FORM 2A

LISTING STATEMENT

CANAMEX GOLD CORP.

February 9, 2018

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1. Introduction

This Listing Statement ("**Listing Statement**") is furnished by and on behalf of the management of Canamex Gold Corp. (formerly Canamex Silver Corp.) (the "**Issuer**") and provides up to date information as of February 9, 2018.

1.1 Forward-Looking Statements

This Listing Statement contains information and projections based on current expectations. Certain statements herein may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this Listing Statement, such statements use such words as "will", "may", "could", "intends", "potential", "plans", "believes", "expects", "projects", "estimates", "anticipates", "continue", "potential", "predicts" or "should" and other similar terminology. These statements reflect expectations regarding future events and performance but speak only as of the date of this Listing Statement. Forward-looking statements include, among others, statements with respect to planned acquisitions, strategic partnerships or other transactions not yet concluded; plans to market, sell and distribute products; market competition; plans to retain and recruit personnel; the ability to secure funding; and the ability to obtain regulatory and other approvals are all forward-looking information. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements.

There can be no assurance that any intended or proposed activity or transaction will occur or that, if any such action or transaction is undertaken, it will be completed on terms currently intended by the Issuer. The Issuer assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law.

Although the Issuer believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Issuer can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. The forward-looking statements herein speak only as of the date hereof. Actual results could differ materially from those anticipated due to a number of factors and risks including those described under "Risk Factors" in section 17 hereof.

2. Corporate Structure

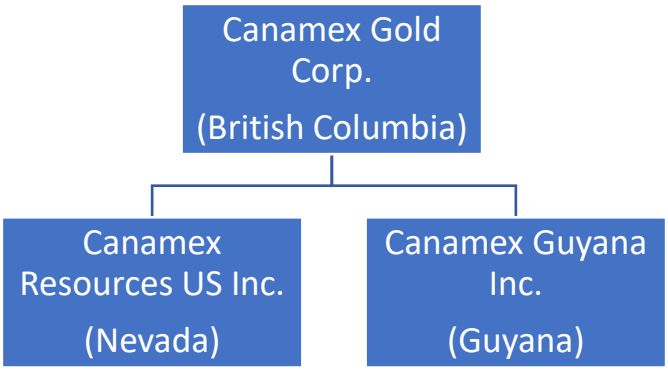
The Company was incorporated under the laws of Alberta on May 26, 1987. On August 18, 2009, the shareholders approved the continuation of the Company from the *Business Corporations Act* (Alberta) to the *Business Corporations Act* (British Columbia), approved the new articles of the

Company, and approved a name change of the Company to Canamex Silver Corp. On October 6, 2009 the name change and continuation were completed. The Company further changed its name to Canamex Resources Corp. on October 15, 2010 and to Canamex Gold Corp. on November 8, 2017.

The Company's Head Office and Registered Office is located at Suite 804 - 750 West Pender Street, Vancouver, British Columbia, V6C 2T7.

While Canamex is currently listed as a Tier 2 Issuer on the TSX Venture Exchange, it is submitting this Listing Statement to transfer its listing to the Canadian Securities Exchange.

The Company has two wholly owned subsidiaries as depicted below.



3. General Development of the Business

3.1 General Business

Canamex is engaged in advancing the Bruner Gold Project, located in the prolific gold jurisdiction of Nye County, Nevada. The region is home to several producing and past-producing mines along the Walker Lane Trend. Canamex completed a positive Preliminary Economic Assessment (PEA) on the Bruner Gold Development Project in 2016. Based on additional drilling conducted on the property, the company completed an updated PEA in 2018. Canamex is now moving the Bruner Gold Project forward into permitting and feasibility on the strength of this positive updated PEA and the rising gold price environment. The second asset is the Silverton Gold Project, a gold exploration project, in Nevada, which has geological similarities to the Long Canyon gold deposit in Nevada, being mined by Newmont Mining. Canamex has signed Agreements with Harmonychain AS, for Ethereum Blockchain Smart Contract Crypto-Tokens for Gold and Silver, as an alternative means of raising capital, potentially without equity dilution. The Agreements secure the exclusive rights to 6 (Six) Ethereum Crypto-Token domain names, ticker codes, and associated smart contracts, for Gold and Silver, if any of them have been successfully completed by 31st December 2018.

3.2 Acquisitions or Dispositions under National Instrument 41-101

The Issuer has not completed any significant disposition during its most recently completed financial year or the current financial year for which proforma financial statements would be required under National Instrument 41-101 - *General Prospectus Requirements* if this Listing Statement were a prospectus.

3.3 Trends, Commitments, Events or Uncertainty

In order for the Company to pursue growth without shareholder dilution, Canamex has executed a Terms of Agreement ("**TOA**") with Harmonychain AS ("Harmonychain") to consider the issues around an Initial Coin Offering ("ICO") of asset-backed digital tokens based on the Ethereum blockchain technology, and whether the Company could utilize this new technology in future offerings.

The Company feels that the TOA is an important technology licensing agreement, as it provides the Company with the exclusive license from Harmonychain in respect of the Gold and Silver resource segments, for the blockchain Ethereum Platform Smart Contract Token (a "**Token**"). The Company has secured the exclusive rights to use the Ethereum Token symbols "**GOLD**" (Gold), "**GUS**" (Gold United States) and "**SUS**" (Silver United States) for any future Token offering, if any of them are completed successfully by December 31, 2018. The Company is not undertaking any current Token or ICO offering now, but has secured the rights to use such Token symbols. If, as and when the Company wishes to undertake a Token offering, it will disclose such details at that time.

Management of the Company is of the view that secure digital currencies and tokens opens up a new opportunity for Canamex, as a potential alternative means of conducting financings. Furthermore, management feels that one of the great benefits with raising capital via this concept, is that there could be minimal dilution for the shareholders, in addition to the benefits of transparency, the potential asset backing of the Tokens and it being attractive compared to traditional debt or equity financings.

The Company and Harmonychain intend to explore the issue of asset-backed tokens which are backed by metal resources; currently gold and silver, and products derived thereof. The Tokens would be based on the Ethereum blockchain technology platform and the Tokens could be exchangeable into the physical product, using Ethereum smart contracts. The Tokens may accordingly be used as an alternative tool for investors who are looking for gold and silver exposure or hedging or investors who simply want exposure in digital Tokens which have the security of the underlying value of hard assets (as opposed to Bitcoin and other unbacked crypto currencies).

While the Company is not conducting an offering of any Token at the moment it may decide to do so in the future. If the Company decides to do so, it will determine the terms of such offering and, such Token offering may be deemed to be a security for the purposes of the *Securities Act* (British Columbia) and therefore require either a prospectus or an exemption from the prospectus requirement in order to issue the Tokens and affect trades

in the Tokens. The Company may utilize the accredited investors exemption, the offering memorandum exemption or such other exemptions from the prospectus requirement that are detailed in National Instrument 45-106 – Prospectus Exemptions. However, in certain instances the issuance of a Token may be determined to be a derivative if the underlying asset of the coin is a commodity which is not an investment contract. Until the Company finalizes any terms of any Token offering it will be unable to definitively determine if the Token is a security or a derivative. Pursuant to the TOA, Tokens may be tradeable on the Ethereum Platform or other token platforms. If such token is a security then the Company will need to file a prospectus to permit the secondary market trading of the Token or alternatively apply for an exemption from the prospectus requirement for secondary market trading – there is no assurances that such exemptions will be granted.

A Token would not give the acquirer any equity or other interest in the Company equivalent to a holder of common shares including, for greater certainty, a right to participate in the profits or the distribution of assets of the Company, nor any voting rights in any meeting of the security holders of the Company. However, a holder of a Token would only be entitled to gold or silver as noted below pursuant to the terms of such Token offering.

The Company intends to utilize the expertise of Harmonychain in establishing a possible Token offering pursuant to the TOA.

As the Company is still in the development phase with its Bruner Gold Project, in Nevada, and in the exploration phase with its Silverton Gold property, in Nevada, and has yet to produce any gold or silver or other resources, a Token offering linked to the production of such mineral resources will be speculative and there is no definitive time horizon in which commercial production of such resources will commence; or could commence, given that there is no definitive feasibility study demonstrating economic production.

When and if the Company issues Tokens, the Company will receive cash for such issuances and will have a long-term liability on its financial statements which will require the delivery of gold or silver if commercial production is achieved. Investors of common shares of the Company should be aware that, depending on the terms of a Token issuance, a Token holder will receive gold or silver, if and when commercial production is achieved and after redemptions of gold or silver are satisfied, the Company could sell any remaining resources available.

4. Narrative Description of the Business

4.1 General

On May 28, 2010, the Company entered into a property option agreement with Provex Resources Inc., in which the Company was granted, subject to acceptance by the TSX Venture Exchange ("**TSX-V**"), an exclusive right and option to acquire up to a 75% interest in certain mineral claims in Nye County, Nevada (the "**Bruner Property**").

On October 18, 2010, the Company received TSX-V approval for all matters in connection with the Bruner Property option agreement, the Company was reinstated as a Tier 2 mining issuer on the TSX-V and changed its name to Canamex Resources Corp. (**TSX-V "CSQ"**).

EXPLORATION AND EVALUATION ASSETS

Bruner Property, Nye County, Nevada, United States

Option and Joint Venture Agreement

On May 28, 2010, the Company entered into a property option agreement with Provex Resources Inc., granting an exclusive right and option to acquire up to a 75% interest in the Bruner Property.

During the year ended December 31, 2015, the Company earned 70% interest in the property by completing a total of US$6,000,000 in expenditures in stages. The Company passed on its option to acquire a further 5% undivided interest in the property by producing a bankable feasibility study.

The agreement is subject to an aggregate 3.5% net smelter return royalty on the production from certain claims. Property Description Comprised of 179 unpatented and 27 patented mining claims covering a total of approximately 3,520 acres, the Bruner Property is located in central Nevada, about 45 miles northwest of the Round Mountain Mine which has produced over 10 million ounces of gold over a thirty year period. Historic production at Bruner includes approximately 100,000 ounces at an average grade of 0.56 ounces per ton.

Property Exploration

Historic work by Morrison-Knudsen, Miramar, Glamis, Newmont, Kennecott and others identified a low-grade resource near the southwest portion of the property. The work by Newmont, Kennecott and Miramar was summarized in a report by John Schilling in 1991. Since that time an additional 75 holes have been drilled within and along strike of the historical resource area.

The historic resource area refers to an area on the Bruner property that was the subject of an historical resource estimate reported on the property not in compliance with NI 43-101 standards. A qualified person (within the meaning of NI 43-101) has not done sufficient work to classify the historical estimate as current mineral resource or mineral reserves, and the Company is not treating the historical estimate as current mineral resources or mineral reserves. The historical estimate is relevant solely for purposes of directing target areas for the Company's current exploration programs.

A bulk sample from the historic resource area was taken in April 2012 and delivered to Kappes Cassidy & Associates in Reno, Nevada for column leach test work. Final cyanide column leach results were reported in August and demonstrated +85% gold extraction in 83 days on -3 inch and -3/4 inch crush material sampled from underground within the historic resource area at the Bruner gold project. The very positive metallurgical results support moving the Bruner project forward towards establishing a maiden NI 43-101 mineral resource and formulating preliminary concepts regarding site layout for a preliminary economic assessment in 2015.

Canamex has drilled a total of 26,077 meters in 149 core and reverse circulation ("RC") holes (3,335 meters core and 22,741 meters RC) since it entered into its option on the property in 2010. Assay results have been received and reported for all 149 holes.

On November 2, 2015, the Company completed the purchase of the 26 lode patented mining claims, representing approximately 500 acres, and an associated water right for 6.690202 acre feet per annum that comprise the core of the Bruner gold project, Nye County, Nevada for a total price of US $760,000. The Company has completed the US $6,000,000 in qualified expenditures required to earn a 70% interest in the property well in advance of the seven years deadline. The Company has also commissioned a Preliminary Economic Assessment and the joint venture between the Company and Provex Resources Inc has been initiated. To date the Company has spent in excess of US$1 million above its initial earn-in requirement, which will result in either Provex contributing to the project its 30% share of total expenditures above the earn-in amount, or a *pro-rata* reduction in their percentage interest. During April 2017, the Company completed the purchase of the remaining 30% inerest in Bruner by paying Patriot Gold Corp USD $1,000,000.

The Company commissioned a Preliminary Economic Assessment (PEA) in December of 2017, announced the results of the PEA on March 3, 2016, and announced the release of the PEA technical report on January 26, 2018. The results of the PEA are discussed below.

4.2 Companies with Mineral Projects

PROPERTY DESCRIPTION AND LOCATION

The property description and location was modified from Tanaka (2015) and WHA (2016).

Introduction

The Bruner property is located in central Nevada at the northern end of the Paradise Range about 130 miles east-southeast of Reno and 25 miles north-northeast of Gabbs in Nye, Lander and Churchill Counties. The Project is centered at approximately 39° 04' North latitude and 117° 46' West longitude. The Project location is shown on **Figure 4.1**.

The property is currently comprised of 183 unpatented and 27 patented mining claims covering a total of approximately 3,600 acres in sections 1, 2, 11, 12, 13, 14, 21, 22, 23, 24, 25, 26, 27, and 28 of T.14 N., R. 37 E., and sections 19 and 30 of T. 14 N., R. 38 E. M.D.B.& M. The patented and unpatented claims form mostly a contiguous block. A complete listing of the claims is included in **Appendix A**. An annual filing of a "Notice of Intent to Hold" along with payments to the Bureau of Land Management and annual payments to Churchill, Lander and Nye counties must be made for each claim to keep the claims in good standing. The patented claims require the annual payment of property taxes to Nye County. The Bruner Gold Project vicinity map is presented as **Figure 4.2**.

According to a report titled Bruner Property Tenure Summary, Churchill, Lander and Nye Counties, Nevada, prepared for Canamex Resources US Inc. by GIS Land Services, dated December 25, 2017, the 183 unpatented claims comprising the Bruner Property are in "Active" status according to BLM Serial Register pages for each claim, BLM LR2000 reports and BLM Maintenance Fee documents. BLM and State of Nevada filings have been timely filed. According

to Nye County Secured Tax Inquiry Details, property taxes on all 27 patented claims have been timely paid and no taxes are owed as of August 21, 2017.

Figure 4.1: Location Map of the Bruner Gold Project

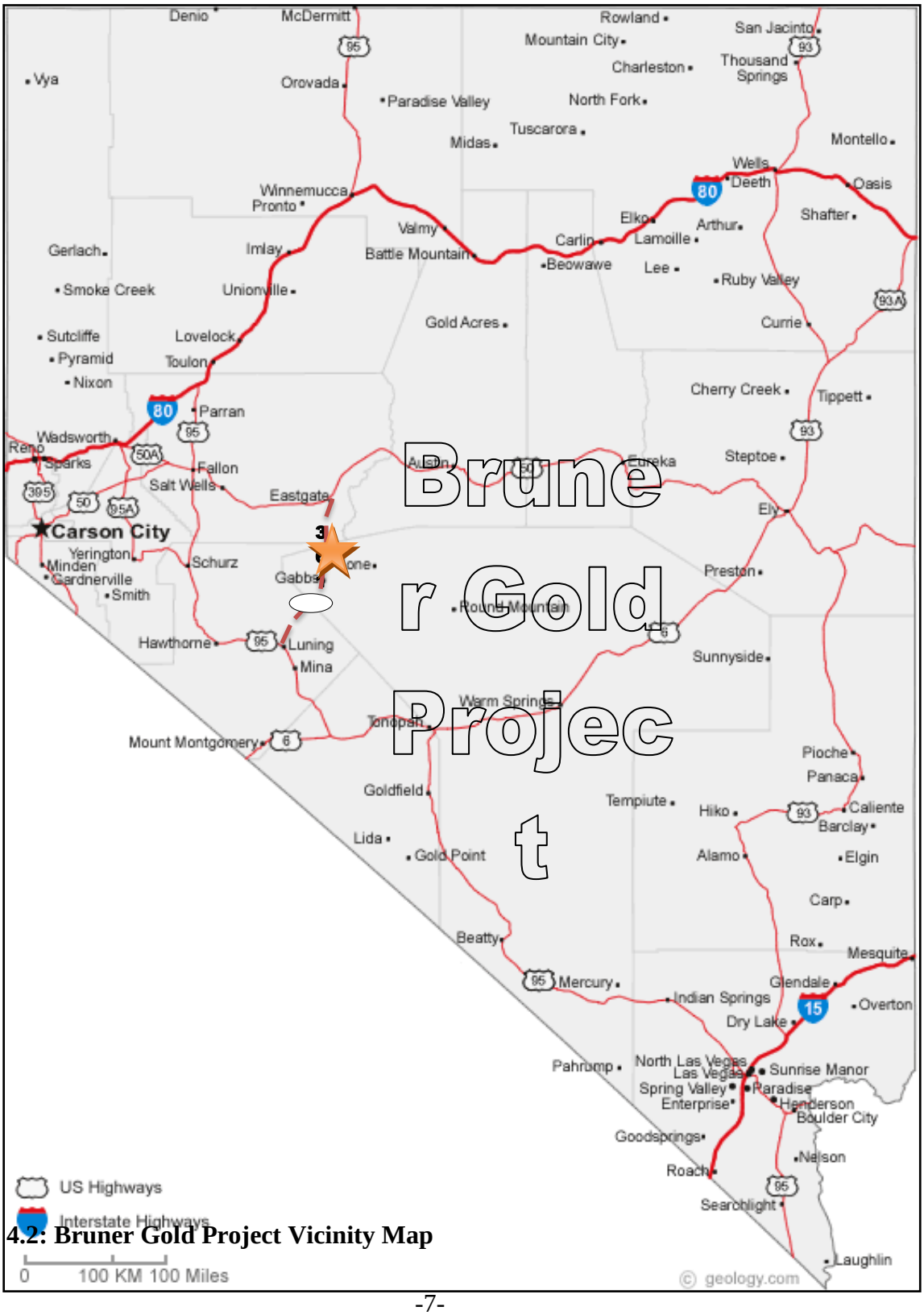
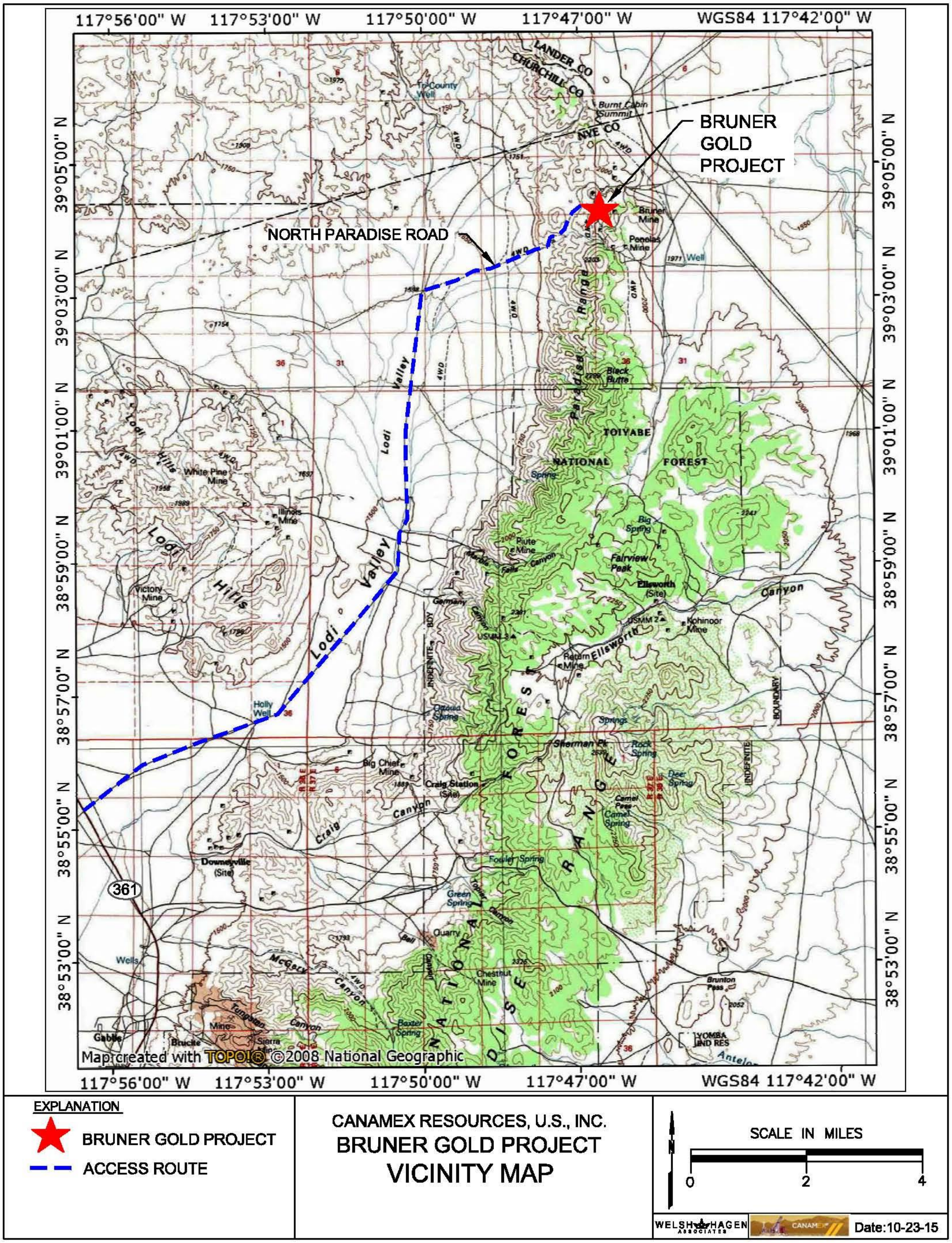


