 49 drillholes targeted the two known west-trending mineralized structures, the Main Vein and the Contact Zone, over a strike length of 875m in the vicinity of Deer Horn adit. Most of the bore holes were drilled on an azimuth of either 000 or 180 degrees. Bore hole lengths ranged from 26.5m to 150.6m. Limited surface channel sampling was also carried out primarily on exposures of the Main Vein. The other 6 bore holes targeted the historic 'Harrison Scheelite' tungsten occurrence following a limited prospecting and excavator trenching program, An updated NI 43-101 compliant resources estimate was produced from an improved data base consisting of 196 diamond drill holes completed from 1944 to 2011 and 42 surface samples (Lane and Giroux, 2012). A more detailed account of the 2011 exploration program is presented in Sections 9 through 12.

(4) GEOLOGICAL SETTING

Regional Geology

Regional mapping of the Whitesail Lake region was conducted by the Geological Survey of Canada ("GSC') between 1947 and 1952 (Duffell, 1959) and later by G. Woodsworth (1979, 1980). The most recent regional mapping on and around the Property was conducted as part of the Canada/British Columbia Mineral Development Agreement by Daikow and Koyanagi (1988 and 1988b) of the BC Geological Survey Branch. This work was later compiled with previous regional bedrock mapping data to form a digital geology map for the province. The following description of the regional geology of the area is based on these works.

The Deerhorn Property is located in the Intermontane tectonic belt of the Canadian Cordillera, adjacent to the eastern margin of the Coast tectonic belt. The oldest rocks exposed in the area consist of mafic volcanic and volcaniclastic strata of the Pre-Jurassic Gamsby Group, exposed on the west end of Lindquist Lake, and a quartz diorite of Pre-Jurassic age exposed on the southwest flank of Lindquist Peak, from the Deer Horn adit in the north, to the shores of Lindquist Lake in the south. Both units are regionally metamorphosed to greenschist facies and exhibit a strong penetrative foliation.

The Pre-Jurassic quartz diorite and mafic volcanic of the Gamsby Group are thrust over sedimentary and volcanic strata of the Lower Cretaceous Skeena Group and over maroon volcanic strata of the Lower to Middle Jurassic Telkwa Formation (Hazelton Group). The thrust is west-trending, and west of the Deer Horn adit, is offset by a later northeast trending fault. Development of the thrust fault postdates deposition of the Lower Cretaceous Skeena Group and predates an Eocene granodiorite intrusion which invades the structure east of the Deer Horn adit and underlies much of the area around Lindquist Lake. The granodiorite is in intrusive contact with the foliated quartz diorite and with strata of the Gamsby and Skeena groups. Northwest of the Deer Horn adit, Lower Cretaceous and older strata are intruded by the Late Cretaceous to Eocene granodiorite and quartz diorite of the Coast tectonic belt. The foliated quartz diorite, Gamsby Group and Skeena Group strata are also cut by felsic dykes related to the main granodiorite body.

Local Geology

The Deerhorn Property was first geologically mapped by Franc Joubin on behalf of Deer Horn Mines (Joubin, 1950); this information was provided to S. Duffell of the GSC who included a version of the map in GSC Memoir 299 (Duffell, 1959). The central part of the Property was mapped in detail by Golden Knight in 1989. Results of this work are available in Folk (1990a) … with modifications after Childe and Kaip (2000).

The Property is underlain predominantly by foliated quartz diorite and meta-volcanic rocks of the pre-Jurassic Gamsby Group, that have been thrust over a package of sedimentary rocks of the Late Cretaceous Skeen Group (Duffell, 1959). Eocene granodiorite and related dykes intrude the older rocks (Diakow and Koyanagi, 1988a). The northern and central portion of the Property are composed of lower Jurassic Telkwa Formation (Hazelton Group) intermediate volcanic flows and lithic tuffs, which are overlain by lower Cretaceous intermediate to felsic lapilli tuff and lower Cretaceous Skeena Group grey-black sedimentary units grading from argillite through silts and sandstone.

Metamorphic Rocks

Pre-Jurassic Gamsby Group

Metavolcanic Rocks

Medium greenish-grey intermediate to mafic tuffs, flows and schists associated with a dioritic intrusion comprise the Gamsby Group (Woodsworth, 1978) and cover a limited area of the Property west and south of Lindquist Lake. The rocks have been regionally metamorphosed to greenschist facies and commonly contain ubiquitous albite, epidote and chlorite (Diakow and Koyanagi, 1988a). Deformation of the strata is defined by a pronounced foliation and local shearing. The diorite, whose contact with the metavolcanic rocks may be a fault, occurs in the lower levels of the succession (Diakow and Koyanagi, 1988a).

Lower Jurassic Telkway Formation (Hazelton Group)

Maroon Volcanics

Well-layered maroon pyroclastic rocks (primarily crystal-lapilli tuff and ash tuff) and lava flows of the Telkwa Formation occupy a large area of the Deerhorn Property north and northwest of the Lindquist Peak. The unit is characterized by its maroon to red and locally green colour and its distinctly bedded nature (Diakow and Koyanagi, 1988a). Rocks of the Telkwa Formation are primarily in fault contact with younger rocks of the Skeena Formation and, in the northwest part of the Property, are cut by granodiorite.

Sedimentary Rocks

Cretaceous Skeena Group

Sedimentary strata of the Skeena Group were divided into four main units by Folk (1990a). Each unit is based on its predominant lithology, but the units appear to grade into one another. Tops were not determined and therefore the units are listed in structural sequence from highest to lowest.

Quartzite

Quartzite was observed in outcrop, in drill core and in the underground workings (Folk, 1990a). It is fine-grained, pale grey to pale yellow-grey and very siliceous. Outcrops are blocky in appearance and the rock weathers to a light, off-white colour with rusty tones. Very fine-grained pyrite occurs as disseminations and in fractures. This unit was mapped by Papezik and feldspathic quartzite (Papezik, 1957).