Figure 4.2: Bruner Gold Project Vicinity Map


117°56'00" W
117°53'00" W
117°50'00" W
117°47'00" W
WGS84 117°42'00" W
39°05'00" N
39°03'00" N
39°01'00" N
38°59'00" N
38°57'00" N
38°55'00" N
38°53'00" N
LANDER CO
CHURCHILL CO
NYE CO
BRUNER
GOLD
PROJECT
NORTH PARADISE ROAD
Lodi Valley
Lodi Hills
Paradise Range
TOIYABE
NATIONAL
FOREST
Bruner Mine
Black Butte
Fairview Peak
Ellsworth (Site)
Craig Station (Site)
Downeysville (Site)
Holly Well
Big Chief Mine
Sherman Pk
361
Map created with TOPO!® ©2008 National Geographic
EXPLANATION
BRUNER GOLD PROJECT
ACCESS ROUTE
CANAMEX RESOURCES, U.S., INC.
BRUNER GOLD PROJECT
VICINITY MAP
SCALE IN MILES
0
2
4
WELSH HAGEN
Date:10-23-15

Ownership

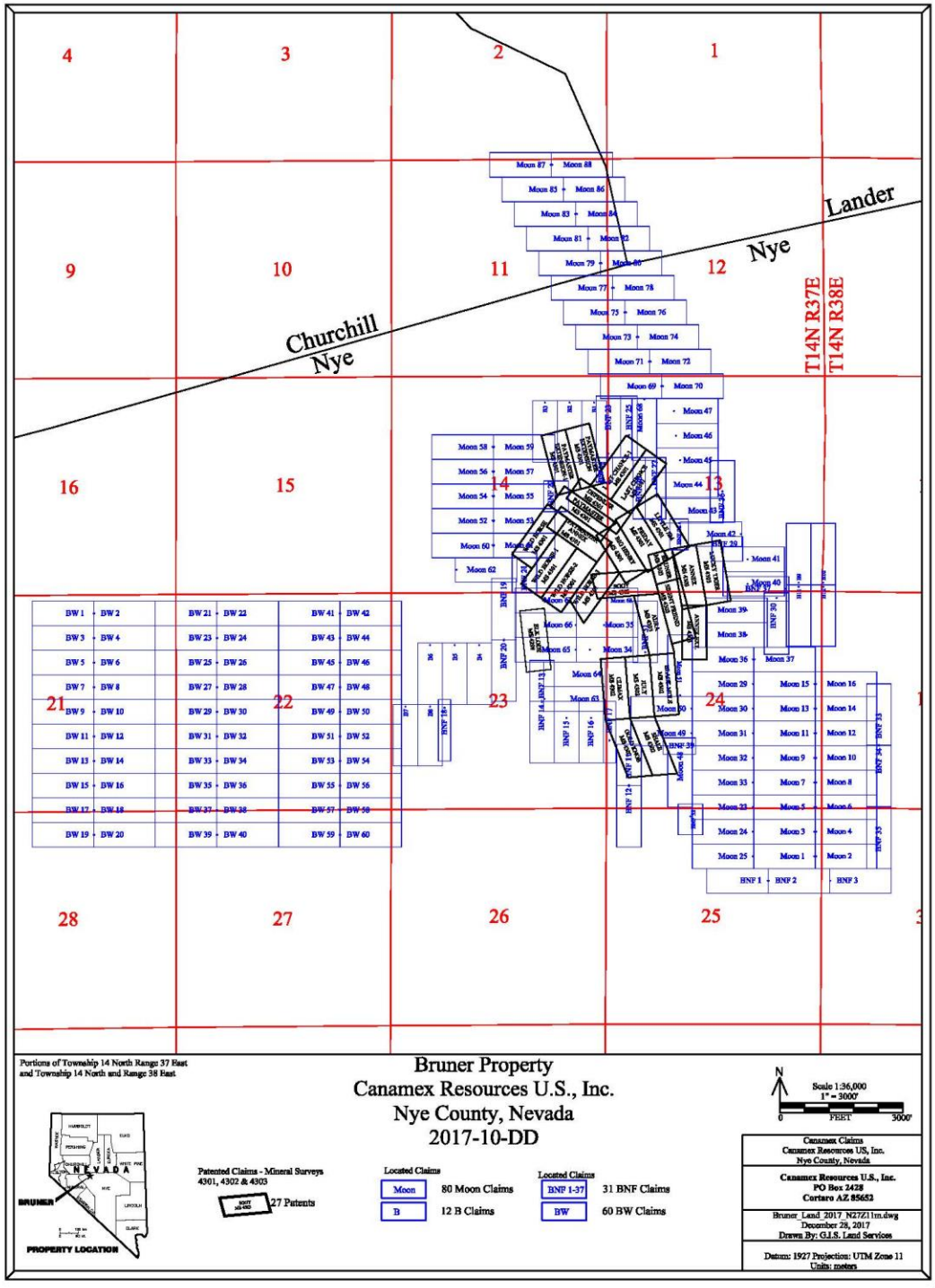
The property is held by virtue of several underlying agreements. On May 28, 2010, Canamex entered into a property option agreement with Provex Resources Inc., (Provex) a wholly owned subsidiary of Patriot Gold Corporation (Patriot), a Nevada Corporation and Public U.S. junior exploration company registered on the OTC Bulletin Board Exchange, in which the Company was granted an exclusive right and option to acquire up to a 75% interest in certain mineral claims in Churchill, Lander and Nye Counties, Nevada (the "Bruner Property"). The property is currently comprised of 183 unpatented and 27 patented mining claims covering a total of approximately 3,600 acres, as detailed below and shown on Figure 4.3. In September 2015 Canamex advised Provex Resources that it has earned an initial 70% interest in the property by completing the earn-in expenditure requirement. In April 2017 the Company entered into a purchase and sale agreement with Provex whereby the Company purchased Provex's remaining 30% interest in the property and obtained title to all of the property free and clear of any residual claims by Provex, other than Provex retains a 2% NSR royalty. The Company now owns 100% of the Bruner property.

Patriot initially acquired sixteen unpatented mining claims from MinQuest Inc., a private Nevada Corporation, under an agreement dated July 2003. Patriot staked an additional 43 unpatented lode mining claims between 2004 and 2009. A core group of 26 patented mining claims are controlled under an option to purchase agreement dated April 2009 between Patriot Gold and American International Ventures, Inc. (AIVN). In March 2014 Canamex purchased a single inlier patented claim, and in November 2015 Canamex purchased the underlying 26 patented claims directly from AIVN. The latest acquisition brought the total patented claims count to 27.

Between 2013 and 2015 Canamex acquired an additional 124 unpatented claims by staking open ground.

Figure 4.3: Bruner Gold Project Mining Claims Map

Source: GIS Land Services, Reno, NV



To earn its initial interest in the property, Canamex has completed the following expenditures over a seven year period (**Table 4.1**).

Table 4.1: Schedule of Exploration Expenditure Commitments by Canamex

Exploration expenditures to be incurred during 12 months ended		Expenditures
May 28, 2011 (completed)	Required	$ 200,000
May 28, 2012 (completed)	Optional	$ 400,000
May 28, 2013 (completed)	Optional	$ 600,000
May 28, 2014 (completed)	Optional	$ 800,000
May 28, 2015 (completed)	Optional	$1,000,000
May 28, 2016 (completed)	Optional	$1,500,000
May 28, 2017 (completed)	Optional	$1,500,000
Total expenditures completed		**US$ 6,000,000**

Under the terms of the underlying option agreement between Patriot and MinQuest, MInQuest retains a 3% NSR royalty on the unpatented claims. Two thirds of the retained royalty (2%) can be purchased for $2 million USD upon or before the completion of a bankable feasibility study. This buy-down will not occur until construction is started and is included in the capex for construction.

The 26 lode patented claims acquired from AIVN are subject to two underlying royalties, most of which can be bought out. 1) Orcana Resources Inc. retains a 2% NSR on the patented claims, which can be purchased for US$250,000 in either cash or marketable securities, at Canamex's option, upon completion of a feasibility study. In addition, Orcana is due a payment of US$250,000, in either cash or marketable securities, upon Bruner achieving commercial production, and 2) AIVN retains a 1.5% NSR royalty, of which 2/3rd (1% NSR) can be purchased for US$500,000 up to any time prior to 30 days after commencement of mine construction, leaving a 0.5% NSR royalty due after said buyout. These royalty buyouts and the payment to Orcana are included in the Capital estimate for the project.

In April 2017 the Company entered into a purchase and sale agreement with Provex whereby the Company purchased Provex's remaining 30% interest in the property and obtained title to all of the property free and clear of any residual claims by Provex, other than Provex retains a 2% NSR royalty on all of the property. The Company now owns 100% of the Bruner property.

Following the agreed and anticipated buyouts, the Royalty on the property will be 3.5% NSR on the unpatented claims and 2.5% for the patented claims. These royalties are applied to the precious metals in the cash flow model for the project.

The unpatented claims occur on Federal Government land administered by the Department of Interior's Bureau of Land Management (BLM). Any exploration work, which creates surface disturbance on unpatented claims, is subject to BLM rules and regulations. A "Notice of Intent to

Operate" and the required reclamation bond must be filed with the BLM for surface disturbances under five acres. BLM approval of the Notice must be obtained before any surface disturbance takes place. Surface disturbances on private land (patented claims) are regulated by the State of Nevada through its Nevada Department of Environmental Protection (NDEP). As with the BLM, NDEP allows up to 5 acres of disturbance under a minimal 'notice' and reclamation bond. Exploration and mining disturbances on private land which exceed 5 acres require an 'Exploration and Reclamation Plan' as well as a reclamation bond. There is an extensive system of access roads and close spaced drilling roads on the resource area of the patented claims. These roads existed before NDEP passed stricter regulations regarding reclamation on private land. These roads can remain unreclaimed indefinitely.

Canamex's exploration program on unpatented claims to date operates under a Notice of Intent filed with the BLM. The reclamation bond for these activities in the amount of US$21,744 has been posted by Canamex. The Notice of Intent was amended to include the drilling of a water well on BLM land, and renewed in September, 2017, and is active until October 18, 2019. Exploration on patented claims has been done from pre-existing disturbance.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The description of accessibility, climate, local resources, infrastructure and physiography was modified from Tanaka (2015).

The property occurs in the Basin and Range physiographic province comprising a series of northerly-trending, broad, flat basins divided by steep, fault-bounded mountain ranges. Surface water drainage is via typically seasonal streams and creeks to the nearest basin.

The property is accessed from Gabbs by traveling north on Nevada State Highway 361 for approximately 3.5 miles, turning right onto the Lodi Valley County Road, a county-maintained gravel road, and traveling northeast about 12 miles and turning right onto an unmaintained two-track county road which leads 3.5 miles into the property (**Figure 4.2**). The unmaintained road crosses the Paradise Range where it connects on the east side of the range with the county-maintained gravel road going from Austin to Ione.

The Bruner area, at an elevation of 5,000 to 7,000 feet, has a climate characterized by warm, dry summers with intermittent thunderstorms and cold relatively dry winters. Ranges are variably covered with snow during parts of the winter, and occasional heavy storms can deposit as much as two feet of snow on the property. Precipitation generally averages around 8-inches per year.

There is only minor vegetation consisting of sagebrush and other shrubs and grasses native to the high desert environment on most of the lower and western side of the property. In the higher elevations and on the east side of the property there are locally dense groves of pinion and juniper trees.

Very basic services are available most of the time in Gabbs. Hawthorne is 60 miles to the southwest and Fallon is 65 miles to the northwest, and both of these towns can provide a full range of services. Mining and exploration can be accomplished virtually year-round with only occasional

interruptions due to snow in the winter and muddy roads in the spring. An open-pit, magnesium mine in Gabbs operates 365 days a year. The closest electric transmission lines are in Gabbs, and water would be obtained through wells to be developed on the property. Because of the number of past and currently operating mines within 100 miles of the project, there is a pool of trained mining personnel in the region. Mining and exploration work is a significant economic factor in the region, and new projects are generally favorably received.

HISTORY

This description of the discovery and production history of the district is modified from Tanaka (2015).

Gold was initially discovered in the Bruner District in 1906 when surface showings of what was considered to be gold telluride, but was more likely electrum, were found in the vicinity of what became the Paymaster mine (Kral, 1951). Total production from the district is approximately 55,587 gold-equivalent ounces from 99,625 tons of ore grading 0.56 oz Au-equivalent/ton (Klein-hampl and Ziony, 1984). The history of the district's development is summarized from Schilling (1991) and Nolan (2010) below:

- 1906 - 1915 discovery and numerous small mines operating;
- 1915 - 1925 district consolidated by Kansas City - Nevada Cons. Mines Co
- 1926 - 1942 period of major production;
- 1948 - 1949 small scale mining by lessors;
- 1978 - 1998 open pit mining and in-situ leaching by J. Wilson
- 1983 - 2004 mapping, sampling, drilling, geophysical surveys by various mining companies;
- 2005 - 2009 mapping, drilling, geophysical surveys and sampling (surface and UG) by Patriot Gold.

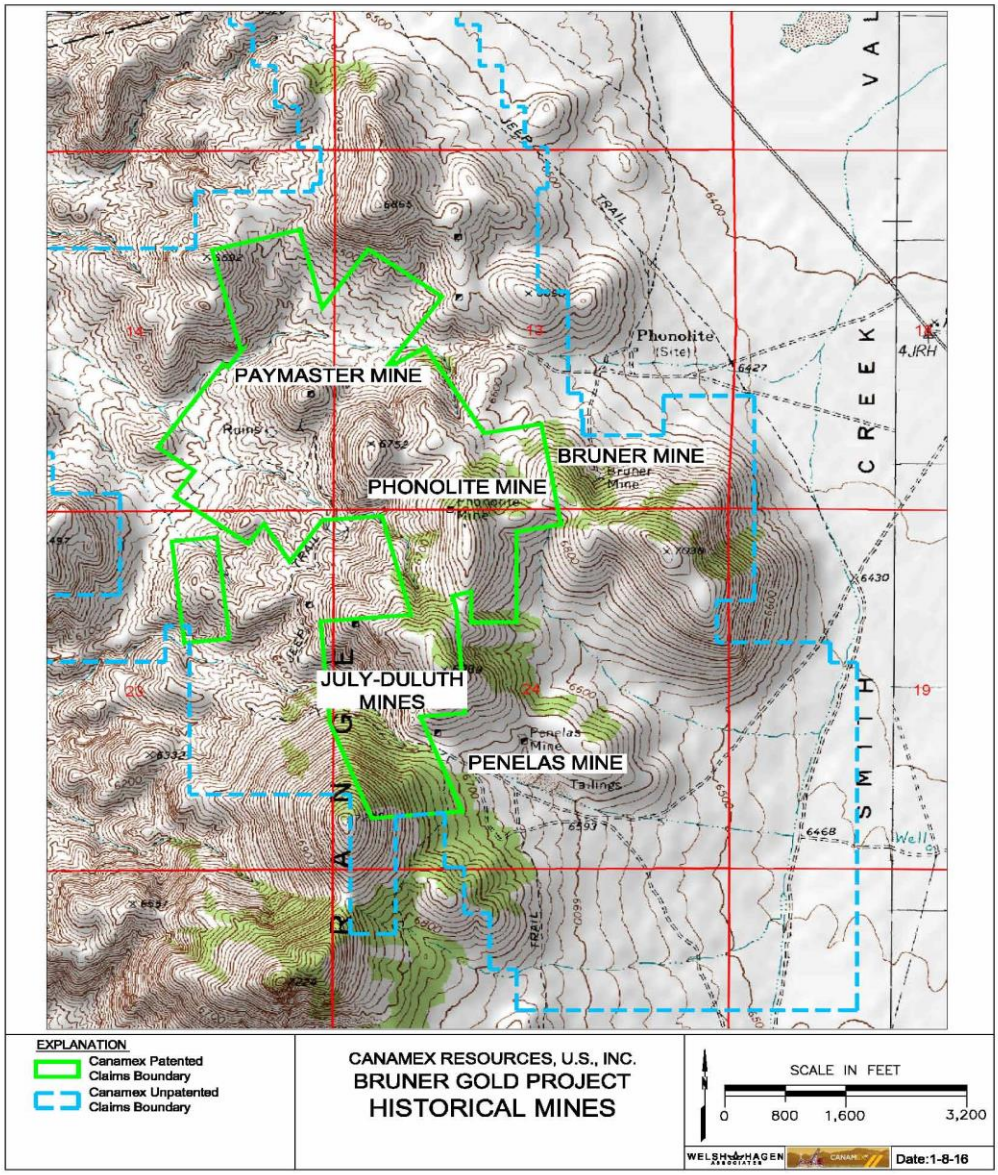
Figure 6.1 presents the areas of historical mining at the Bruner property.

Paymaster

The Paymaster mine was first developed in 1906, and was purchased by the Kansas City – Nevada Consolidated Mines Co. in 1915. The mine is developed by a 375-foot shaft with 2,000 feet of workings on three levels.

In 1978, Jesse R. Wilson purchased much of the district, and developed Paymaster hill into an in-situ, cyanide-leach operation, capable of producing 2 oz gold/day. Wilson also assembled a 300-ton cyanide mill which from 1980 to 1986 was used to treat open-pit ore from the Paymaster as well as ore from the "Amethyst Pit" (HRA area). Only incomplete production records exist for the in situ operation and open-pit mining.

Figure 6.1: Historical Mines in the Bruner Gold Project Area



In 1988 Miramar Mining Corporation leased the district from Mr. Wilson and entered into a series of joint ventures with other mining companies to explore the district. In 2003, Miramar received recognition from the state of Nevada's Division of Environmental Protection for its work in cleaning up the Paymaster site. Environmental consultants hired by Newmont Exploration have examined the Paymaster workings and found no detectable traces of cyanide in the air and acceptable levels in the water. No activities with the potential for environmental degradation have been carried out at the Paymaster since these studies were conducted.

Duluth et al (Historic Resource Area)

The Duluth, Black Mule, Ole Peterson, Golden Eagle, July Lode workings are south-southwest of the Phonolite adit on the west flank and crest of the range. Exploration and development began in

about 1906 by the Golden Eagle Mining and Milling Company. From 1936 - 1944, the mine yielded $70,000 in gold and some silver. From 1980 to 1986, Jesse Wilson mined the July vein; mostly by open pit methods at the Amethyst pit, but also to a limited extent underground; the ore was milled at his mill on the Paymaster. No production records were kept. The mine is developed by the Lower and Upper adits and has over 1,000 feet of workings, stopes, and three (Hagarth, Crag, and White) shafts. The main ore zone occurs in a chimney-like, 8 x 14 foot ore shoot which has been mined from the main workings up to the surface.

Penelas

The Penelas Mine is in the southeast part of the district on the east flank of the range. Initial discovery of the ore shoot was reported in 1923, but significant production did not begin until 1935.

From 1931 to 1942 the mine was operated by the Penelas Mining Co., and the ore was deemed exhausted by 1941. According to U.S. Bureau of Mines statistics the Penelas has produced a total of 26,000 oz gold and 120,000 oz silver from 80,100 short tons of ore.

Phonolite (Bruner)

The Phonolite (Bruner) mine is located about a half mile southeast of the Paymaster on the east slope of the range. The workings include the 1,000-ft, east-west Phonolite adit, several shafts, and other workings. In some reports and maps the Bruner and Phonolite mines are listed as separate adjacent mines. Quin (1990) calls it the “Bruner Prospect” and Garside (1981) states that production was “probably none” for both “mines” (Shilling 1991).

GEOLOGICAL SETTING AND MINERALIZATION

This description of the geological setting and mineralization was modified from Tanaka (2015).

Regional Setting

The Bruner Gold Project lies at the north end of the Paradise Range within the western part of the central Basin and Range Province (**Figure 7.1**). The stratigraphy of this region consists of Paleozoic to Mesozoic intrusive, sedimentary, and metamorphic units overlain by Cenozoic age rhyolitic to andesitic volcanic rocks (John et al., 1989). Mid to Late Tertiary age calderas formed throughout the Great Basin province with associated intermediate to felsic volcanism and regionally extensive silicic ash-flow tuff units deposited from 35-19 Ma (Henry and John, 2013). This was followed by a period of intermediate to felsic volcanic intrusions and flows that continued until the onset of Basin and Range extension at ~15 Ma (John et al., 1989). Intermediate to mafic volcanic units represent the most recent period of igneous activity in the area and were emplaced between 12-10 Ma (John, 1989).

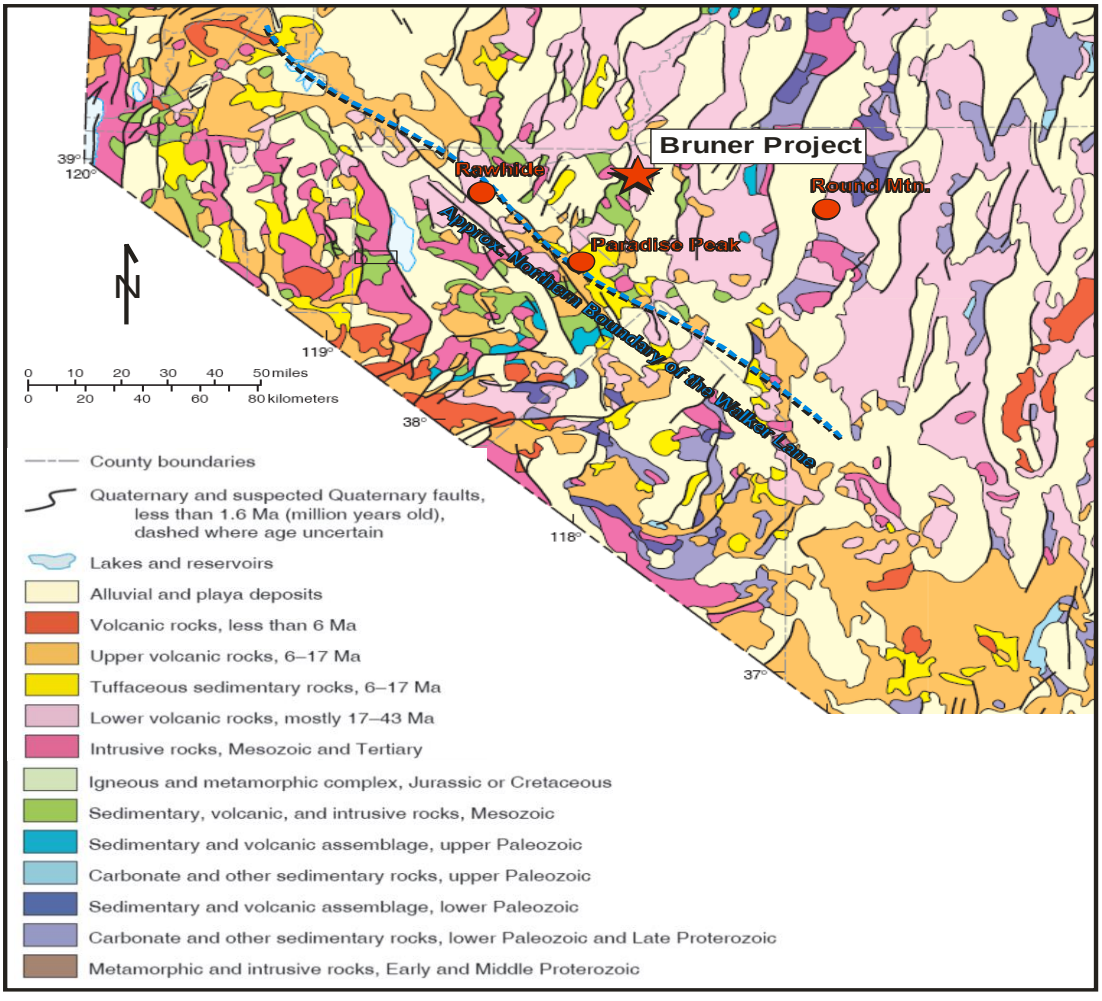
The Basin and Range Province has been a focus of extensional and transtensional strain since at least the Oligocene (Hardyman and Oldow, 1991). Since ~15 Ma, extension in west-central Nevada has been episodic and the magnitude of strain spatially heterogeneous. Basin and Range tectonism has formed a generally north- and north-northeast-trending structural fabric in the region surrounding the Bruner property. From ~10 Ma to present regional strain has been in part

accommodated by the Walker Lane, a northwest-trending dextral shear zone in western Nevada (Atwater, 1970; Faulds and Henry, 2008). The Bruner property lies approximately 40 km northeast of the boundary between the Walker Lane and Basin and Range structural domains and displays evidence of Ancestral Walker Lane type tectonism.

Epithermal precious metal deposits throughout west-central Nevada are hosted in Tertiary age volcanic rocks and typically display a close spatial and temporal relationship with the ancestral arc volcanism and the structural evolution of the region (Gray, 1996; du Bray et al., 2014). This portion of west-central Nevada is host to numerous historic and active mines, most notably the Rawhide, Paradise Peak, and Round Mountain mines (**Figure 7.1**).

Figure 7.1: Regional Geology of West Central Nevada (Source: Tanaka (2015)

Modified from Nevada Bureau of Mines and Geology Map 57, Million-Scale Geologic Map of Nevada by John H. Stewart and John E. Carlson, 1977; and fault maps by Craig M. dePolo, 1998



Local and Property Geology

The Paradise Range is comprised of intermediate-felsic flows, domes, and tuffs with K-Ar ages of 19.3-23.1 Ma (Kleinhampl and Ziony, 1984). The eruptive centers in the Bruner area are part of

the southern segment of the ancestral cascades arc and were active in western Nevada and eastern California between 30-3 Ma. Ancestral arc volcanism is attributed to asthenospheric upwelling following rollback of the subducting Farallon slab (du Bray et al., 2014).

The general stratigraphy at the Bruner property is graphically represented in **Figure 7.2**. The oldest unit found at the Bruner property is a dark grey-green porphyritic andesite unit (Ta) with plagioclase and orthopyroxene phenocrysts. This unit was irregularly eroded forming an uneven paleosurface on which a light grey-white tuffaceous, ashy sediment unit (Tas) was subsequently deposited. These tuffaceous sedimentary rocks (Tas) are only preserved at some locations in the Bruner area. The ages of the Ta and Tas units at the Bruner property are unknown.

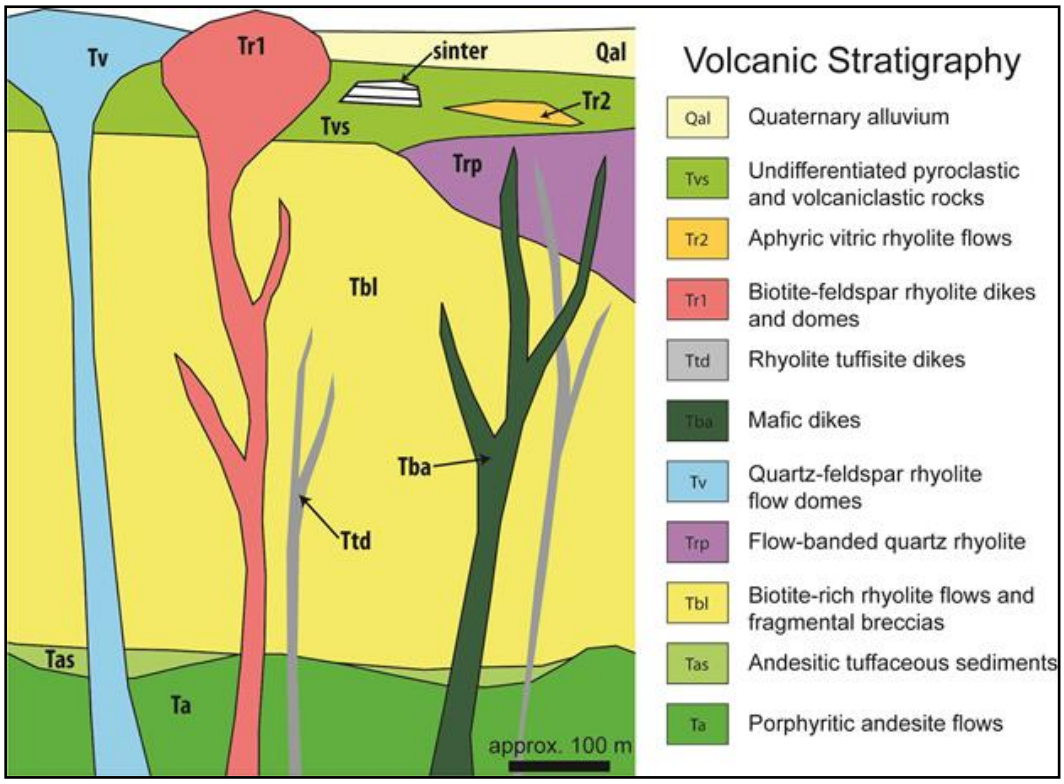
A tan-buff colored, biotite- and feldsparrich rhyolitic flow and fragmental breccia unit (Tbl) with a few intercalated tuffaceous intervals overlays Ta and Tas rocks. This unit is heavily oxidized and contains some glassy lenses, abundant liesegang banding, and ubiquitous lenses of silica + iron oxide cemented microbreccia (SMB). The age of the Tbl unit is 20.8-23.8 Ma (Baldwin, 2014). This unit is the main host rock in the Historic Resource Area at Bruner. The Tbl unit is overlain by white and light purple colored flow-banded quartz rhyolite rocks (Trp) with intercalated vitrophyric layers. The contact between Tbl and Trp is irregular and sometimes steeply dipping. The Trp unit is the main host rock in the Penelas Area at Bruner. Lastly, a younger rhyolite flow dome (Tv), basaltic (Tba, Tba-bx) and rhyolitic (Ttd, Tr1, Tr2) intrusive units, and undifferentiated pyroclastic and volcaniclastic (Tvs) units were emplaced or deposited in the Bruner area.

Bruner lies in a region where normal faulting, characteristic of the Basin and Range Province, interacts with and/or overprints strike-slip and oblique-slip faults of the ancestral Walker Lane (~26-15 Ma; Gray, 1996). The resulting rocks display a high degree of brittle deformation from the overprinting of these northwest-, north-, and north-northeast-trending structural regimes. The northwest-trending structural assemblage at Bruner is offset by the younger north- and north-northeast-trending faults. This structural paragenesis is observed in other parts of the Paradise Range area (John et al., 1989; Dering, 2014).

Present-day topography and juxtaposition of the local stratigraphy, alteration assemblages, and vein textures indicates that relatively late vertical displacement of the rocks at Bruner has occurred.

Figure 7.2: Bruner Stratigraphy and Unit Descriptions

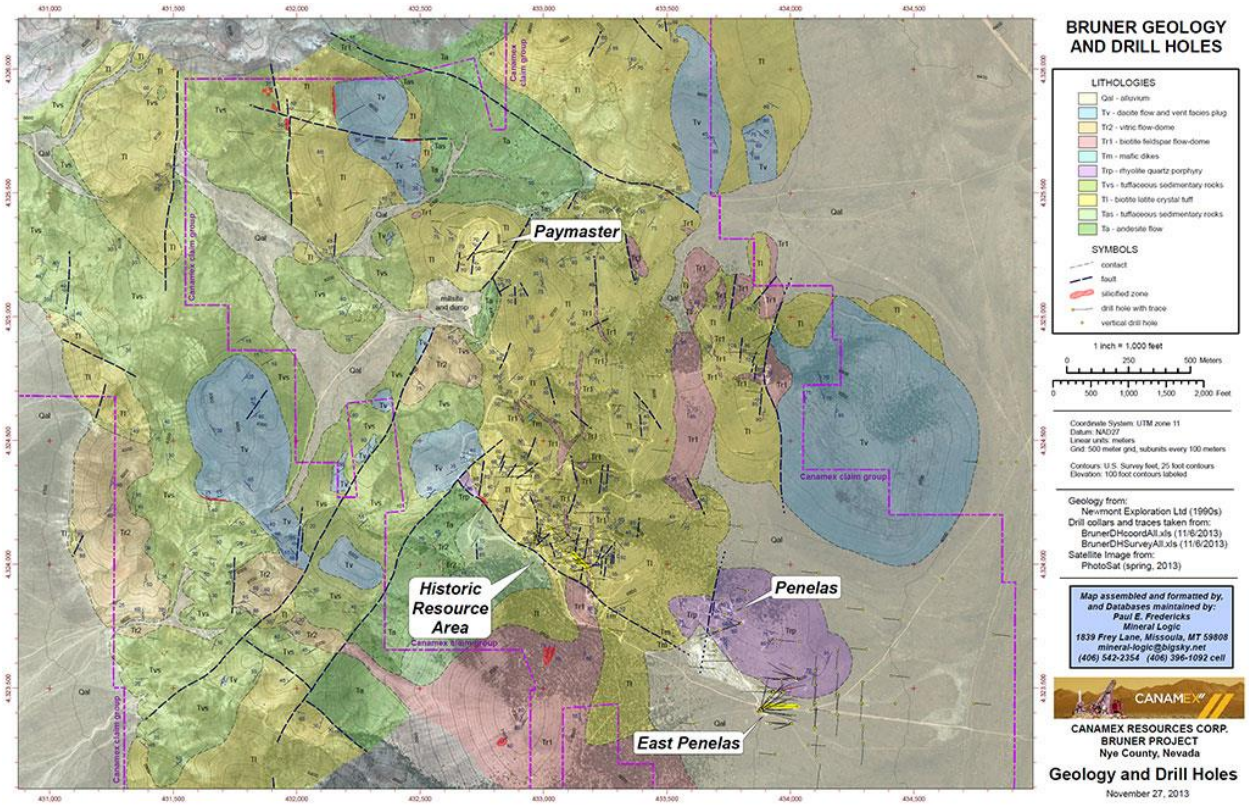
(modified from Baldwin, 2014)



The Tbl and Trp units display early-stage fine-grained, potassium-rich alteration assemblages of adularia ± illite and zones of silicification with matrix flooding and quartz veinlets throughout the property. Alteration proximal to mineralized zones formed pervasive dark grey quartz and coarse-grained adularia assemblages. Alteration distal to mineralized zones produced propylitic and argillic assemblages. Propylitically altered rocks contain chlorite + calcite + pyrite, but have been pervasively oxidized in most areas. Illite-rich argillically altered rocks occur proximal to mineralized zones and change to lower temperature smectite-rich assemblages distal to mineralized areas. **Figure 7.3** presents the local geology compiled by Newmont Exploration.