Green-Brown Greywacke

'Greywacke' includes several lithologies that lie between the quartzite and underlying argillite. The dominant lithology is a medium greenish grey to greyish brown, slightly schictose wacke, which weathers to a light greenish brown colour. Minor amounts of mudstone and very fine grained arkose are included in this unit. In drill core it is fine grained, medium grey to brownish grey and locally has a light green tone (Folk, 1990a).

Generally it contains small, white, anhedral quartz specks, which are less than 5mm in diameter. The rock is weakly to strongly silicified and the abundance of quartz specks tends to increase with silicification. It is often

weakly foliated and locally contains small (<5mm diameter), dark, well-rounded clasts. Where silicification is intense, the greywacke and quartzite are indistinguishable (Folk, 1990a).

Argillite

Argillite is black, thinly laminated and displays a phyllitic sheen. It weathers a dark rusty brown. The unit is locally metamorphosed to andalusite schist. The schist contains approximately 10% randomly oriented metacrysts of adalusite, less than 3mm in length and largely altered to translucent white sericite. In drill core it is well-indurated, black to dark brown with local beige and green laminae (Folk, 1990a).

Feldspathic Greywacke

Feldspathic greywacke is a fine-grained, medium to dark grey rock with a very dense appearance. Fine translucent white feldspar grains are visible with a hand lens. Outcrops weather to a grainy, often pitted buff coloured surface. The rock breaks with a fairly sharp and slightly concoidal fracture. Feldspathic greywacke outcrops on Lindquist Peak, but was not encountered in drillholes or underground in the adit (Folk 1990a).

Intrusive Rocks

Pre-Jurassic Quartz Diorite

Quartz diorite, spatially associated with pre-Jurassic metavolcanic rocks, underlies much of the central area of interest and is seen in drill core, surface outcrops and underground workings where it has been highly altered. It occurs in outcrops that extend from the Deer Horn adit in the north to within 100 meters or the shore of Lindquist Lake in the south. It is dominantly pale to dark green, fine to medium grained and weakly to strongly foliated. It consists of plagioclase, quartz, and 10-35% hornblende that is altered almost completely to chlorite. The foliation is best developed proximal to the thrust that places quartz diorite over younger sedimentary and volcanic strata. Foliated quartz diorite is the principal host the Deer Horn vein system.

Cretacious and/or Tertiary Granodiorite

Granodiorite is buff-coloured, medium- to coarse-grained and equigranular to porphyritic. It forms large, pale grey outcrops which underlie the southeast corner of the Property. It is composed of quartz, plagioclase, orthoclase and accessory biotite, which is altered in part to chlorite. The contact between granodiorite and quarts diorite was observed to be gradational over a distance of about 40m (Folk, 1990a).

Dykes

Felsic dykes are light greenish grey, fine grained and moderately siliceous. They are composed of plagioclase with minor quartz and orthoclase (Papezik, 1957). Outcrops weather light beige to locally medium brown and locally display small spots of iron oxide. The dykes are commonly amygdaloidal with calcite filling cavities (Folk, 1990a). The unit was also mapped as felsite and as albitite by previous workers.

Mafic dykes, typically less than 1m in width, are dark greenish grey and contain very fine (<1mm diameter) feldspar phenocrysts and finely disseminated magnetite. Mafic dykes were encountered both on surface and in drill core. The unit was also mapped as ‘trap’ and hornblende latite (Papezik, 1957).

Cataclastic Rocks

Perthite-Quartz Cataclastite

This rock unit is adopted from the work of Papezik (1957). No surface outcrops were noted, but it was encountered locally in the underground workings and in some drillholes. It is described as spotty grey to greenish grey with rounded to subangular clasts of quartz and feldspar embedded in a matrix of sericite. A characteristic feature of the unit is the presence of rounded or rectangular orthoclase 'porphyroblasts' up to 1.8cm in diameter that comprise 25-50% of the rock. In drill core it is described as silicified and biotite-altered fault breccia.

Structure

A pronounced penetrative foliation is present in the quartz diorite. In sedimentary strata, the black argillite exhibits a strong foliation while weaker foliation occurs in the green-brown greywacke. Both the penetrative foliation in the quartz diorite and the foliation of the underlying sedimentary strata exhibit an east-west trend and moderate dip to the south. In the adit a well-defined southwesterly plunging stretch lineation is evident within the foliation planes in the quartz diorite and the sediments (Folk, 1990a). Slickensides developed locally on the walls of veins in the Contact zone (Folk, 1990a). Slickensides developed locally on the walls of veins in the Contact zone (Folk, 1990a).

The contact between the quartz diorite and underlying sedimentary strata is interpreted to be a major east-west trending thrust fault (Joubin, 1950; Duffell, 1959; Diakow and Koyanagi, 1989b). Evidence of the reverse motion is strongest west of the Deer Horn adit where strong crenulation cleavage, and minor folds and fault splays were noted (Folk, 1990a). A strong foliation in the quartz diorite, dipping south and sub-parallel to the sediment-quartz diorite contact was likely caused by thrust faulting. In the adit, the thrust fault has been rendered unrecognizable by subsequent alteration and mineralization (Folk, 1990a).

A northeast-trending regional lateral fault mapped by Diakow and Koyanagi (1989a) cuts the thrust west of Lindquist Peak and results in right lateral displacement of the thrust fault. The thrust fault is also cut by a series of minor northwest and northeast-trending normal faults that result in minor offsets of the thrust (Joubin, 1950; Folk, 1990a; Childe and Kaip, 2000). In outcrop the faults appear to be mylonitic shear zones containing small quartz veins and, locally, mineralization (Folk, 1990a; Childe and Kaip, 2000). Some of these faults correlate with linear magnetic lows.

Mafic dykes trend slightly north of east and dip moderately to steeply southward. They are less than one metre wide and cut the quartz diorite in several areas. Occasionally mafic dykes are seen in the argillite proximal to the quartz diorite-sedimentary rock contact.