Mineralized material minerals at Bruner include electrum (Au, Ag) and acanthite (Ag2S) in addition to trace quantities of uytenbogaardtite (Ag3AuS2) and embolite (Ag(Br,Cl)). Acanthite is typically fine-grained and disseminated hosted in quartz + adularia veinlets and veins. Electrum is found in two size populations at Bruner; the relatively coarse-grained (25-250 µm) electrum appears to have formed first followed by a finer-grained (1-20 µm) electrum type. 40K/40Ar age da-ting indicates primary mineralization occurred at ~16.4 Ma at Bruner (Baldwin, 2014). Mineral-ized rocks at Bruner do not contain appreciable amounts of base metals (typically <20 ppm; Baldwin, 2014), or the epithermal suite of elements (arsenic, antimony, or mercury).

Figure 7.3: Local and Property Geology of the Bruner Gold Project (from Newmont Exploration)



Historic Resource Area

The Historic Resource Area surrounds the historic July-Duluth Mine and includes most of the west-facing hillside in this part of the Bruner property (**Figure 7.3**). Outcrop in the Historic Resource Area is dominated by moderately (30-55°) north-dipping biotite-rich Tbl rocks with intruding rhyolite dikes (Tr1) and rare occurrences of rhyolite tuffisite dikes (Ttd) and mafic intrusive rocks (Tba).

Rhyolite dikes (Tr1) appear to post-date mineralization in this area and no direct relationship between Ttd/Tba and mineralization has been observed in surface or underground exposures. At Bruner the Tbl unit consists of two main textures; a fragmental breccia (Tbl-bx) with abundant cobble-sized cognate clasts and minor gravel-sized lithic clasts and a finer-textured flow unit (Tbl-f) containing coarse-grained biotite and feldspar phenocrysts and fine-grained quartz in a silica-rich matrix. Throughout the Historic Resource Area outcrop of the Tbl-bx subunit is dis-cernable from Tbl-f by the presence of weathered cobble-sized pockets that once contained cognate clasts.

Structural measurements from the Historic Resource Area show that veins, faults, and joints are consistently north-trending and steeply-dipping and display normal and dextral-normal slip (Dering, 2014). Surface and underground mapping highlight older northwest-trending faults that are offset by these north-trending structures. The weak surface expression of these structures suggests slip on the north-striking structures has been tens of meters or less.

The Historic Resource Area contains distinctive spires up to 15 meters in height that are dispersed along the west-facing hillside. These spires are formed by adularized and silicified Tbl rocks and represent the earliest alteration assemblage in this area. The spires are not mineralized, though they do designate fluid up-flow pathways and it appears that later mineralizing fluids were concentrated along these same permeable conduits and mineralized the adjacent rocks. The Tbl rocks peripheral to mineralized zones in the Historic Resource Area display a smectite-rich argillic alteration assemblage and have a pale grey to white color. Argillized rocks proximal to mineralized areas contain more illite-rich assemblages with ubiquitous manganese oxide.

Mineralized Tbl rocks are often pervasively adularized and display grey to dark grey matrix silicification and dark grey quartz veinlets and veins with fine-grained electrum and acanthite. Altered and mineralized intervals occupy north-striking high-angle structures (**Figure 7.4**) and were the focus of historic mining operations at the July-Duluth Mine, yet these faults and veins only display subtle surface expressions. Intersections of veins and pre-existing structures, such as northwest-striking faults, seem to be particularly favorable sites to target high-grade mineralization in the Historic Resource Area. For example, the Crag Fissure is a northwest-striking structure located within the July-Duluth Mine and contains high-grade electrum- and acanthite-bearing dark grey quartz vein fragments with bladed quartz after calcite (indicative of boiling). A pre-tilt orientation of the Bruner geology suggests that mineralized structures in the Historic Resource Area had a near-vertical dip during the time of mineralization. The mineralized zones, as presently identified, display a weak association with the lithological contact between the Tbl-bx and Tbl-f subunits possibly due to permeability or kinematic variations in these rocks (**Figure 7.5**).

Figure 7.4: Historic Resource Area Surface Geology

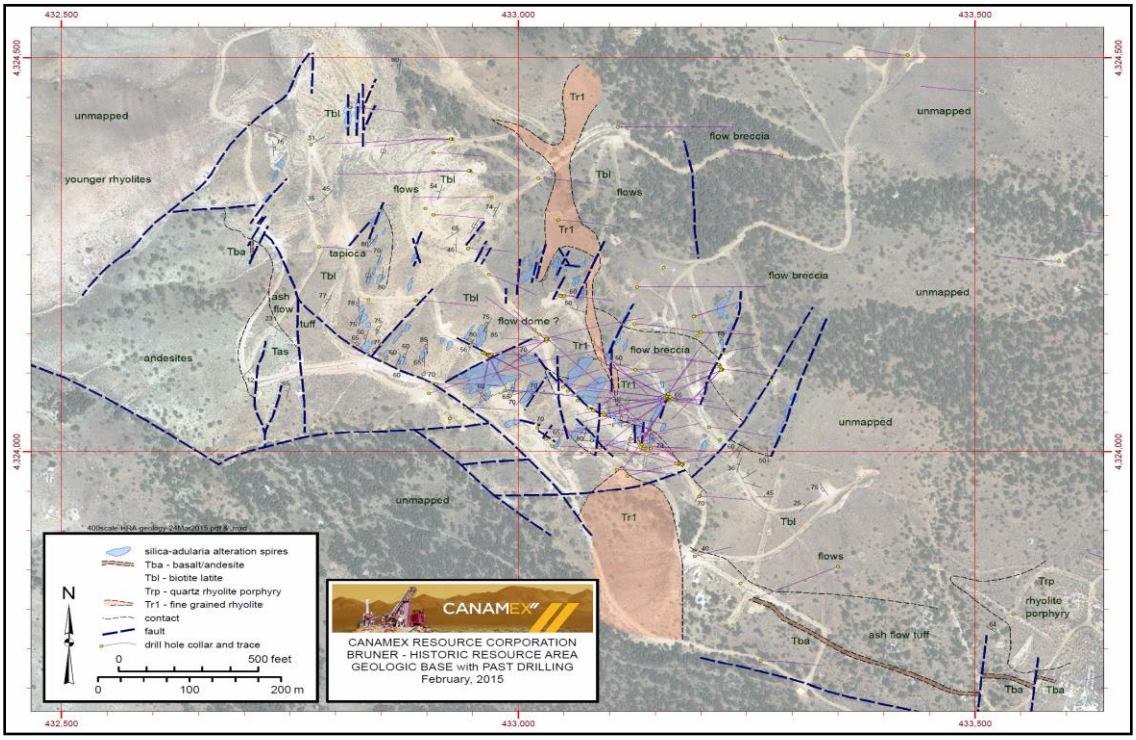
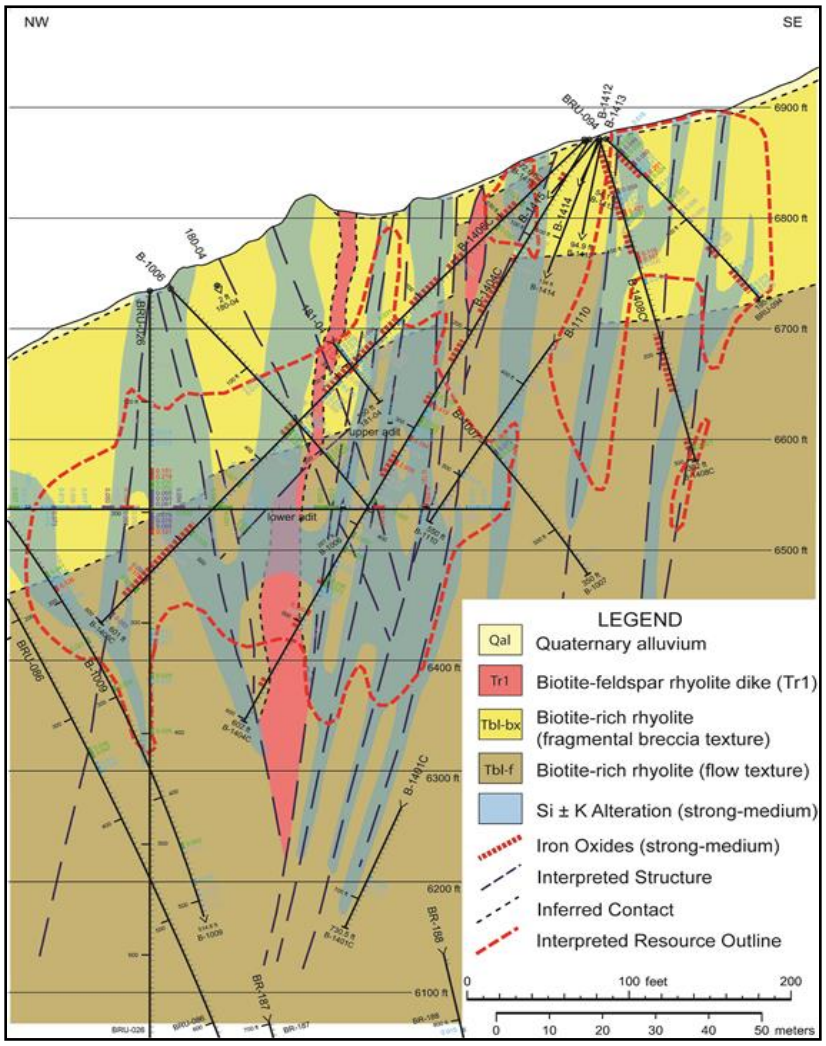


Figure 7.5: Historic Resource Area Geologic Cross-Section

(Canamex Resources Corp)



Textural evidence suggests that acanthite was partially leached out of primary electrum + acanthite assemblages in the Historic Resource Area. Although gold is typically hosted within and adjacent to high-angle structures the morphology of a widespread halo of lower-grade gold-bearing rock subparallel to the current topography is present in the Historic Resource Area. The Ag:Au ratio is highly variable throughout the Bruner property and pervasive oxidation of the host rocks in the Historic Resource Area is extensive, all indicating that supergene remobilization of silver ± gold likely occurred.

Paymaster Area

The Paymaster Area forms a topographic high covered by cobble- to boulder-sized waste rock from the historic Paymaster Mine. The hill is composed of Tbl rocks overlying Tas and Ta rocks (**Figure 7.6**). Biotite-rich Tbl rocks are typically tan colored with moderate iron oxide staining and silica + iron oxide cemented microbreccia lenses similar to Tbl rocks found throughout the Historic

Resource Area. Tuffaceous sediments (Tas) are irregularly preserved underneath the Tbl unit and display a pale white color. Porphyritic andesite rocks (Ta) underlie the Tas and Tbl units. Additionally, traces of biotite-feldspar dikes (Tr1) are found in underground exposures.

Underground mapping at the Paymaster Mine revealed moderately-dipping (50-75°) north- to northeast-trending structures, and a series of shallow-dipping (30-40°) listric faults. Historic workings follow moderately-dipping north-trending faults to structural intersections with northeast-striking structures (**Figure 7.7**). It is unclear whether the shallow-dipping structures influence, or offset, mineralized rocks.

The Tbl and Tas rocks peripheral to the mineralized zones at Paymaster are weakly to moderately propylitically altered (light green color) and argillically altered (light tan color). Tbl and Tas rocks contain moderate amounts of disseminated, oxidized fine-grained pyrite. Altered rocks located within mineralized zones contain lenses, veinlets, and veins of dark grey quartz ± adularia similar to mineralized intervals in the Historic Resource Area.

At Paymaster the host rocks are similar to those in the Historic Resource Area, where mineralized zones are concentrated in fractured, silicified, and adularized biotite-rich Tbl rocks. Rocks mined from the Paymaster Vein in the historic Paymaster Mine are described as fragmented vein material, analogous to some ore material mined at July-Duluth in the Historic Resource Area. Mineralized rocks at Paymaster are located just above the Tbl/Ta contact and appear to be confined by the underlying Ta unit. Based on recent and historic drilling this contact appears to be shallow-dipping and moderately offset structurally, creating a relatively flat-lying mineralized zone compared to other areas of the Bruner property.

Figure 7.6: Paymaster Area Geologic Cross-Section

(Canamex Gold Corp.)

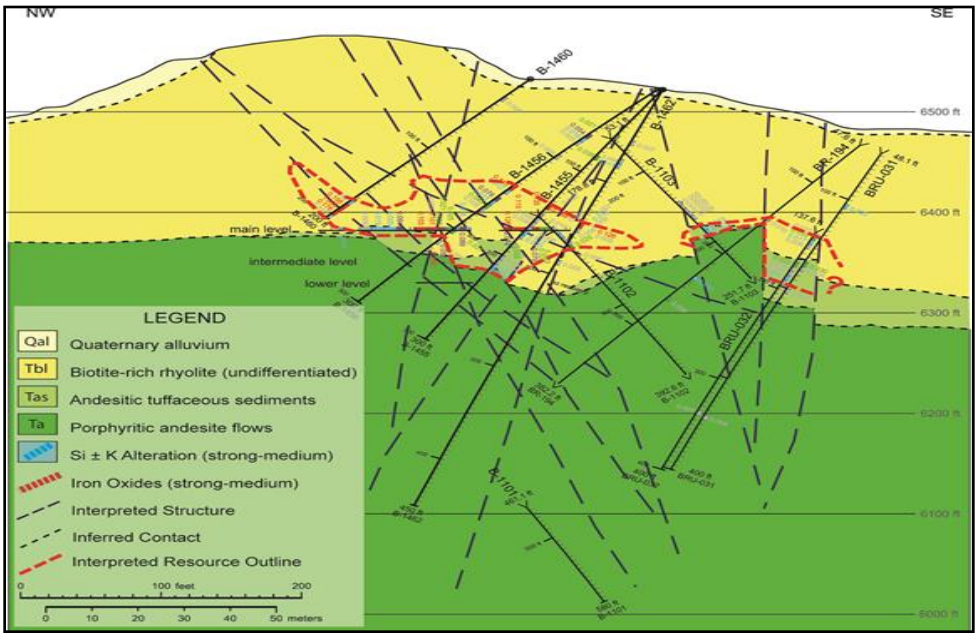
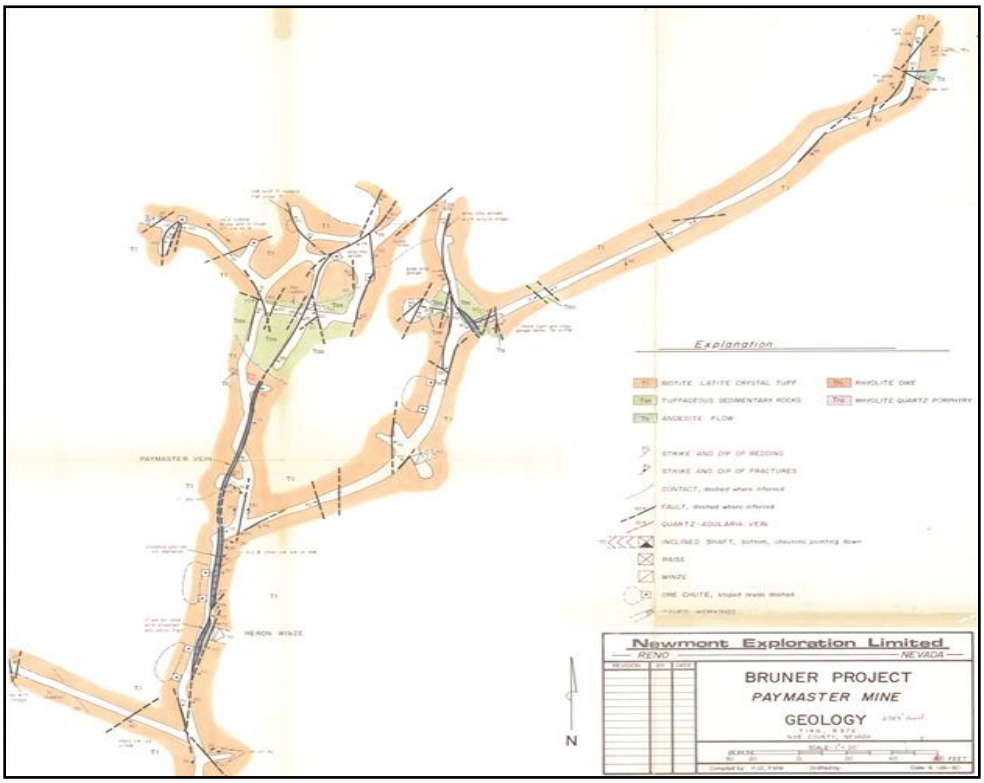


Figure 7.7: Underground Geology of the Paymaster Area

(Newmont Exploration, 1990)