Felsic dykes are larger than the mafic dykes and can be traced for up to 800 metres. They cut both the sedimentary rocks and the quartz diorite. Large outcrops of felsic dyke material occur in the northwest part of Golden Knight's 1989 grid. In this area the outcrops form an irregular shaped body that is amygdaloidal on one side. Minor folds, crenulation cleavage and minor fault offsets suggest that the thrust fault was reactivated sometime after emplacement of the dyke

(5) MINERALIZATION

There are four known Minfile occurrences on the Deerhorn Property, each of which represents a different mineral deposit type. They are: a gold-silver-tellurium-base metal vein system (Deer Horn or Lindquist, Minfile 093E 019) that has received the vast majority of exploration activity to date and which is the primary subject of this report; a polymetallic vein occurrence (Old Timer. Minfile 093E 021) comprised of two narrow pyrite, galena, sphalerite and pyrrhotite that carry traces of gold and up to 44.6g/t Ag; a tungsten occurrence consisting of narrow, scheelite-bearing quartz veins hosted in quartz diorite and thermally altered volcanic and sedimentary rocks (Harrison Scheelite, Minfile 093E 020); and an area of anomalous molybdenum comprised of molybdenite-bearing quartz veins cutting andesitic volcanic rocks near the margin of an Eocene granodiorite intrusion (Cob, Minfile 093E 045). The latter two occurrences may be regarded as a porphyry Tungsten system (Sinclair, 1995a) and a porphyry Molybdenum (Low F-Type) system (Sinclair, 1995b), respectively.

The principal deposit type at the Deerhorn Property is a gold-silver-tellurium base metal vein system. It is comprised of two main mineralized structures, the Main vein and nearby Contact zone, and a series of associated narrow veins and stringer zones. Veins are hosted primarily in foliated quartz diorite of Pre-Jurassic age in the hangingwall of a thrust fault. The foliation exhibited by the quartz diorite is thought to have formed in response to movement along the thrust and related shearing. The vein system's spatial, and apparent genetic association with a nearby granodiorite intrusion suggest that the age of the mineralization is Eocene.

Gold-Silver-Tellurium Vein Mineralization

Gold-silver-tellurium (or "**Au-Ag-Te**") veins are spatially associated with a thrust fault that places quartz diorite and meta-volcanics of Pre-Jurrasic age above sandstone, siltstone and argillite of the Lower Creatceous Skeena Group. The veins occur mainly in foliated quartz diorite up to 250m south of the thrust fault, and at its contact with the underlying clastic sedimentary rocks. The veins carrying gold, silver, tellurium and base metals in a quartz gangue have two orientations. The Main vein occurs 100m to 250m south of the thrust fault, generally strikes west and, where exposed at surface, dips from 20°-45° to the north. However, underground mapping indicated that the dip of the Main vein reverses to a shallow southerly dip as it encroaches on the Contact zone (Papezik, 1957) perhaps as a result of drag folding that occurred in response to normal movement along the reactivated thrust fault. The Contact zone occupies an area immediately above and sub-parallel to the thrust fault, striking to the west and dipping 55°-60° to the south (Joubin, 1950).

The Main vein and subordinate hangingwall and/or footwall veins are hosted primarily by foliated quartz diorite, but also by granodiorite and to a lesser extent quartzite and greywacke. These 'Main-type' veins do not tend to penetrate very far into the sedimentary rocks in areas observed at surface (Folk, 1990a). The Main vein has been traced intermittently for over 1400m along strike and is from <1.0 to 4.5m wide (Papezik, 1957). It is segmented by a series of brittle north to north-westerly trending faults that offset the vein up to 30m (Joubin, 1950). Later workers suggest that the vein 'segments' are separate *en echelon* tensional vein structures (Folk, 1990b). Locally some of these vein 'segments' appear to have been rotated, such as at the Deer Horn portal where a thick vein strikes due north and dips moderately to the east. This particular vein contains appreciable amounts of magnetite, however, a feature that suggests that it may not be a part of the 'Main-type' vein system.

'Main-type' vein mineralization consists of pyrite, sphalerite, galena, scheelite, pyrrhotite, chalcopyrite, and the telluride minerals tetradymite, hessite, tellurobismuth and altaite, that typically occurs as small patches, blebs and disseminations in a gangue of white quartz (Folk, 1990b).

Silver, bismuth and lead-bearing telluride minerals have been reported historically and were identified in a recent petrographic and scanning electron microscope ("**SEM**") assessment of six polished thin sections by Le Couteur (2010). This study identified that a considerable range of telluride mineral compositions exist at the Property.

The telluride grains are typically less than 50 microns long. Some of the mineral have similar compositions, and together with their small size, were often difficult to distinguish from one another. The following telluride species present are thought to include: hessite (Ag2Te), empressite (AgTe), stutzite (Ag4.6-4.8Te3), volynskite (AgBiTe2), hedleyite (Bi7Te2), tellurobismuthite (Bi2Te3), tsumoite (BiTe) and altaite (PbTe) (Le Couteur, 2010). No gold-bearing tellurides or gold-bearing minerals were identified in the study and further petrographic and SEM work is required to ascertain the gold-bearing mineral species.

Vein quartz is typically white to translucent grey and commonly includes traces of chlorite and up to several percent magnetite. Drusy cavities lined with quartz and crustiform banding occur locally. At surface, veins containing at least trace amounts of sulphide minerals are typically Fe-oxide stained. Early trenching and shallow drilling indicated that large, flat Main vein material with good grades occurs at or near the surface (Folk, 1990a) and could be amenable to limited scale open pit development.

The Contact zone is comprised of individual quartz veins up to 1.8m wide and bands of quartz stringers up to 4.6m across within a band of quartz-sericite altered quartz diorite located just above the thrust fault. It has similar mineralogy to the Main vein and has been traced by surface work, including prospecting, trenching and diamond drilling for 1650m and up to 150 down dip. Quartz-sericite alteration developed in the footwall of the thrust grades into zones of quartz-epidote that are locally well-developed particularly in sandstone where they form bands consisting of 10-50% epidote and fine-grained quartz cut by veinlets of quartz-carbonate-epidote that reach 2m to 4m in width (Childe and Kaip, 2000).