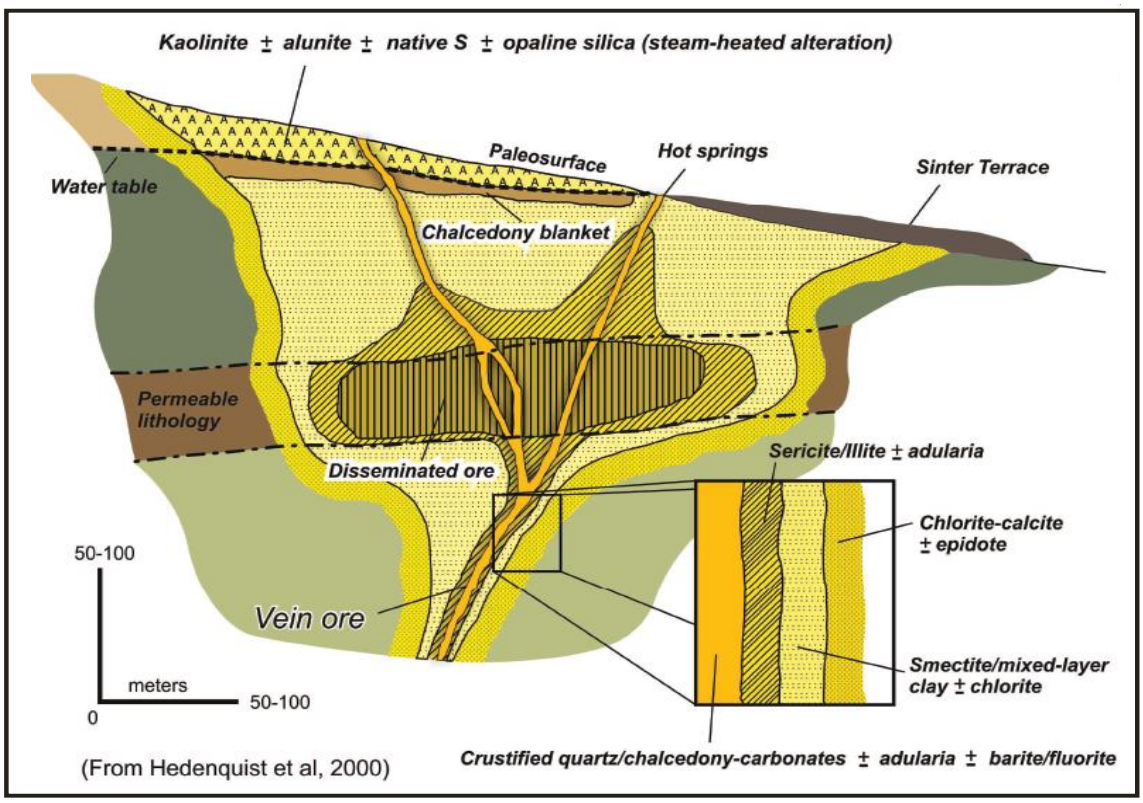
Penelas and Penelas East

The Penelas Area hosts the Penelas Mine, which is historically the most productive mine in the Bruner district. Flow-banded porphyritic rhyolite rocks (Trp) overlie the biotite-rich Tbl rocks and outcrop throughout this area. The Penelas Area contains a series of north-trending structures that offset older northwest-trending faults. The north- and northwest-trending structures sometimes contain mafic dike (Tba) swarms. Theengineer and commercial pilot with post graduate academic qualifications in management of the Tba unit is ~16.4 Ma, roughly congruent with the timing of mineralization at Bruner.

The Penelas East Area is a newly discovered zone approximately 400 meters east of the historic Penelas Mine. The host rocks at Penelas East are similar to those found at the Penelas Mine. Recent drilling has identified numerous Tba dikes and bi-lithic volcanic breccia (Tba-bx) zones containing rhyolite and mafic clasts in a basaltic matrix. Tba and Tba-bx rocks are concentrated along steeply-dipping north- and northwest-trending faults.

Altered and mineralized rock assemblages in this area are most similar to currently accepted low-sulfidation epithermal models (**Figure 7.8**; Hedenquist et al., 2000; Simmons et al., 2005 among others) compared to the rest of the Bruner property.

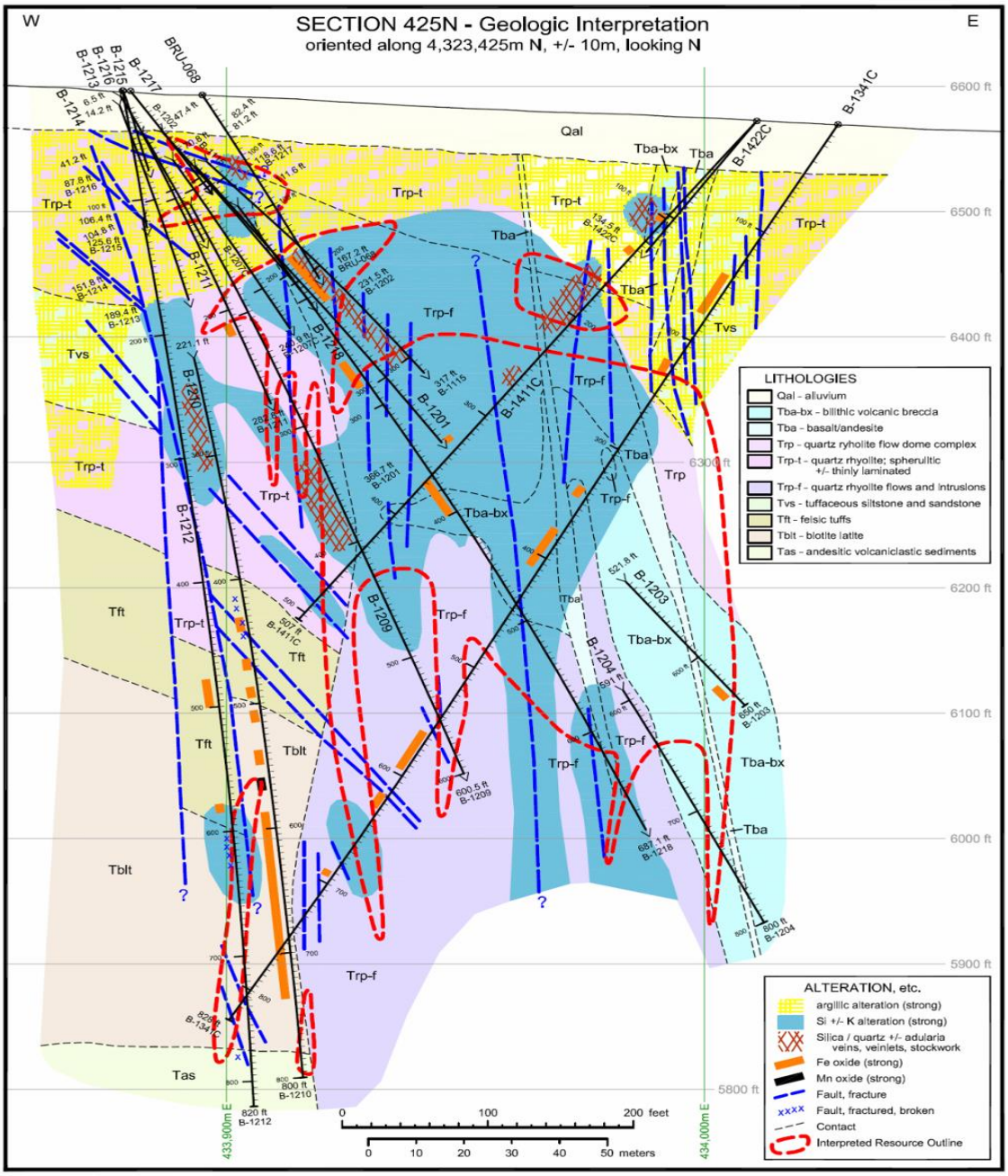
Figure 7.8: Schematic Section Showing Typical Low-Sulfidation Type Mineralization



Distal alteration signatures of the mineralizing system include smectite-rich argillized areas which become increasingly illite-rich closer to mineralized zones. In addition to increasing illite content, argillized rocks proximal to mineralized veins include crystalline kaolinite and display more pervasive silicified and adularized matrices and silica + adularia veinlets (**Figure 7.9**).

Figure 7.9: Penelas East Area Geologic Cross-Section

(Canamex Gold Corp.)



Gold- and silver-bearing veins and veinlets in the Penelas Mine Area occur along a north-striking, moderately east-dipping fault in Trp rocks forming the Penelas Vein. The Penelas Vein is 1-2 meters wide and has a strike length of at least 500 meters. Historic workings followed this vein to at least 300 meters depth in the Penelas Mine. Mineralized intervals contain electrum- and acanthite-bearing quartz + adularia (up to 50%) veinlets and veins with lesser illite, montmorillonite, amethyst quartz, and iron-rich micas. Mineralized structures display textures indicative of open-

space filling and boiling including colloform banding, bladed quartz and adularia after calcite, and vugs. Some structures contain fault breccias with mineralized vein fragments similar to parts of the Historic Resource Area (e.g. the Crag Fissure). Importantly, gold- and silver-bearing veins are not commonly found away from the Penelas Vein in the Penelas Mine Area.

Mineralized zones in the Penelas East Area are hosted in Trp rocks similar to the Penelas Mine. At the Penelas Mine gold-bearing veins occur in a discrete vein zone (i.e. the Penelas Vein), though at Penelas East gold-bearing veins form stockwork zones of 1-10 mm quartz + adularia + iron oxide (± illite ± montmorillonite ± amethyst quartz ± iron-rich micas) veinlets. Iron oxide minerals include hematite, goethite, and limonite and are interpreted to have formed, in part, by oxidation of vein-hosted pyrite. In the Penelas East Area these stockwork vein intervals have been intersected at multiple levels in the stratigraphy, unlike at the Penelas Mine, along a series of steeply-dipping structures (**Figure 7.9**). The Penelas Mine and Penelas East Areas are cutoff to the south by a major northwest-trending down-to-the-northeast structure that continues to the south of the Historic Resource Area.

DEPOSIT TYPES

The description of Deposit Types is sourced from Tanaka (2015).

Gold and silver at the Bruner property occur within narrow quartz + adularia +/- pyrite veins and veinlets, along fractures, and in disseminations that are manifested as sheeted/stockwork zones, vein swarms, and rare 0.3-2 meter wide veins, hosted by high-silica rhyolite flow domes and encasing and surrounding volcaniclastic units that overlie a mostly unaltered andesite base. The mineralization style is classified as low-sulfidation epithermal (LSE) with occasionally high-grade gold+quartz+adularia veins occurring within broad zones of hydrothermal alteration containing low-grade gold and silver.

Structural controls are dominant with northerly striking faults and fractures representing the primary controls on precious metal mineralized veins and fractures. NW-trending faults and fractures represent a subordinate structural control on mineralization. Gold and silver bearing veins and veinlets have robust boiling indications (high adularia content, bladed quartz after calcite, recrystallized colloform quartz bands), lack rhythmic banding and contain 1-2 stages of precious metal introduction; these precious metal-bearing veins occur separately from an earlier population of barren to weakly mineralized rhythmically banded quartz-only veins. Basaltic to basaltic-andesite dikes are commonly present in proximity or immediately adjacent to high-grade gold veins or veinlets, and are considered an integral part of the gold-bearing environment at Bruner.

Most low-sulfidation epithermal deposits, which include a majority of the world's bonanza-grade veins, are associated with bimodal (basalt-rhyolite) volcanic rocks in a variety of extensional tectonic settings, and syn-mineral mafic dikes are common in these deposits (Sillitoe and Hedenquist, 2003). Low sulfidation epithermal deposits are genetically linked to bimodal volcanism and are believed to be formed from dilute fluids which are spatially associated with magmas and where economic gold deposition can occur several kilometers above the level of the causative magma intrusion. Calc-alkalic LSE deposits have restricted vertical continuity, generally <300 meters, whereas alkali LSE deposits can extend in excess of 1000 meters. Mineralized sub-alkalic

systems generally have high Ag:Au ratios (>1:1) and low base metal content. Gold is generally associated with pyrite (Robert and others, 2007).

Textures of gold-silver mineralization can include open space filling, symmetrical layering, comb structures, colloform banding, and multiple episodes of brecciation (Panteleyev, 1996). Mineralized zones at Bruner contain all of the above textures. Gold occurs primarily as electrum. Electrum can be accompanied by acanthite and pyrite, and rarely base metal sulfides (Heald, 1987).

Regional- scale fracture systems relating to extension or translational movement and emplacement of flow dome complexes are typical of the host geologic environment. Extensional structures such as normal faults, fault splays, ladder veins, and cymoid loops are common. High-level subvolcanic intrusions, dikes, locally derived coarse clastic rocks, and pebble diatremes are common (Panteleyev, 1996).

Alteration minerals in LSE systems generally show lateral zoning from proximal quartz-adularia in and adjacent to mineralized veins and structures through smectite-illite-pyrite to distal propylitic alteration containing chlorite-calcite (Hedenquist, et.al., 2000). The Bruner mineral system displays a similar alteration zoning pattern surrounding gold-silver mineralized zones. Figure 7.8 above presents a generalized model for low-sulfidation systems.

Bonanza-grade veins, as occur at the Sleeper and Midas deposit in northern Nevada, are a common component of LSE deposits. The historical production from the Bruner property was from the Penelas Mine, a well-defined high-grade vein that demonstrates strong similarities to typical bonanza vein type deposits within typical LSE environments.

Examples of LSE deposits in the general vicinity of the Bruner property include the Denton-Rawhide and Round Mountain deposits (John, 2001) and the Castle Mountain deposit (Capps and Moore, 1991).

EXPLORATION

The description of Exploration is modified from Tanaka (2015).

Historic Exploration

Very little surface exploration was undertaken before Newmont Exploration Limited acquired an option on the property from Miramar Mining Corporation in 1988.

In December 1988, Newmont Exploration Limited signed an agreement with Miramar to explore the Bruner property: Newmont conducted an extensive exploration program which included geologic mapping, soil and rock chip sampling, geophysical surveying, and drilling, as described in detail below and presented by Noland (2010). The geology across the entire property was mapped at 1 inch equals 500 feet. A separate alteration overlay map was prepared which con-firmed that gold anomalies detected in the soil survey correspond to areas of pervasive potassic alteration.

- Geophysics: A helicopter-borne magnetic survey was made of the district (Noland 2010). Later, detailed ground-magnetic surveys were done in areas of specific interest. The results of the survey showed major north and northwest structural trends were distinguishable in

a contoured plot of the total field data. The mineralized north-trending structural zone that hosts the Penelas and HRA deposits is readily identifiable as a linear magnetic low. Several other and similar magnetic linear features were also found on the property. A ground radiometric survey was also completed that emphasizes the relationship be-tween areas of potassic alteration and gold mineralization.

- Geochemistry: A grid soil survey was completed on 100 foot centers and 400 foot line-spacing across the heart of the Bruner property. Results show a 2,000' by 800', north-west-trending gold anomaly with values greater than 100 ppb. This anomaly occurs over the Duluth mine and extends northward to the Paymaster Mine area and southeastwards towards the Penelas mine area. Maps showing Au in rock and soil samples and analytical results for Ag, As, Sb and Hg were presented in Noland (2010).
- Underground mapping and sampling: The 1,600 feet of workings in both levels of the Duluth mine were mapped and sampled by Newmont in 1989. One hundred sixty four chip samples, one to ten feet in length, were taken along the back, perpendicular to the structural grain. Of these samples 85 returned assays greater than 0.010 Au oz/ton, and 24 samples returned assays greater than 0.050 Au oz/ton. Duluth geology and sample maps are presented in Noland (2010). Mapping and sampling was completed in the Penelas mine, but due to poor ground conditions, only a small portion of the first and second level workings near the shaft were accessible. On the first two levels production was along a north-trending structure dipping 70o to the east. The Paymaster Mine was mapped, and the areas around the stopes were sampled. The predominant rock type encountered in the mine is latite, and some of the volcaniclastic sediments at the base of the latite tuff section are found in the central part of the workings. Paymaster geology and sample maps are included in Noland (2010).

Many of the completed drill holes intersected zones of low-grade gold mineralization with occasional short intervals of 0.1 to 1 Au oz/ton in silicified breccia zones in rhyolite.

All surface, underground and drill hole sample preparation and analytical work was completed by Newmont at their in-house laboratory in Elko, Nevada, and is believed to have been done to industry standards prevalent at the time.

A size fraction analysis and sampling tree study of four types of mineralization encountered in the 1989 drilling program detected a significant particulate gold content associated with samples containing quartz-adularia veining. The study suggested that acceptable accuracy and reproducibility could be achieved through larger initial sample size for crushing and grinding of the pulp to 80% minus 200 mesh.

Figure 9.1 is a compilation map showing relevant Newmont radiometric survey data, contoured soil geochemical data, and drill hole locations that serve to highlight the primary exploration tar-get areas on the Bruner property.

Newmont relinquished the property to Miramar Mining Corporation in 1991.

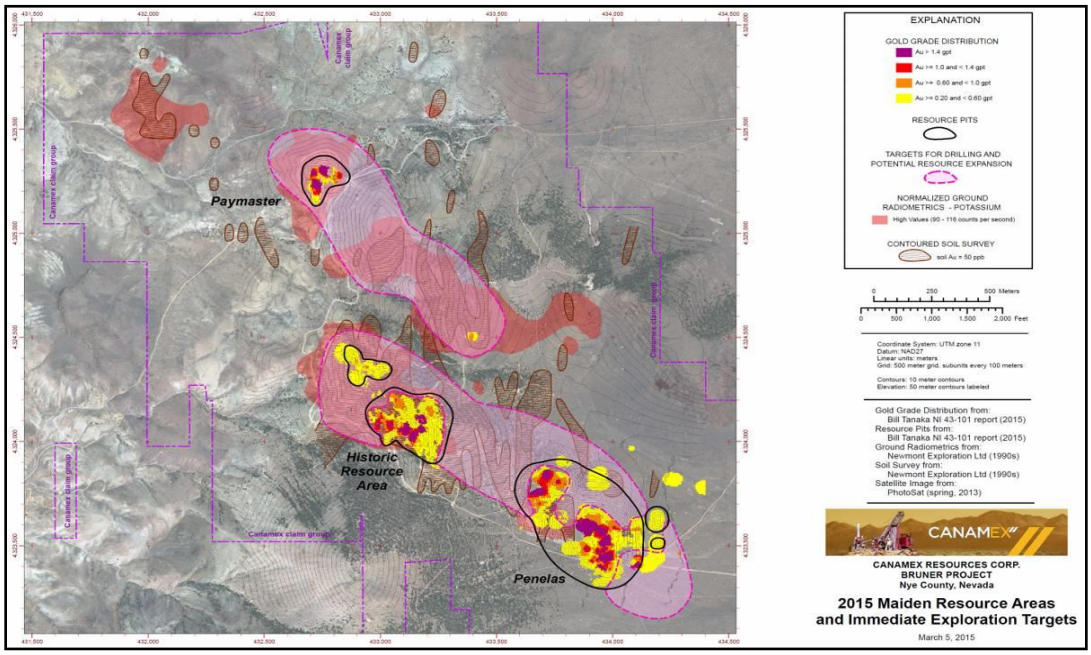
In 1991 Miramar commissioned an independent resource estimate by John Schilling.