Narrow, high grade gold-silver veins and broad, bulk tonnage gold-silver mineralization has been encountered at Deer Horn. The high-grade veins are typically also elevated in tellurium, copper, zinc and lead, and locally bismuth, mercury and tungsten. Of note is drillhole 90-57 that was collared approximately 210m west of the portal. It encountered significant grades of gold and silver with elevated base metal values. The 11.2m intersection averaged 14.36g/t Au, 781.5g/t Ag, 0.40% Cu, 0.24% Pb and 1.02% Zn, including a 3.0m interval that graded 37.73g/t Au and 2065g/t Ag. The intersection in part defines the western part of the 400m east plunging shoot mentioned above.

Many narrow, high-grade veins intersected in the immediate hangingwall of the thrust are generally regarded to be stringer zones that are part of the Contact zone (Folk, 1990a). These narrow high-grade veins are important components of the vein system, and while some may stand alone as potentially economic veins, they may alternatively contribute significantly to the bulk tonnage potential of the Contact zone. Hole 89-02, collared near the Deer Horn adit, intersected 42.53m averaging 2.88g/t Au and 84.68g/t Ag and in part defines the east-central part of the 400m east plunging shoot mentioned above. West of the Deer Horn adit, a northeast-trending fault displaces the thrust northwards, but regional mapping suggest that the offset portion of the thrust continues its westerly trend for approximately 2km (Diakow and Koyanagi, 1988a).

Age of Vein Mineralization

Diakow and Koyanagi (1988a) reported an age of 56+/-2 Ma for sericite collected from alteration that envelopes part of the Contact zone suggesting that the mineralization developed in the Eocene. Two age dates for biotite extracted from a nearby granodiorite body suggest that is has a similar age formation and that emplacement of the granodiorite and the mineralizing event are genetically related. Te thrust fault is cut by both the granodiorite and vein system and provided a structural focus for localizing hydrothermal solutions that may have been associated with the emplacement of the granodiorite in the Early Eocene.

Tungsten Mineralization

A tungsten showing, later called Harrison Scheelite, was discovered in 1943 approximately 1km southwest of Lindquist Peak. The showing consists of two aprons of scheelite-bearing talus near the contact between metamorphosed volcanic and sedimentary rocks of the Hazelton Group and granite, quartz diorite and diorite of the Coast intrusions (Diakow and Koyanagi, 1987b). The talus aprons are centered approximately 250m to 300m west of the western end of the Main vein. The scheelite occurs with quartz in narrow veins and stringers in diorite and the altered volcanic sedimentary rocks. The main apron of anomalous talus has a sinuous northwest trend and covers an area measuring 485m long by and average of 0.34% WO_3 (Duffell, 1959). A 40m long trench was excavated through the talus to bedrock. Bedrock samples collected from the western part of the trench averaged 0.84% WO_3 over 18m and bedrock samples collected from the eastern part of the trench averaged 1.55%WO_3 over 22m (Duffell, 1959). Sampling of the second, smaller apron of talus produced modest results.

Molybdenum Mineralization

Occurrences of molybdenite are located in the eastern part of the Property, immediately east of Kenney Lake, in the vicinity of the Cob Minfile showing. Molybdenite occurs in fractures and narrow quartz veins in andesitic volcanic rocks and related (?) sedimentary rocks of the Lower Cretaceous Skeena Group in proximity to an Eocene granodiorite stock (Renning, 1990). Little more than reconnaissance work, consisting primarily of prospecting and geochemical sampling, has been completed in the area. However, rock geochemical samples from the area have yielded results as high as 1350ppm Mo (Renning, 2008). Also, stream sediment sampling conducted immediately west of Kenney Lake returned highly anomalous levels of molybdenum in two samples. Follow-up of the anomaly has not been conducted.

Deposit Types

Economic mineral deposits in the region include the Huckleberry copper-molybdenum mine, the Endako molybdenum mine, and the Former Equity Silver mine. All are located north of the Property and south of Highway 16.

The Huckleberry porphyry copper-molybdenum deposit (Minfile 093E 037), located 36km north of the Deerhorn Property, includes two ore bodies that are associated with porphyritic granodiorite intrusions of Late Cretaceous age which have intruded volcanic rocks of the Jurassic Hazelton Group. Mineralization occurs primarily within hornfelsed volcanic rocks that encompass the porphyritic intrusions. Mineralization occurs as a stockwork of fractures and veinlets of chalcopyrite and lesser molybdenum in a ganuge that includes pyrite, quartz and anhydrite (Jackson and Illerbrun, 1995). The Huckleberry mine was put into production in 1997 and remains an active operation at the time of writing.

The Endako molybdenum deposit (Minfile 093K 006), located 162km northeast of the Deerhorn Property, occurs entirely within the Endako quartz monzonite phase of the Upper Jurassic Francois Lake Intrusions. The northwest trending orebody is 3360m in length, 370m wide and 370m deep (Bysouth and Wong, 1995). The molybdenite and associated minerals occur mainly in milky white quartz veins that commonly display ribbon structures or breccias healed by late-stage silica and molybdenite. The Endako mine was put into production in 1964 and remains an active operating at the time of writing.

The former Equity Silver mine (Minfile 093L 001), located 162km northeast of the Deerhorn Property, was in operation for thirteen years before closing permanently in 1994. Copper-silver-gold mineralization was mined from three tubular orebodies that developed within structurally prepared pyroclastic and volcanic rocks and

Upper Jurassic to Cretaceous age. A 57Ma quartz monzonite intrusion and 48Ma gabbro-monzonite complex cut the stratified rocks. Pyrite, chalcopyrite, pyrrhotite and tetrahedrite with minor amounts of galena, sphalerite, argentite, pyragyrite and other silver sulphosalts occur as disseminations and in veins, fracture fillings and locally as massive pods.

The Emerald Glacier mine (Minfile 093E 001) is a small historic underground producer located 4km north of the Deerhorn Property. Polymetallic vein mineralization occurs in shears that cut clastic sedimentary rocks of the Lower-Middle Jurassic Hazelton Group. Quartz-sulphide veins are up to three metres wide and sulphide mineralization includes galena, sphalerite, chalcopyrite, and pyrite that carry high grades of silver.

Other mineral occurrences of note include two polymetallic vein occurrences, the Roosevelt (Minfile 093E 029) and Ruby Adit (Minfile 093E 028), that occur 13 to 14km northeast of the Deerhorn Property. The two occurrences consist of narrow veins carrying pyrite, galena, sphalerite, arsenopyrite and locally, high-grade gold and silver values (Hanson, 1991). Limited tonnage is reported to have been extracted from the two sites in the mid-1930s from small underground developments (Duffell, 1959).

(6) EXPLORATION

Exploration and camp construction crews first arrived at the barge landing on the south end of Whitesail Lake on July 10, 2011. Equipment was off-loaded from two 100-tonne barges and a temporary camp was constructed nearby. An existing 8km access road, that had been rehabilitated in 2009 provided access to the existing camp located in the alpine. A physical review of the proposed drill sites was completed and drill collar locations were confirmed. The diamond drill, provided by Radius Drilling Corporation, was skidded up to the exploration site and began drilling the first hole of the campaign on July 20, 2011. The last hole of the campaign was completed on September 13, 2011. In total 55 NQ2 diamond drillholes were completed for an aggregate length of 3772.5 metres.

Re-opening and modification of 1.71km of existing exploration trails was completed to provide access for trenching and drilling, and a total of 1.13km of new exploration trails were built to provide additional access for drilling.

Trenching took place in four closely spaced areas and was focused on the area of the historic Harrison Scheelite tungsten mineral occurrence located west of the Deer Horn gold-silver vein system. Continuous chip sampling of the rock exposed in the trenches was completed. In addition, channel sampling of selected vein outcrops was conducted using either a portable diamond saw or standard chip sampling methods in order to provide additional data for deposit modeling and to provide. Prospecting and rock geochemical sampling took place outside of the principal areas of interest and identified several showings worthy of follow-up.

The 2011 program also included a property-wide, helicopter-borne magnetic and radiometric geophysical survey flown by Precision GeoSurveys Inc. of Vancouver, BC. However, the results of the survey are not part of this report.

Following compilation of all the data from diamond drilling and surface sampling, construction of a 3D wire frame model of the deposit was completed and a resource estimate was calculated.

Surface Rock Geochemical Sampling

A total of 84 cut channel, chip or grab surface samples were collected from the Property in. The sampling took place over an east-west distance of approximately 2.8km centered roughly on the Deer Horn resource area.

Results range from less than detection to 30.6g/t Au, and 1083g/t Ag and 1006ppm Te over 2.15 m of cut channel (sample 1361404). Several new, narrow sulphide-bearing quartz veins were encountered well outside of the area drilled in 2011. Some of these discoveries may represent the westward continuation of Main Vein or Contact Zone mineralization (*e.g.* Samples 1361475 and 1361476) or may be discrete zones with a genetic relationship to the Deer Horn gold-silver-tellurium deposit (*e.g.* samples 1361385, 1361386 and 1361394). In addition, veins sampled more than 500m east of the area being drilled returned interesting concentrations of molybdenum (*e.g.* samples 1361406 and 1361409) and gold (*e.g.* sample 1361407).

Refer to the PEA Report filed on SEDAR for more specific details on the samples that were collected.

Trenching

Excavator trenching was undertaken primarily to evaluate a tungsten soil geochemical anomaly, outlined by Teck in 1989-1990, that is coincident with the historic Harrison Scheelite tungsten occurrence. Prior to trenching, crews were dispatched to lamp the areas using short-wave ultraviolet lights. These efforts confirmed the presence of scheelite.

Trenching was centered approximately 625m west of the Deer Horn Adit on a southeast facing slope where old sloughed trenches and trails were readily apparent. Three areas were trenched specifically to investigate the earlier work, and a fourth trench was cut across an alteration zone encountered during rehabilitation of the access trails. A total of 94 chip samples were collected. Results are summarized in the PEA Report filed on SEDAR.

Trench 1(51m in length) exposed a panel of weakly silicified fine-grained clastic sedimentary rocks. An 18m length of the trench returned consistently anomalous tungsten values.

Trench 2 (12m in length), centered approximately 150m southwest of Trench 1, exposed a foliated to sheared diorite in contact with a zone of intense chlorite-epidote replacement mineralization locally containing coarsely disseminated galena, pyrite and scheelite. Three consecutive 2-metre channel samples averaged 1.08% WO_3 114g/t Ag with strongly elevated levels of lead and bismuth and weakly elevated tellurium. Selected grade samples collected from Trench 2 assayed up to 2.145% WO_3, 192g/t Ag, > 1%Pb and 461 Bi.

Trench 3 (102m in length), centered 110m due west of Trench 1, was excavated across a strike-slip fault that places quartz-chlorite-sericite altered diorite up against sericitized and silicified clastic sedimentary rocks. Anomalous levels of tungsten where encountered in both units (four widely-spaced tungsten-bearing intervals) with the last five intervals sampled at the northeast end of Trench 3 averaging 0.10% WO_3. A composite chip sample collected from an outcrop located just 4m north of the center of the Trench 3 returned 0.66% WO_3, 111g/t Ag, >1000ppm Te, and 244ppm Bi.

Trench 4 (35m in length), centered 90m east of Trench 1, was excavated across an area of intensely oxidized bedrock that may represent the surface trace of a property-wide thrust fault. The trench was divided up into a north segment (4A) and a south segment (4B) for sampling purposes because the center of the trench badly sloughed. The southern part of the trench produced anomalous results including 0.19% WO_3 over 2m.

(7) DRILLING

A total of 55 NQ2 diameter diamond drillholes, with an aggregate length of 3772.50m, were completed on the Deerhorn Property from mid-July to mid-September, 2011. Drillhole locations and results can be found in the PEA Report filed on SEDAR.