In 1994, Miramar retained consulting geologist Don White to review the results of exploration activities and to propose additional work if warranted. Don White reviewed the nature of mineralization at Bruner and compared it to the host geology for the gold deposit at the Denton Rawhide mine located 30 miles to the west, and recommended a reconnaissance sampling program which extended well beyond the previously explored area on the Bruner property. The results of that program are not relevant to this report. In 1995 Michael Dennis, a Reno-based consultant, undertook a compilation of all of the data generated to date on the project and generated the following:

- Revised cross sections with all drill holes included;
- Consolidation of all geochemical data onto a topographic base map;
- An accurate topographic base map for the project;
- Conversion of drill hole locations based on the Newmont 20,000N/20,000E local grid to UTM coordinates (there is still considerable variation in stated coordinates and actual drill hole locations in the field).

In 1998, Miramar retained Nevada Gold Exploration Inc. to review the existing project data, further digitize existing data and to seek high grade targets on the project, (Tullar, 1999).

Figure 9.1: Bruner Gold Project Primary Exploration Target Areas



In July of 2002, American International Ventures, Inc. (AIVN) purchased the property from Miramar. Miramar was closing down its Reno operation and a tremendous amount of project data was discarded. AIVN did obtain most of the basic geology maps and assay data for the project, but none of the chip trays or core survived.

In 2004, AIVN conducted a six-hole core drilling program under the supervision of Ken Brook to test some of Newmont's high-grade intercepts in the Duluth area. This was only the second core

drilling program for the property, and it provided a detailed look at some of the high-grade mineralized features, such as veins and fracture coatings, which would be hard to detect in RC cut-tings.

The holes were drilled on the road above the Duluth workings and defined the complexity of the host lithologies encountered, including a sequence of Miocene rhyolitic volcanic rocks comprising welded tuffs, agglomerates, flows/domes, intrusive breccias and hydrothermal breccias. All of the rocks showed moderate to intense clay alteration, moderate to heavy iron-oxide staining and local silicification around veins and intrusive breccias. The rocks were strongly fractured, and younger faults usually had abundant tan clay gouge. Mineralized fractures were coated with manganese oxide, drusy quartz crystals mixed with adularia and often showed up to three generations of quartz crystals. This is the first detailed description of the nature of gold mineralization at the property.

Unfortunately the core from AIVN's drilling program was discarded and is no longer available for inspection and re-evaluation.

Patriot Gold Corporation entered into an option on the unpatented claims portion of the property in 2004 and completed ground magnetic geophysical surveys and CSMAT surveys on the east-ern portion of the property, which guided their drilling campaign. The drilling results suggest the anomalies detected were reflecting argillic alteration which we now know lies peripheral to the silica + adularia alteration that accompanies gold-silver mineralization on the property.

Ken Brook (2004) reviewed all of the available data on previous activity and compiled a list of the exploration work done and an estimate of its cost. Brook estimated that total exploration and development expenditures prior to AIVN to be $2,700,000. AIVN spent an estimated $125,000 on the project. After AIVN, Patriot Gold spent a total of approximately $500,000 at the Bruner property. Most of this expenditure was for drilling. Total historic expenditures at Bruner now exceed $3.3 million.

Canamex Exploration

Canamex did limited surface exploration prior to commencing its own drilling program on the property in 2011, relying heavily upon the comprehensive work completed by Newmont Exploration Limited, described above.

After discovery of significant gold intercepts in the Penelas East area in 2012, which was not completely covered by Newmont's surface exploration work, Canamex commissioned Magee Geophysics and International Geophysical Services LLC to complete a detailed ground magnetic and VLF-EM EM surveys respectively over the new Penelas East discovery area to assess the ability to detect controls on mineralization intersected in drilling with these two geophysical methods.

Ground magnetics re-processed by International Geophysical Services LLC was useful in distinguishing andesitic from rhyolitic host rocks, including a significant basaltic-andesite dike which cuts across the rhyolite, but was not useful in identifying the location of gold-bearing drill hole intercepts (**Figure 9.2**). Surface contamination from old metal trash around old mine workings potentially masks the possible signature from bedrock sources in the Penelas Mine area.

Processed data from VLF-EM surveying, particularly color-contoured current density data in plan view, appears to very closely identify the location of gold-bearing drill hole intercepts, and is anticipated to be a very useful exploration guide going forward (**Figure 9.3**).

Figure 9.2: Color Coded Ground Magnetics Contours

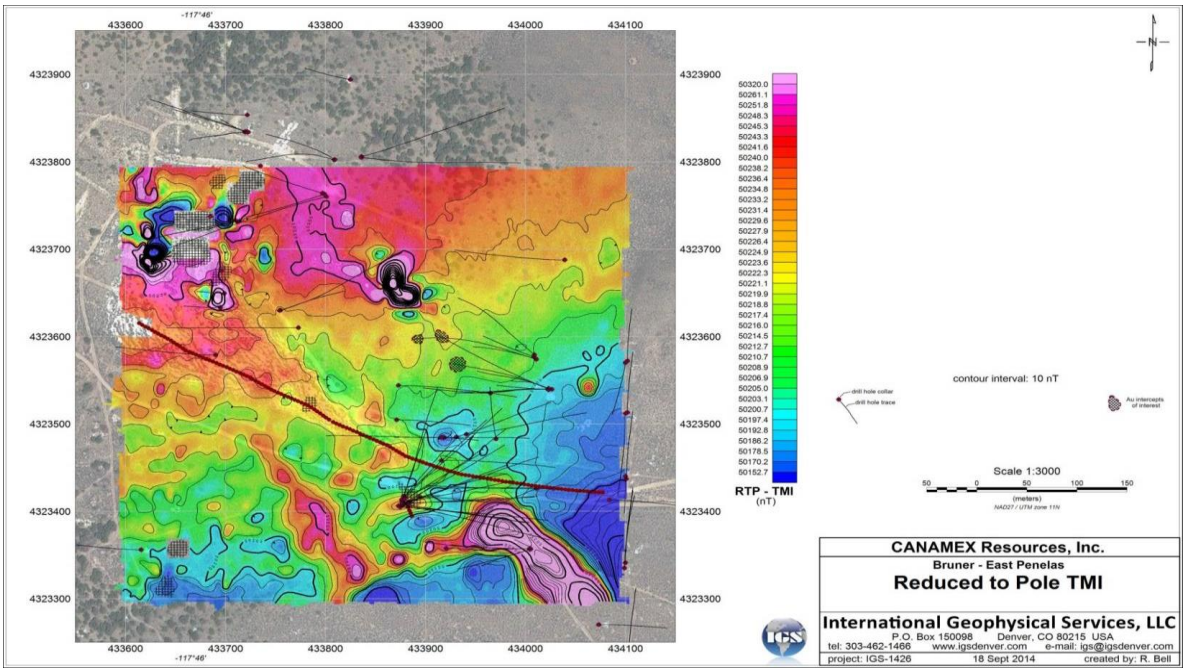
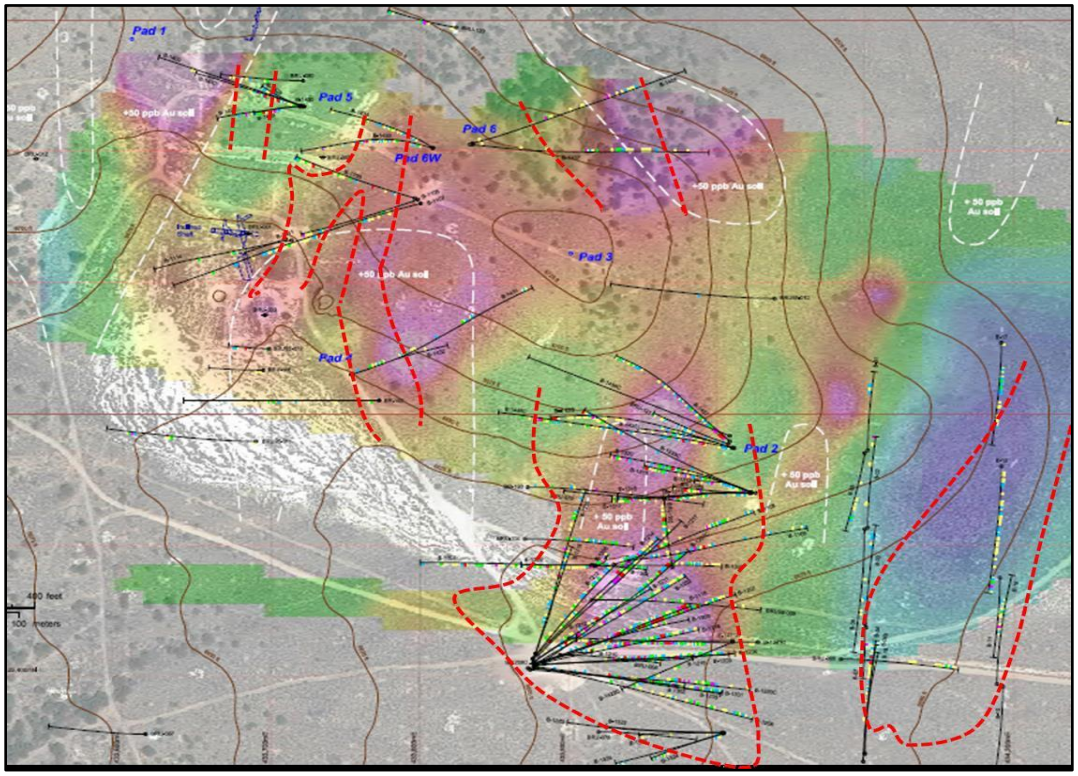


Figure 9.3: Color Coded VLF-EM Survey Data



DRILLING

The description of Drilling is modified from Tanaka (2015) and WHA (2016).

Historical Drilling

Modern exploration of the Bruner property commenced in the late 1970s when the underlying land owner brought in Morrison Knudsen on a contract basis in 1979. They did no surface exploration prior to drilling nine core holes, seven of which were vertical. Five of the core holes were "not analyzed". Two of the core holes reported intercepts greater than 0.01 oz/ton Au. Drilling as-say data from the Morrison Knudsen drilling program has not been located and as such, is not included in the Bruner database.

Kennecott Corporation

Kennecott did limited exploration work on the property in 1983 and drilled 15 reverse-circulation holes totaling 6,630 feet/2,021 meters. Kennecott was negotiating to acquire the property while they were conducting the drill program. When negotiations broke down, they abandoned the property and no further information was passed on to the underlying owner.

Inspiration Gold

In 1987, Inspiration Gold, Inc. and Callahan Mining Corp. entered into a joint venture to explore the western portion of the property (Bruno prospect) and conducted limited geologic mapping at a scale of 1 in. = 200 ft., limited surface sampling (83 rock chip & 10 soil) and eleven reverse-circulation drill holes totaling 2,960 feet/902 meters. Inspiration Gold drilling data has not been located and is not included in the Bruner drilling database.

Miramar Mining Corporation

Miramar entered into a lease in 1988 and purchased the property from the underlying owner in 1991. They entered into a series of joint ventures with other companies as listed below for the exploration and development of the property.

Glamis Gold Exploration

Glamis drilled 29 air-track blast holes totaling 1,733 feet/528 meters. Eighteen holes PM-l to 18 were on Paymaster hill, and eleven holes, Jul-1 to 11 were over the July and Duluth workings. The holes were vertical and averaged less than 70 feet deep each. Nearly vertical, mineralized, shear zones up to 70 feet wide were encountered which contained narrow, high-grade, 0.1 to 0.2 Au oz/ton, brecciated zones within the wider zones of 0.01 Au oz/ton, but the individual drill hole assays were never located (Noland 2010). Data from the Glamis drilling program has not been located. Therefore, is not included in the Bruner drilling database.

Newmont Exploration Limited

In 1988, Newmont signed an agreement with Miramar to explore the Bruner property: Newmont conducted an extensive exploration program which included geologic mapping, soil and rock chip sampling, geophysical surveying, and drilling, as described in detail below.

- Assay Kennecott Drill Holes: Newmont re-assayed and re-logged all the available cut-tings left on site by Kennecott from their 15-hole drill program in 1983. Assay results were very similar to those obtained by Kennecott. Newmont re-numbered the holes as BRU #1 - BRU #15.
- Drilling: In 1989, Newmont drilled 13 reverse-circulation holes on the property, BRU16 - 28 totaling 7,245 feet/2,208 meters. Most of these holes were drilled on patented claims and targeted the extensions of the north-trending structures in the Duluth mine area. The 1990 drill program comprised 61 holes totaling 28,698 feet/8,747 meters.

Many of the completed drill holes intersected zones of low-grade gold mineralization with occasional short intervals of 0.1 to 1 Au oz/ton in silicified breccia zones in rhyolite.

All drill hole sample preparation and analytical work was completed by Newmont at their in-house laboratory in Elko, Nevada, and is believed to have been done to industry standards prevalent at the time.

Newmont relinquished the property to Miramar Mining Corporation in 1991.

Viceroy Precious Metals Inc. / Miramar

In 1992, Miramar drilled 17 RC holes totaling 3,995 feet/1,218 meters to comply with assessment work requirements for the claims, but did not assay the samples.

Viceroy and subsidiary Olympic Mining Company entered into a joint venture agreement with Miramar in November, 1992. They became interested in the property because of its volcanic host rock and other similarities to their Castle Mountain mine south of Las Vegas. Their 1993 exploration program included property-wide reconnaissance and assaying of the drill samples from Miramar's 1992 drilling program.

The Viceroy-Miramar 1992 drilling program consisted of 15 RC drill holes totaling 6,220 feet/1,895 meters. Viceroy withdrew from the joint venture after the 1993 field season.

In 1995, 13 RC holes, totaling 6,790 feet/2,070 meters, were drilled in a phase-two program on the pediment area east of the Bruner property. Four (4) RC holes totaling 2,230 feet/680 meters were drilled in the Penelas area during the phase-two program.

American International Ventures, Inc. (AIVN)

In 2004, AIVN conducted a six-hole core drilling program consisting of 770 feet/235 meters under the supervision of Ken Brook to test some of Newmont's high-grade intercepts in the Duluth area. This was only the second core drilling program for the property, and it provided a detailed look at some of the high-grade mineralized features, such as veins and fracture coatings, which would be hard to detect in RC cuttings. The holes were drilled on the road above the Duluth workings and defined the complexity of the host lithologies encountered, including a sequence of Miocene rhyolitic volcanic rocks comprising welded tuffs, agglomerates, flows/domes, intrusive breccias and hydrothermal breccias. All of the rocks showed moderate to intense clay alteration, moderate to heavy iron-oxide staining and local silicification around veins and intrusive breccias. The rocks were strongly fractured, and younger faults usually had abundant tan clay gouge.

Mineralized fractures were coated with manganese oxide and drusy quartz crystals mixed with adularia and often showed up to three generations of quartz crystals. This is the first detailed description of the nature of gold mineralization at the property.

Unfortunately the core from AIVN's drilling program was discarded and is no longer available for inspection and re-evaluation.

Cougar Gold, LLC

In 2006, Cougar drilled a total of nine core holes in the HRA, Paymaster and Penelas areas totaling 6,963 feet/2,122 meters, mostly well outside of known resource areas.

Patriot Gold Corporation

Patriot entered into an option on the unpatented claims portion of the property in 2004 drilled a total of 21 RC holes totaling 10,645 feet/3,245 meters between 2005 and 2009. All of these holes were drilled in the pediment in the southeast quadrant of the property. Until recently, this was the only ground controlled by Patriot.

The following **Table 10.1** summarizes the historic drilling completed prior to Canamex's presence on the Bruner property and the data available from those drilling campaigns with which Canamex geologists can work.

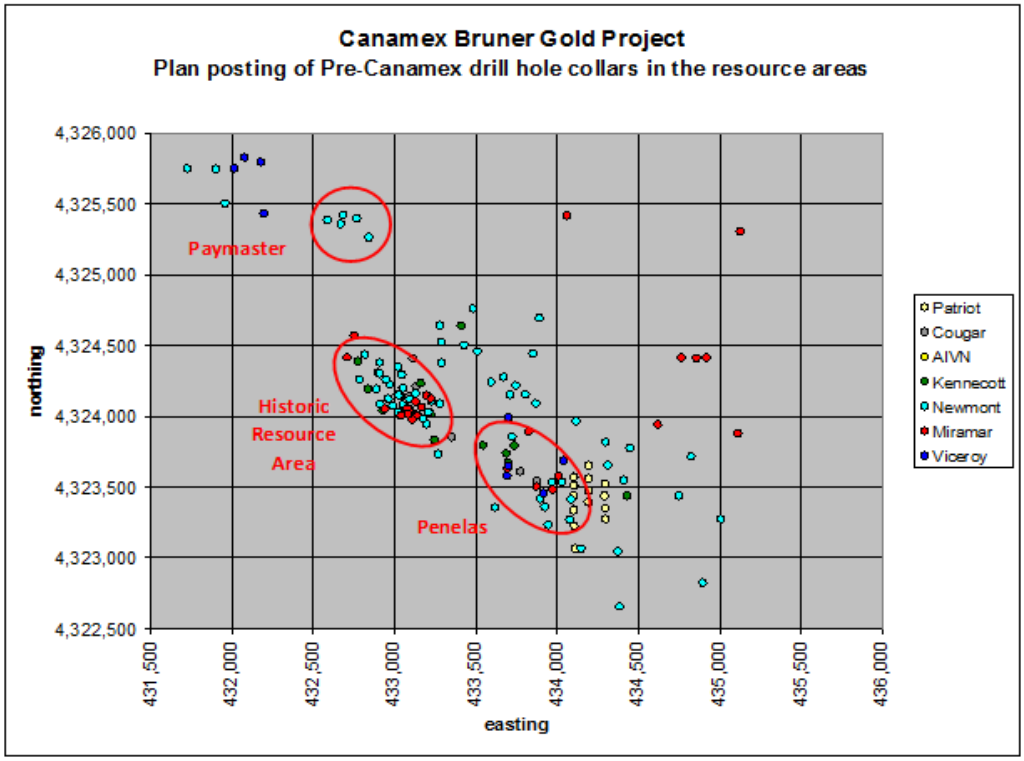
Table 10.1: List of All Pre-Canamex Drill Holes for which Data Exists

Bruner Gold Project Historic Drill Hole Summary						
Company	**No. of Holes**	**Total Feet**	**Total Meters**	**Assay Data**	**Geology Logs**	**Cuttings/ Core**
Morrison-Knudsen	9	1,509	460	no	no	no
Kennecott	15	6,630	2,021	yes	yes	no
Inspiration Gold	11	2,960	902	no	no	no
Glamis Gold	29	1,733	528	no	no	no
Newmont	74	35,943	10,955	yes	yes	no
Miramar Mining	34	13,015	3,967	yes	yes	no
Viceroy Gold	15	6,220	1,896	yes	yes	no
AIVN	6	770	235	yes	yes	no
Cougar Gold	9	6,963	2,122	yes	yes	skeletal
Patriot Gold	21	10,645	3,245	yes	yes	yes
Total	**223**	**86,388**	**26,331**			

The drill hole collar locations in the table above for which data exist are shown in **Figure 10.1.**

Figure 10.1: Map of Pre-Canamex Drill Holes for which Data Exists

(Tanaka, 2015)



Canamex Exploration Drilling

Drilling from 2010-2015 was completed primarily by Harris Exploration Drilling and AK Drilling, Inc., the drill contractors, which operated on a one 10-hour shift basis. Drilling during the 2016-2017 programs was completed by New Frontier Drilling of Fallon, Nevada. The holes were surveyed by means of a gyroscopic survey instrument. Drill collars were located in the field with a Garmin GPS and a marker was placed in the approximate collar location prior to reclamation of the drill sites. All field phases of the program were conducted under the supervision of Canamex's Chief Geologist.