The majority of the drillholes (49) targeted the two known and closely spaced west-trending mineralized structures, the Main vein and the Contact Zone, over a strike length of 875m in the vicinity of the Deer Horn adit. Most of these holes were drilled on an azimuth of at or close to either 000 or 180 degrees and were shallow, with lengths ranging from 26.5m to 150.6m. Three of the holes were abandoned because of drilling difficulties and did not contribute useful data. The intersections include modest to high gold-silver-tellurium grades over narrow widths, encountered principally in the Main Vein, and bulk mineable gold-silver grades, encountered principally in the Contact Zone. Better precious metal grades are accompanied by significant concentrations of copper, lead and zinc, and by highly anomalous amounts of tellurium. The remaining six holes were drilled in an area immediately west of the principal target to test the historic Harrison Scheelite tungsten occurrence that was trenched earlier in the program. All 2011 drill results are provided in Appendix A to the PEA Report, filed on SEDAR.

(8) SAMPLING AND ANALYSIS

Surface Chanel and Chip Sample Collection

In 2011, channel, chip and grab samples were collected by field staff working under the direction of the principal author or by the principal author himself. In the Deer Horn adit area, sample locations were selected based on the presence of well-exposed vein material, and/or stockwork mineralization.

Channel samples 5cm wide were cut with a gas-powdered circular diamond saw to a depth of 4-5cm and sample material was removed with a chisel and crack hammer. Where possible the channels were cut perpendicular to the interpreted strike of the vein or zone, starting at the footwall and proceeding in a continuous manner across the vein or zone to its contact with the hangingwall or until limited by a lack of rock exposure.

Chip samples were collected across the trend of the vein or zone sampled. Selected grab samples were collected from mineralized outcrop, sub-outcrop or float.

The four excavated trenches were systematically chip sampled from beginning to end. The chip samples were collected from a continuous channel using rock chisels and crack hammers. Individual samples were typically 2m in length.

Each sample collected for analysis was described and its location was recorded using hand-held GPS units with an accuracy of 4m to 8m. The sample was then placed in a polyethylene bag, given a unique sequential sample number and tag, and sealed with a zap strap. Photographs of each sample locations site were also taken. Because of the low number of rock samples collected in 2011 blanks, duplicates and standards were not inserted into the sample stream, but standard laboratory repeat analysis served to provide quality control.

Diamond Drill Core Logging and Sample Collection

Drill core was logged for geological and geotechnical properties at the project's core logging facility. Each section of core to be sampled was clearly identified, marked with a centre-line and halved using a water-cooled diamond saw. Half of the core from each sample interval was then placed in a polyethylene bag, given a unique sequential sample number and tag, and sealed with a zap strap. A corresponding tag was stapled to the core box for each sample interval. A total of 1855 core samples (excluding duplicates) were collected, labeled, cut and bagged.

Two-hundred-and-twenty-five (225) quality control samples (26 blanks, 115 standards and 84 duplicates) were inserted into the sample stream at regular intervals following a prescribed sequence. All of the samples were recorded on shipment forms as they were readied for shipment.

Geochemical Analysis and Assaying

Each core or rock sample was individually crushed and pulverized (following Acme's R200-250 procedure), and the resulting sample pulp was analyzed. Samples were jaw crushed until 80% passed through a 10 mesh screen. From this material a 250g riffle split sample was collected and then pulverized in a mild-steel ring-and-puck mill until 85% passed through a 200 mesh screen. Each resulting sample was analyzed by one or more of the methods described below. The remaining coarse reject portion of each original sample was collected and remains in storage.

All rock and drill core samples were evaluated for 34 elements, including gold, silver and tellurium, by leaching a 15g sample split in hot (95°C) aqua regia followed by ICP-MS analysis (method 1DX2). Samples returning more than 1000ppb Au and/or more than 50ppm Ag were re-analyzed utilizing standard Fire Assay methods with a gavimetric finish (method G6Gr) on a 30g sample. Samples returning more than 1000ppm Te were not re-analyzed, however the actual value was provided by the lab for reference only; therefore values beyond 1000ppm are regarded to be qualitative. Samples returning more than 100ppm W were re-analyzed by phosphoric acid leach followed by ICP-ES analysis (method 7KP).

Certified reference blanks, gold and silver standards, tungsten standards and filed duplicates were systematically inserted into the sample stream as part of quality control/quality assurance program. No certified tellurium standards were used. Assay certificates from the 2011 exploration program can be made available upon request to the Company, and are provided in an assessment report filed with the MEM. For a listing of assay certificates for the 1989, 1990 and 2009 exploration campaigns, the reader is referred to exploration assessment reports that are available online at the MEM at: 111.em.gov.bc.ca/cf/aris/search.cfm

(9) SECURITY OF SAMPLES

All 2011 rock and core samples were packed into sealed and tamper-proof 5-gallon pails and shipped in batches via a commercial carrier, or were delivered directly by staff working under the direction of the principal author, to Acme Analytical Labs in Vancouver, BC.

Drill core form the 2009 and 2011 drill programs is stored on the property at the camp location in cross-stacked fashion. Because the property is remote and not accessible by road, there is little risk to the security of the core.

(10) MINERAL RESOURCES AND MINERAL RESERVES

Giroux Consultants was contracted by the Company to complete a NI43-101 resource estimate update for the Au-Ag-Te system on the Deerhorn Property. Issued in April 2012, this updates a previous resource estimate completed in 2010 (Lane and Giroux, 2010). The resources were estimated by Gary Giroux, P.Eng., MASc. who is a qualified person and independent of both the Company and the title holder, based on the tests outlined in NI43-101. Mr. Giroux has not visited the Deerhorn Property.

At the request of the principal author, Giroux Consultants Ltd. was contracted to produce a resource update for gold, silver and tellurium on the Deer Horn vein deposit. The supplied data base consisted of 196 diamond drillholes completed from 1944 to 2011 and 42 surface samples. A list of drillholes and surface samples is attached as Appendix B to the PEA Report filed on SEDAR. A detailed description of the analysis undertaking in providing the resource estimate is included in the PEA Report filed on SEDAR.

Based on the study herein reported, delineated mineralization of the Deerhorn Property is classified as a resource according to the following definition from NI 43-101

"In this instrument, the terms "mineral resource", "inferred mineral resource", "indicated mineral resource" and "measured mineral resource" have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM standards on Mineral Resources and Reserves Definitions and Guidelines adopted by CIM Council on August 20, 2000, as those definitions may be amended from time to time by the Canadian Institute of Mining, Metallurgy, and Petroleum."

"A Mineral Resource is a concentration of occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

The terms Measured. Indicated and Inferred are defined in NI 43-101 as follows:

"A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit.

The estimate based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes that are spaced closely enough to confirm both geological and grade continuity."

"An 'Indicated Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability if the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes that are spaced closely enough for geological and grade continuity to be reasonably assumed."

"An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes.

Geologic continuity is established by surface and underground mapping and through the logging of drill core. This geologic continuity led to the interpretation of the various veins and contact zone and the construction of geologic 3 dimensional solids to constrain the estimation. Grade continuity can be quantified by semivariograms. At this time the drill density is not sufficient to classify any material as Measured. Blocks within the better drilled western portion of the deposit and estimated for Au in Pass 1

or Pass 2 using search ellipses up to ½ the semivariogram range were classified as Indicated. The remaining blocks were classified as Inferred. The results are presented as two sets of Tables. The first set (Tables 14.13 and 14.14) identify the resource present within the mineralized solids at various gold cutoff grades. This estimates the tonnes and grade of material if one could mine to the limits of the mineralized solids, in other words, with no external dilution. The second set of tables (Tables 14.15 and 14.16) show the kind of dilution present if one has to mine 10 x 5 x 5m blocks. The ultimate resource probably lies between these two extremes as one could never mine exactly to the mineralized solids but with grade control during mining one would not take this much dilution either.

The 1.0g/t Au cut-off is highlighted as a possible open put cut-off for this deposit.

Table 14-13 Indicated Resource within Mineralized Solids

Au Cut-off	Tonnes> Cut-off	Grades> Cut-off			Contained Metal		
		Au	Ag	Te	Ounces Au	Ounces Ag	kg Te
(g/t)	(tonnes)	(g/t)	(g/t)	(ppm)			
0.50	429,000	4.97	153.42	158	68,000	2,120,000	68,000
1.00	414,000	5.12	157.50	160	68,000	2,100,000	66,000
1.50	386,000	5.39	164.90	166	67,000	2,050,000	64,000
2.00	343,000	5.84	178.24	177	64,000	1,970,000	61,000
2.50	307,000	6.27	190.76	188	62,000	1,880,000	58,000
3.00	262,000	6.87	208.00	204	58,000	1,750,000	53,000
3.50	233,000	7.32	220.48	216	55,000	1,650,000	50,000
4.00	206,000	7.78	233.02	228	52,000	1,540,000	47,000
4.50	182,000	8.25	244.75	240	48,000	1,430,000	44,000
5.00	165,000	8.63	253.50	249	46,000	1,340,000	41,000

Note: The Tellurium resource was estimated with about ½ the data used to estimate Au and Ag. Since Te represents a minor component to the project's economics it is classified as Indicated in this table. The reader should be aware that the confidence in the Te estimate is lower than the confidence on Au and Ag.

Table 14-14 Inferred Resource within Mineralized Solids

Au Cut-Off	Tonnes> Cut-off	Grades> Cut-off			Contained Metal		
		Au	Ag	Te	Ounces Au	Ounces Ag	kg Te
(g/t)	(tonnes)	(g/t)	(g/t)	(ppm)			
0.50	201,000	4.95	144.55	135	32,000	930,000	27,000
1.00	197,000	5.04	146.50	137	32,000	930,000	27,000
1.50	189,000	5.19	149.74	139	32,000	910,000	26,000
2.00	168,000	5.61	160.89	147	30,000	870,000	25,000
2.50	146,000	6.13	175.21	158	29,000	820,000	23,000
3.00	125,000	6.70	190.50	169	27,000	770,000	21,000
3.50	106,000	7.32	206.08	180	25,000	700,000	19,000
4.00	87,000	8.06	219.79	187	23,000	610,000	16,000
4.50	76,000	8.64	234.14	194	21,000	570,000	15,000
5.00	67,000	9.16	247.55	201	20,000	530,000	13,000

Table 14-15 Indicated Resource within Total Blocks

Au Cut-off	Tonnes> Cut-off	Grades> Cut-off			Contained Metal		
		Au	Ag	Te	Ounces Au	Ounces Ag	Kg Te
(g/t)	(tonnes)	(g/t)	(g/t)	(ppm)			
0.50	1,038,000	1.99	62.26	65	66,000	2,080,000	67,000
1.00	673,000	2.68	82.65	84	57,900	1,790,000	57,000
1.50	463,000	3.33	102.16	102	49,600	1,520,000	47,000
2.00	341,000	3.89	118.35	118	42,700	1,300,000	40,000
2.50	260,000	4.42	133.40	133	36,900	1,120,000	35,000
3.00	196,000	4.97	149.77	148	31,300	940,000	29,000
3.50	151,000	5.48	165.58	163	26,600	804,000	25,000
4.00	113,100	6.06	180.73	178	22,000	657,000	20,000
4.50	85,400	6.65	196.36	193	18,300	539,000	16,000
5.00	62,200	7.36	216.14	215	14,700	432,000	13,000

Note: The Tellurium resource was estimated with about ½ the data used to estimate Au and Ag. Since Te represents a minor component to the project's economics it is classified as Indicated in this table. The reader should be aware that the confidence in the Te estimate is lower than the confidence on Au and Ag.