2010 Drilling

Canamex entered into an option agreement on the property with Patriot Gold in 2010 and drilled 11 RC holes totaling 5,000 feet/1,524 meters late in 2010 as an initial obligation under the option agreement. These holes were drilled in the historic resource area to confirm the gold intercepts encountered in historic drilling in the area predominantly by Newmont.

2011 Drilling

In 2011 Canamex drilled 13 RC holes totaling 8,010 feet/2,441 meters. Holes were drilled across the property, in order to evaluate the potential for resources outside of the historic resource area. Three holes were drilled south of the Paymaster hill, two holes were drilled outside of the historic

resource area, five holes were drilled in the old Penelas Mine area, and three holes were drilled to the east of the Penelas Mine area. Most of the holes drilled in the historic resource area and the old Penelas mine area were terminated prematurely when they encountered voids or timber in old underground workings. The three holes drilled to the east of the Penelas mine area encountered significant gold and silver mineralization that warranted additional drilling.

2012 Drilling

Drilling in 2012 consisted of 17 RC holes totaling 13,400 feet/4,084 meters and two core holes totaling 1,306 feet/398 meters, all drilled about 1,000 feet/300 meters southeast of the old Penelas mine workings and where significant gold intercepts were encountered in the last hole in the 2011 drilling program. Hole B-1201, the first hole in 2012, intersected 360 feet (110 meters) grading 0.119 opt Au (4.08 gm/tonne), and the remainder of the 2012 drill holes focused on drilling around this intercept in B-1201. The geology in the vicinity of hole B-1201 is mostly covered by 30-50 feet (10-15 meters) of alluvium, and the geology and geometry of the mineralized zone cannot be gleaned by surface mapping or sampling, requiring close-spaced drilling to ascertain the orientation of the significant gold intercepts encountered in 2012.

2013 Drilling

Further drilling of the new discovery area at Penelas East continued in 2013, when 39 RC holes totaling 23,590 feet/7,190 meters and 3 core holes totaling 2,380 feet/725 meters were drilled between January and November. Of the total, seven RC holes were drilled at the north end of the Bruner vein target with disappointing results, although sufficient gold was encountered with increasing depth to indicate further drilling is warranted to chase this vein system to greater depths. Of the 35 holes drilled at the Penelas East discovery area, all but 5 holes intersected significant gold intercepts that help define the gold mineral system there. The 5 holes that failed to intersect significant gold intervals were drilled south of all other holes completed to date, encountered intense clay alteration which is generally indicative of being outside of the precious metal and proximal alteration of silica + adularia, and may be located on the opposite side of a fault that terminates or truncates the gold-silver mineral system at the Penelas East discovery area.

The last hole of 2013 was drilled in the historic resource area to test a concept that high-grade gold was ponded beneath prominent silica + adularia spires that were mapped in detail during the summer of 2013. Hole B-1340 intersected 190 feet (57.9 meters) grading 0.155 opt Au (5.2 gm/tonne Au) beginning immediately beneath the two prominent alteration spires and confirmed that high-grade gold is associated with these alteration spires, most of which have not been drilled to date.

2014 Drilling

The 2014 drilling program was designed to follow up on the success of hole B-1340 at the historic resource area reported above, and to continue drilling of the open northern extension of the Penelas East discovery area. A total of 52 RC holes were drilled totaling 25,410 feet/7,745 meters and 12 core holes totaling 6,456 feet/1,968 meters were completed in 2014.

Ten (10) RC holes totaling 2,870 feet/875 meters were drilled at the Paymaster area where previous sampling of old underground workings, currently inaccessible, indicated the presence of high-grade gold associated with the intersection of steeply dipping structures a generally flat lying volcaniclastic sediments immediately overlying a basement of unaltered andesite flows. These holes were very successful and additional drilling at the Paymaster area was subsequently con-ducted in 2015.

Twelve (12) RC holes totaling 7,885 feet/2,403 meters were drilled to test VLF-EM current density anomalies detected north and northwest of the Penelas East discovery area. Sufficient gold was intersected in these holes to suggest the VLF-EM method may be seeing mineralized structures and thus deserve further drilling to assess this apparent correlation further.

Three (3) RC holes totaling 1,925 feet/587 meters and 2 core holes totaling 1,865 feet/568 me-ters were drilled at the northern open extension of the Penelas East discovery area to test deep high-grade intercepts encountered there in 2013. All of these holes intersected significant gold intercepts both near the surface and at depth to warrant additional drilling of the open northern extension to the Penelas East discovery area. Additionally, 2 core holes totaling 943 feet/287 meters were drilled to test the main core of the Penelas East zone in 2014.

The majority of the drilling in 2014 was concentrated in the historic resource area in order to pro-vide sufficient modern geologic and controlled assay data for this area to be able to prepare this report. A total of 27 RC holes totaling 12,730 feet/3,880 meters and 8 core holes totaling 3,648 feet/1,112 meters were completed in the historic resource area. The data from these holes flesh out the core mineralized zone of the historic resource area and provide the detailed understand-ing of the host geology and the distribution of grade to be able to properly model the deposit and the entire assay set.

2015 Drilling

The 2015 drilling program was designed to follow up on the success of the 2014 drilling at the Paymaster area and to assess the potential for a northern extension of the Paymaster resource. A possible northern extension was inferred from the excellent drill results that concluded the fall drilling program in 2014, which remained open to the north, northerly trending structures and breccias mapped on the surface and portrayed in underground geologic maps of the area, and from VLF-EM geophysics. Two fences of holes were drilled north of the resource area to test the possibility of a northern extension.

A total of 11 RC holes were drilled totaling 2,645 feet/806 meters were completed in the Pay-master area 2015. The assay results indicate that two thin low-grade “layers” of mineralization appear to be present north of the resource area, but that the thickness and grade are likely insufficient to add significantly to the resource present at Paymaster.

2016 Drilling

In 2016, Canamex drilled 23 RC holes totaling 6,060 feet/1,847 meters in the Paymaster zone to provide infill drilling data and increase drilling density in the zone. The drilling was relatively shallow with an average drill hole depth of 263 feet/80 meters.

The drilling campaign was focused on in-fill drilling at the Paymaster resource area to provide drill data to potentially upgrade inferred mineral resources to indicated mineral resources and to re-examine the capping grade used in the previous resource estimations contained in the WHA (2016) technical report.

Canamex also completed 3 groundwater test holes to a depth of 500 feet each, totaling 1,500 feet/457 meters, in the conceptual leach pad and processing areas on patented claims. No groundwater was encountered. The information from the groundwater test holes may be incorporated into future permitting, if warranted.

2017 Drilling

The 2017 Canamex drilling program consisted of 17 RC drill holes for a total of 12,270 feet/ 3,740 meters. Nine (9) RC holes totaling 8,270 feet/2,521 meters were drilled in the Penelas area to test for extensions to the deep higher grade intercepts encountered at the end of the 2014 drilling program. The drilling was focused primarily in breccias at a depth of 600-800 feet below the surface and to test a gap of drilling data identified in the previous technical report (WHA 2016) between the higher grade deeper Penelas zone and mineralization to the northwest of the higher grade deep zone. The drilling in the gap was successful in connecting the two zones.

In the HRA area, 8 RC holes totaling 4,000 feet/1,219 meters were completed to test beneath the largest silica-adularia alteration spire located at the north end of the area.

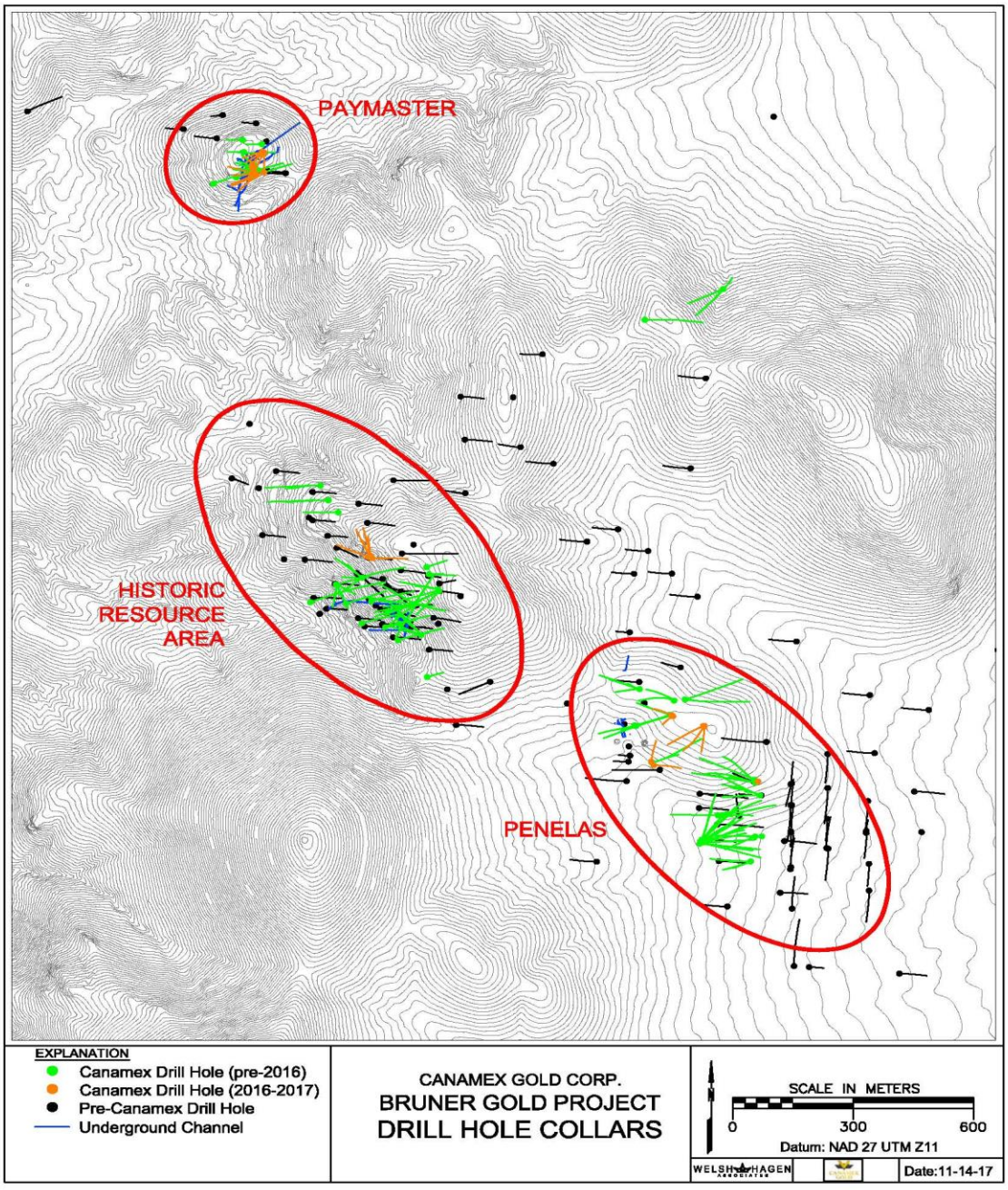
Table 10.2 lists all drilling completed by Canamex at Bruner.

Table 10.2: List of Canamex's Exploration Drilling at the Bruner Gold Project to Date.

YEAR	NO. OF HOLES	TOTAL FEET	TOTAL METERS	CORE FEET	CORE METERS	RC FEET	RC METERS
2010	11	5,000	1,524	0	0	5,000	1,524
2011	13	8,010	2,441	0	0	8,010	2,441
2012	19	14,706	4,482	1,306	398	13,400	4,084
2013	42	25,970	7,916	2,380	725	23,590	7,190
2014	64	31,867	9,713	6,456	1,968	25,410	7,745
2015	11	2,645	806	0	0	2,645	806
2016	26	7,560	2,304	0	0	7,560	2,304
2017	17	12,270	3,740	0	0	12,270	3,740
Totals	**203**	**108,028**	**32,927**	**10,142**	**3,091**	**97,885**	**29,835**

The collar locations and traces of all drill holes in the vicinity of the resource model areas are shown on **Figure 10.2**; the Canamex drilling collars are depicted in green.

Figure 10.2: Bruner Drill Hole Locations



Proportion of Drilling Completed by Canamex at Bruner

Canamex drilling represents approximately 57% of all drilling and underground channel sampling completed at the Property. Within the resource zones, Canamex drilling accounts for 66% of the total drilling and channel sampling. Modern QA/QC protocols, including submissions of standards, duplicates and blanks, were initiated by Canamex in 2013. A total of 49% of all drilling and channel sampling in the resource zones were completed using the modern QA/QC protocols. The distribution of drilling and channel sampling within the database is presented in **Table 10.3**.

Table 10.3: Distribution of Drill Hole and Underground Sample Data

Bruner Gold Project Proportions of drilling by each operator at the Project Area								
Source of DH Data	**HRA**		**Paymaster**		**Penelas**		**Outside Area**	
	Meters	**% of total**	**Meters**	**% of total**	**Meters**	**% of total**	**Meters**	**% of total**
Total	**19,026**		**4,993**		**24,898**		**9,133**	
Canamex (no QA/QC)	2,000	10.5%	512	10.3%	5,936	23.8%	0	0.0%
Canamex (w/ QA/QC)	8,470	44.5%	3,528	70.7%	12,024	48.3%	457	5.0%
Kennecott	1,225	6.4%	0	0.0%	567	2.3%	229	2.5%
Newmont	4,285	22.5%	593	11.9%	1,215	4.9%	4,863	53.2%
Miramar	951	5.0%	0	0.0%	946	3.8%	2,070	22.7%
Viceroy	0	0.0%	0	0.0%	381	1.5%	1,514	16.6%
AIVN	235	1.2%	0	0.0%	0	0.0%	0	0.0%
Cougar	1,430	7.5%	143	2.9%	549	2.2%	0	0.0%
Patriot	0	0.0%	0	0.0%	3,245	13.0%	0	0.0%
UG Sampling	430	2.3%	217	4.3%	35	0.1%	0	0.0%

SAMPLE PREPARATION, ANALYSIS AND SECURITY

The description of Sample Preparation, Analysis and Security is modified from Tanaka (2015).

The sampling done prior to Canamex involvement was completed largely by geologic employees of large, professional international mining/exploration companies: Kennecott, Newmont Exploration and Miramar. The QP is prepared to assume that professional sampling techniques were used. No reports or data detailing the sampling methods, analyses, quality control measures or security procedures used in earlier drill campaigns were available to the QP for re-view and verification during the time of preparing this report.

Since Canamex began drilling at Bruner in 2010, drill sampling methods, sample preparation and analytical procedures, and security of samples and chain of custody have been executed to cur-rent industry standards.

Canamex Sampling Methods at the Drill Rig

Reverse Circulation Drilling

Reverse circulation drilling is performed by injecting a small volume of water with compressed air down the annulus of a dual-tube drill rod setup, to eliminate dust and threats to human health at the drill rig and provide enough water to circulate the cuttings up the center tube of the dual-tubed rods. Returned cuttings are delivered to a rotary splitter where a 1/8th split is taken out the discharge of the rotary splitter. The sample interval is a uniform 5 feet. For duplicate sampling a "Y" fitting is attached to the discharge of the splitter and a second 1/8th split sample is taken from

both discharge orifices of the "Y" every hundred feet, or more often as desired or recommended by the nature of the material encountered in drilling.

The samples are stored at the drill site to dry (generally within 24 hours), and picked up at the drill site by an independent contractor who delivers the samples directly to ALS Minerals' sample preparation facility in Sparks, NV. ALS Minerals is independent of Canamex and holds ISO/IEC 17025:2005 Certification for testing laboratories.

Core Drilling

Core is collected in split tube inner tubes and carefully transferred to waxed cardboard core boxes. The core is examined by the site geologist while still in the split tube to get a sense for the in-place structural complexity, and then logged at the drill site for general geology and structural information, and marked for sawing and sampling by the site geologist. The sample interval is a uniform 5 feet, except where marked changes in lithology, alteration or mineralization are observed. Once the core has been logged and marked for sampling it is stored in a locked trailer facility from where it is retrieved by an independent contractor and delivered directly to ALS Minerals' sample preparation facility in Sparks, NV.

The core is photographed by ALS Minerals staff and photographs are geo-rectified and loading into CoreViewer software before it is sawn for sampling and analyses. Once the core has been photographed, it is sawn by ALS Minerals staff, following the sawing instructions provided by the site geologist, and one half of the sawn core is sampled in accordance with the sampling intervals provided by the site geologist. The sample splits are delivered to the sample preparation room at ALS Minerals.