Table 14-16 Inferred Resource within Total Blocks

Au Cut-off	Tonnes> Cut-off	Grades> Cut-off			Contained Metal		
		Au	Ag	Te	Ounces Au	Ounces Ag	kg Te
(g/t)	(tonnes)	(g/t)	(g/t)	(ppm)			
0.50	549,000	1.90	53.72	46	34,000	950,000	25,000
1.00	314,000	2.78	79.48	63	28,000	800,000	20,000
1.50	197,000	3.71	105.27	78	23,500	670,000	15,000
2.00	128,000	4.77	136.78	95	19,600	560,000	12,000
2.50	88,000	5.92	171.60	114	16,800	490,000	10,000
3.00	64,000	7.11	201.87	126	14,600	420,000	8,000
3.50	51,000	8.10	227.38	134	13,300	370,000	7,000
4.00	39,000	9.48	258.15	141	11,900	320,000	5,000
4.50	35,900	9.94	271.85	144	11,500	310,000	5,000
5.00	30,000	10.95	297.00	146	10,600	290,000	4,000

CIM Definition Standards on Mineral Resources and Mineral Reserves require that only material categorized as Measured or Indicated for studies at the Pre-Feasibility and Feasibility levels be classified as a reserve.

This PEA Study includes Inferred material reports as a pit resource....and does not include any reserves.

(11) MINING OPERATIONS

N/A

(12) EXPLORATION AND DEVELOPMENT

The report writers recommended that the Deerhorn Property be advanced to a Preliminary Feasibility Study (PFS) level. The following items are recommendations as part of advancing the study to PFS level.

Resource Model

It is recommended that exploration of the Deerhorn Property continue and consist of:

- Detailed structural mapping of surface showings, underground workings and a review of the 2009 and 2011 drill core. The estimated cost for structural mapping is approximately $30,000.

- A systematic diamond drilling program (of approximately 3900m of drilling from up to 28 drill sites) targeting the near surface, high-grade gold-silver-tellurium potential of the Main vein, the bulk tonnage gold-silver-tellurium potential offered by the Contact zone, and several precious-metal targets that lie contiguously west of the current resource. The estimated cost for the drilling program is approximately $2,000,000.

- Further assessment for the significant tungsten showings located primarily west of the Deer Horn adit, with follow-up trenching and/or diamond drilling should results warrant. The estimated cost for this assessment of the tungsten showings is approximately $150,000.

- Completion of an environmental baseline assessment of the property, and examination of the suitability of several areas proposed for construction of infrastructure that would be in support of the submitted bulk sample permit application. The estimated cost is approximately $100,000.

It is recommended that the Company proceed with the program as early as possible in 2013 to allow for the 10 to 12 week program to be completed prior to the onset of winter conditions. Following completion of the fieldwork, all existing data should be compiled and a revision of the existing NI 43-101 mineral resource estimate should be completed.

The overall estimated cost for the above proposed program is $2.3 million.

Mining

MMTS recommends that the project proceed to further mine planning of the potential open pit with the following specific studies. These recommendations are not necessarily contingent on positive results from previous phases but reflect the ongoing level of detail required to advance the project, leading to eventual construction and operational level designs. Mine planning work will cost between $300,000 and $400,000 depending on the results of future exploration and the geological modeling, pit geotechnical studies, bench marking studies, mine waste management studies, mine reclamation planning, and closure planning.

Specific mine plan recommendations for the ongoing studies are as follows:

- A pit slope geotechnical evaluation is required as a part of the future PFS.
- Alternative Explosive storage and magazines locations should be examined too.
- Topsoil assessment is required to estimate the top soil storage requirement.
- Alternative waste storage closer to the pits should be considered to minimize mining cost.
- Areas where the starter pits are located have shallow and substantially higher grades than the rest of the deposit. These high grade areas have had a significant positive impact on the project economics. These areas are priority targets for upgrading the resource class from Inferred to Measured and Indicated. Expanding these shallow high grade zones could potentially significantly improve the project economics.
- Future resource models should use a smaller block size to better represent the anticipated selective mining unit size.

Processing

- It is recommended that future process testwork collect concentrate product for evaluation by potential buyers.
- A gravity concentration stage ahead of the flotation plant could add significant value to the overall process by further upgrading the final concentrate while saving energy in primary grinding, or potentially producing a precious metal concentrate.
- A wider range of representative samples of the potentially mineable zones should be used in future Preliminary Feasibility Study metallurgical test program. These samples need to be tested by a combination of gravity concentration and flotation. Evaluating gravity concentration under a wide range of primary grinding sizes could potentially help saving in grinding operating cost. Attempts should be made to separate the production into a precious metals concentrate, and a base metals concentrate.
- Future process testwork should include evaluation of Tellurium recoveries.

A Pre-feasibility level metallurgical testwork plan addressing above recommendations would cost approximately $200,000 to $250,000.

Environmental Studies, Permitting and Social or Community Impact

It is recommended that, in addition to further exploration on the Deerhorn Property, the following activities also take place:

- Continue engagement with First Nations.
- Develop a list of potentially affected stakeholders.
- Initiate discussions with appropriate regulators.

- Develop a stakeholder engagement process.
- Initiate a gap analysis of the environmental studies required for permitting.
- Refine Environmental study Permitting Plan.
- Initiate background environmental studies.
- Map regulatory process.
- Engage stakeholders in detailed discussions.
- Develop a TOC for the Mines Act small mine permit application for regulator review and comment.
- Develop a closure plan that will meet the end land use objectives and satisfy the regulatory commitments.

Assuming no Provincial EA Process is required, the estimated permitting program cost is $750,000 to $1,000,000.

Infrastructure

A weather study is required to update the expected seasonal operating window.

An avalanche study is required to determine what areas of the mine can be used for long term storage of equipment to minimize the seasonal mobilization and demobilization.

A site water balance is required to determine water needs.

- Waste and tailings geotechnical assessments are required.
- Waste rock characterization study is required to assess ARD/ML potential from waste rock.
- Ground conditions at the process plant area should be assessed.
- A site hydrology study is required.
- A site access audit is required to confirm the existing access road suitability and potential costs for using forestry roads in the vicinity. Maximum loads and widths of the site access route should be examined to determine if any access road upgrades are required. The cost of upgrading the site access road requires examination.

The overall estimated cost for the proposed infrastructure studies is $500,000.

Market Studies

A market study is required to confirm smelter terms $50,000.