Canamex Sample Preparation and Analytical Procedures

Both reverse circulation samples and core samples are first dried in an oven to eliminate residual moisture in the samples. Once dried, all drill samples are prepared by crushing the entire sample to 70% passing 2mm size, splitting out 250 grams of sample and pulverizing this split to 85% passing -75 microns in size. From the 250 gram pulp 30 grams is split out for fusion and fire assay with an atomic absorption (AA) finish.

If results return 3 g/tonne Au or greater, ALS Minerals laboratory performs a 30 gram fire assay with a gravimetric finish from the same pulp. In addition, a second sample is prepared by crushing the entire coarse reject sample down to 90% passing 10 mesh and proceeding to a rotary split of 1 kg that is pulverized to 85% passing 200 mesh. From the 1 kilogram pulp 30 grams is split out for a second fire assay with gravimetric finish.

If results from the two separate fire assay/gravimetric determinations above indicate significant discrepancies between results, a metallic screen analysis is performed on a third split from the coarse reject, where the sample is screened at -150 mesh and the gold content of the oversize and undersize fractions are determined separately from a 30-gram split and fire assay with gravimetric finish to assess the degree to which coarse gold may be present and influencing the analytical variance encountered.

Duplicate samples are submitted every one hundred feet (every 20 samples). Commercial standards are submitted every two hundred feet (every 40 samples) and blanks are submitted every 200 feet (every 40 samples). In addition ALS Minerals laboratory insert an independent selection of standards for internal quality control.

Statement of Adequacy of Sample Preparation, Security and Analytical Procedures

The Qualified Person considers the sample preparation, security and analytical procedures appropriate for the recent drilling completed by Canamex.

The Qualified Person cannot evaluate the sample preparation, security and analytical procedures employed for the pre-Canamex drilling, however given the prominence of the companies involved in the majority of pre-Canamex drilling, is prepared to accept the assay values produced.

DATA VERIFICATION

The Bruner database was provided to WHA by Canamex in electronic form that included drill hole collar coordinates, drill hole alignment, down-hole interval, and gold and silver assay data. Original assay certificates from all Canamex drilling were provided in the form of write-protected assay certificates and electronic spreadsheets provided by the assay laboratory.

The electronic database consists of data from 377 drill holes and 103 continuous channel sample strings for a total of 62,691 available gold and silver assay values. Canamex drill hole assay data represents 67% of the total assay database.

Data verification of drill hole data up to the 2014 drilling program has been accomplished in the technical report entitled *Technical Report and Resource Estimate for the Bruner Gold Project, Nye County, Nevada,* dated February 27, 2015, prepared by William F. Tanaka (Tanaka, 2015). At the effective date of the Tanaka (2015) report there had been a total of 149 drill holes in the drill hole database.

Subsequent to the effective date of the Tanaka (2015) report, Canamex completed 11 additional RC drill holes in the Paymaster area. This portion of the drill hole database has been previously verified in the technical report entitled *Amended NI 43-101 Technical Report on the Bruner Gold Project Preliminary Economic Assessment, Nye County, Nevada,* dated September 27, 2016, effective date February 29, 2016 (WHA, 2016). The data verification procedures employed by Tanaka (2015) was also validated in WHA (2016).

Because the majority of drill hole data has been verified in the Tanaka (2015) and WHA (2016) technical reports, the main focus of the data verification measures employed in this PEA is a thorough data verification program focused on new drilling data received subsequent to the effective date of the WHA (2016) report.

2015 Data Verification Program

The content in this section was excerpted from the Tanaka Technical Report (Tanaka, 2015). Select content was deleted from excerpted text in order to condense the information for the purpose of this report.

The data verification program contained in the Tanaka (2015) report consisted of verification of data available up to February 27, 2015, the effective date of that report. The effort represented the first time the drill hole database had been rigorously checked for errors.

The WHA QP thoroughly reviewed the data verification procedures documented in the Tanaka (2015) report and is confident the verification procedures employed were done to industry standards. The WHA QP has done background work and validation of the results documented in Tanaka (2015) report and takes responsibility for the data verification results reported herein.

The reader is directed to the 2015 Technical Report (Tanaka, 2015) for details on the topic.

2015 Conclusions

The results presented by the field duplicate program, blind and laboratory standards and blind blanks present reasonable confirmation of the reproducibility of assay results with no indication of bias in the analysis of either gold or silver or significant contamination problems at the laboratory.

Of the three duplicate analysis programs possible: field; sample preparation; and pulp, the field duplicates are the most comprehensive and demanding in demonstrating reproducibility of results, and hence of the greatest value. That said, the prep duplicate and pulp duplicate programs permit a fuller understanding of the inherent variability in results at each significant stage in the process.

On the basis that:

- the results presented by the field duplicate program of very high correlation between original and field duplicate assays (> 98% for both gold and silver); half absolute relative differences of 20% within 80% of samples for gold and 9% within 80% of samples for silver; and lack of any indication of grade-based bias;
- the results presented of blind gold standard submissions and blank submissions for both gold and silver indicative of acceptable analytical procedure with few and minor indications of contamination;
- the results of internal laboratory standard submissions for silver;
- the concentration of Canamex drilling within the three zones identified for grade tonnage estimation;
- the significant proportion of non-Canamex and pre-NI 43-101 drilling undertaken by the arguably reputable companies Kennecott, Newmont, and Miramar;

The Author [Tanaka, 2015] concluded that the drill hole database is of a standard acceptable for public reporting of resources according to NI 43-101 guidelines.

The QA/QC program instituted by Canamex Resources and exercised in conjunction with ALS should be considered a work in progress, however the results presented by the field duplicate program, blind and laboratory standards and blanks present reasonable confirmation of the re-

producibility of assay results with no indication of bias in the analysis of either gold or silver or significant contamination problems at the laboratory.

2016 Data Verification Program

The content in this Report section was excerpted from the previous Technical Report (WHA, 2016). Select content was deleted from excerpted text in order to condense the information for the purpose of this report. The reader is directed to the 2016 Technical Report (WHA, 2016) for details on the topic.

A comprehensive program of data entry and data verification was undertaken by WHA prior to importing the data into the resource model. Original electronic assay certificates were compared line by line to the electronic database provided by Canamex to ensure that the transcription of the data was accurate. No errors were found during the process of database checking representing a 0% error rate for the 2015 Canamex drilling data.

2015 QA/QC Conclusions

The 2015 drilling program consists of data from 11 RC drill holes for a total of 525 assay values for gold and 525 assay values for silver. The results presented by the field duplicate program, blind standards and blind blanks present reasonable confirmation of the reproducibility of assay results with no indication of bias in the analysis of either gold or silver or significant contamination problems at the laboratory.

Data verification of the 2015 drilling has been accomplished by:

1. Review of all electronic assay certificates from ALS that confirm the presence of gold mineralization and the values in the Canamex electronic assay database.
2. Statistical evaluation of field duplicates, certified standard reference material and blanks submitted for analyses by Canamex.
3. Detailed inspection of all cross-sections to compare drill hole collar elevations to recent digital topography.
4. Visual inspection of alteration, rock types, and structure in outcrops and underground workings at the property.
5. Review of all pertinent historical documents related to the project area.
6. Review of all geologic, geochemical, and underground maps of the property.
7. Review of all available pertinent reports previously prepared pertaining to the property.

The results show the field duplicate program to have very high correlation (> 96%) between original and field duplicate assays for gold. The correlation between original and field duplicate results for silver are relatively poor at 67%. The presence of one poor correlation outlier and the paucity of sample submissions render the overall silver correlation relatively inconclusive.

The results presented of blind gold standard submissions and blank submissions for both gold and silver indicate an acceptable analytical procedure with few and minor indications of contamination.

The WHA QP concludes that the 2015 drill hole database is of a standard acceptable and suitable for addition to the Bruner drill hole assay database and suitable for public reporting of re-sources according to NI 43-101 guidelines.

2016-2017 Data Verification Program

The 2016 and 2017 drilling programs consist of data from 43 RC drill holes for a total of 3,780 assay values for gold and 3,780 assay values for silver, accounting to 12% of the total assay values in the Bruner database and 18% of all assay values from drilling completed by Canamex at the Project. Original assay certificates in the form of electronic spreadsheets and write protected pdf documents issued by ALS have been provided to WHA by Canamex.

Data verification of the 2016-2017 drilling data has been accomplished by:

1. Review of all electronic assay certificates from ALS that confirm the presence of gold mineralization and the values in the Canamex electronic assay database.
2. Statistical evaluation of field duplicates certified standard reference material and blanks submitted for analyses by Canamex.
3. Detailed inspection of all cross-sections to compare drill hole collar elevations to recent digital topography.
4. Visual inspection of alteration, rock types, and structure in outcrops and underground workings at the property.
5. Review of all available geologic, geochemical, and underground maps of the property.
6. Review of all available pertinent previously prepared reports pertaining to the property.

Electronic Database Verification

A comprehensive program of data entry and data verification was undertaken by WHA prior to importing the data into the resource model. Original electronic assay certificates were compared line by line to the electronic database provided by Canamex to ensure that the transcription of gold and silver assay data was accurate. A total of 17 errors were found during the process of database checking representing a 0.2% error rate for the 2016-2017 Canamex drilling data. All errors in the database were corrected.

2016-2017 QA/QC programs

Canamex conducted a QA/QC program during the 2016-2017 drilling programs including insertion of certified standard reference material, insertion of blanks, and duplicate sampling of RC drill hole samples by splitting at the drill rig. A total of 43 drill holes comprising 6,044 meters/19,830 feet of drilling were completed in the 2016-2017 programs. The drill hole samples

for 2016-2017 were processed by ALS Reno 4977 Energy way, Reno, NV, USA, and by ALS Vancouver at 2103 Dollarton Hwy, North Vancouver, BC, Canada, depending on the analysis required. ALS is accredited with ISO/IEC 17025 certification.

A summary of the field duplicates, standards and blanks submitted by Canamex during the 2015 drilling program is presented below:

- A total of 181 field duplicates representing separate splits collected at the drill rig were submitted for gold and silver assays.
- A total of 97 blind insertions of 11 commercial standard reference materials representing high-, mid- and low-grade mineralized material were submitted for gold, 55 of which were submitted for silver.
- A total of 104 blind insertions of blank materials were submitted for gold and silver.

The total submissions of field duplicates, standards and blanks was 382 or 10% of the samples assayed for gold and silver.

Analysis of Field (rig) Duplicates

Field Duplicates for Gold and Silver

A total of 181 field duplicates representing separate splits taken at the drill rig were available and submitted for gold and silver. The field duplicates were compared against the original assay values and an acceptable degree of correspondence was demonstrated that may be regarded as characteristic of low-sulfidation precious metal deposits. The results of the comparison are presented graphically below in **Figure 12.1** for gold and **Figure 12.2** for silver.

Figure 12.1: Field Duplicate Gold Assay Results

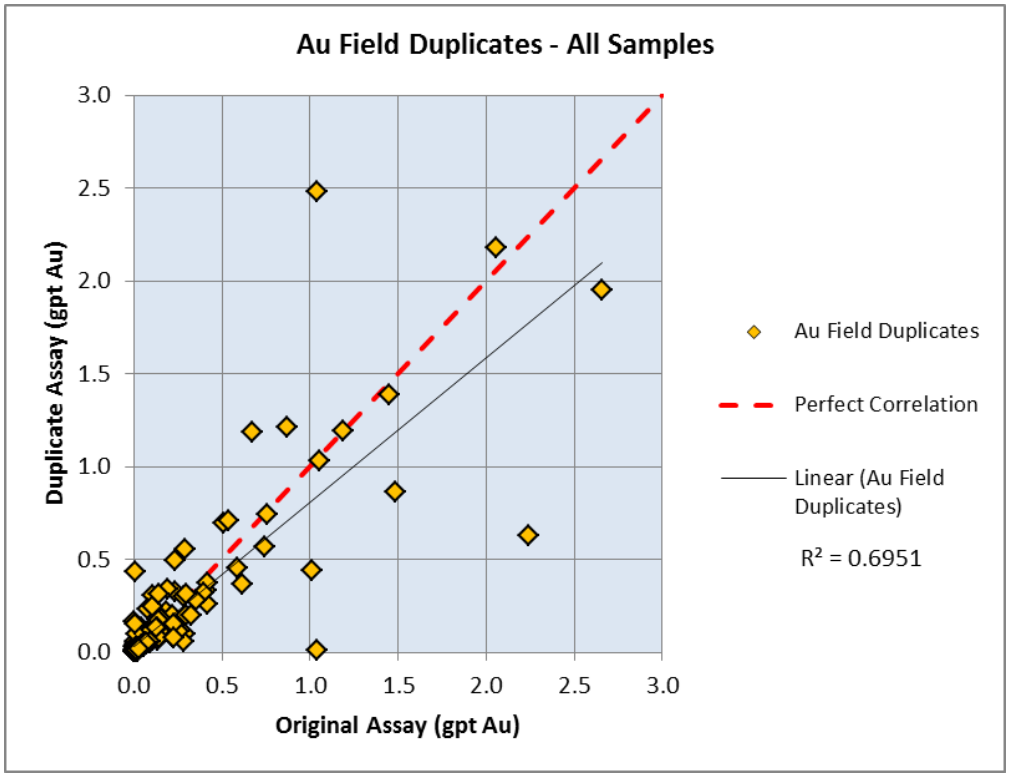
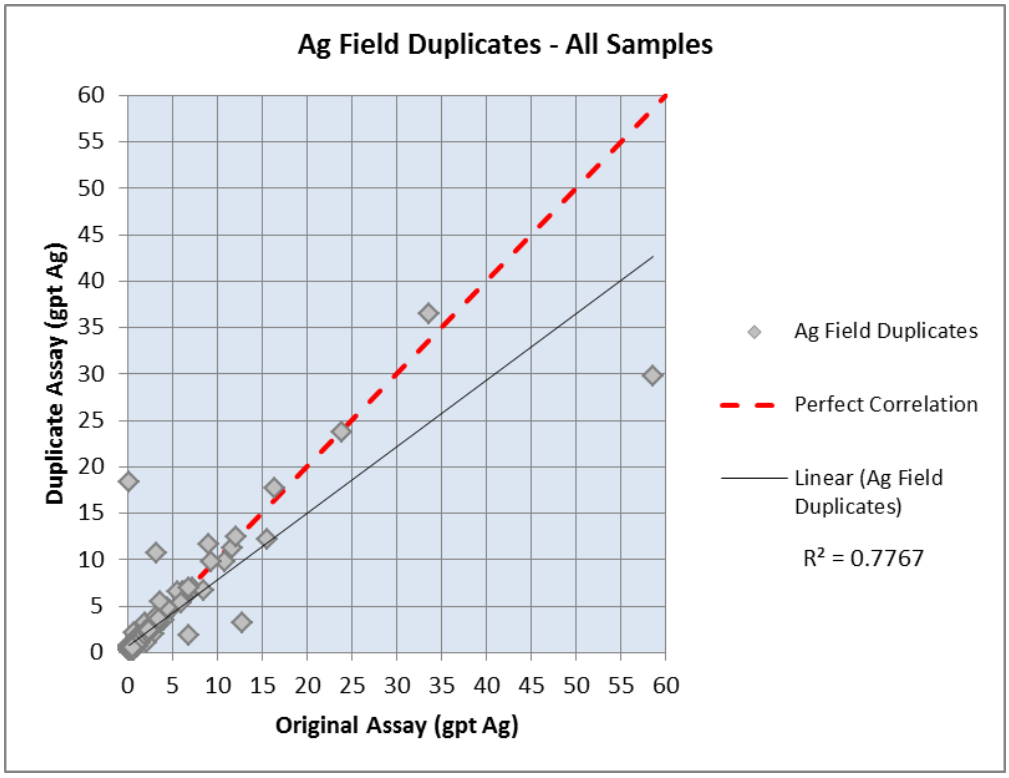


Figure 12.2: Field Duplicate Silver Assay Results



Discussion of Field Duplicate Results of Gold:

The correlation between original and duplicates for gold is fair at 70%. On average, the second split duplicates returned higher assay values. In general the field duplicates represent results consistent with epithermal Au-Ag deposits.

There does not appear to be a grade-based bias in the relationship between original and duplicate sample results.

Discussion of Field Duplicate Results of Silver:

The correlation between original and duplicates for silver is good at 78%.

Standard Reference Material Analyses

WHA has reviewed the analyses of a total of 97 gold and 55 silver standard reference material pulps that were inserted into the sample stream by Canamex during the time of drilling. For the 2016-2017 QA/QC programs, Canamex used eleven commercially prepared references standards, three of which were prepared by Geostats PTY Ltd. of 10A Marsh Close, O'Connor, West-ern Australia 6163, and eight were prepared by Shea Clark Smith/MEG, Inc. of Reno, Nevada. The accepted values and standard deviations for gold and silver standards are shown on **Tables 12.1** and **12.2**, respectively:

Table 12.1: Summary of Standard Reference Material Performance – Gold

Standard	Origin	Certified Value (gpt Au)	Std Dev (gpt Au)	No. of Assays	Mean Assay (gpt Au)	Percent Difference	Min (gpt Au)	Max (gpt Au)	Below 2 Std Dev	Above 2 Std Dev	Percent Outside 2 Std Dev
MEG-Au.13.01	SCS/ MEG	0.308	0.014	7	0.322	4.4	0.302	0.328	0	0	0%
G912-8	Geostats	0.53	0.02	15	0.531	0.2	0.489	0.569	0	0	0%
MEG Au.12.25	SCS/ MEG	0.719	0.032	7	0.738	2.7	0.705	0.767	0	0	0%
MEG-Au.11.13	SCS/ MEG	1.806	0.081	7	1.924	6.5	1.885	1.950	0	0	0%
MEG-Au.13.03	SCS/ MEG	1.823	0.107	5	1.898	4.1	1.855	4.700	0	0	0%
MEG LWA-34	SCS/ MEG	2.263	0.123	7	2.078	-8.2	1.045	2.560	2	1	43%
MEG-Au.11.15	SCS / MEG	3.445	0.133	7	3.817	10.793	3.610	4.720	0	3	43%
MEG-Au.11.29	SCS/ MEG	3.651	0.319	6	3.872	6.1	3.570	4.620	0	1	17%
G907-4	Geostats	3.84	0.15	14	3.897	1.5	3.770	4.030	0	0	0%
MEG LWA-25	SCS/ MEG	6.887	0.370	7	7.015	1.9	6.660	7.400	0	0	0%
G306-3	Geostats	8.66	0.33	15	8.620	-0.5	8.380	8.970	0	0	0%

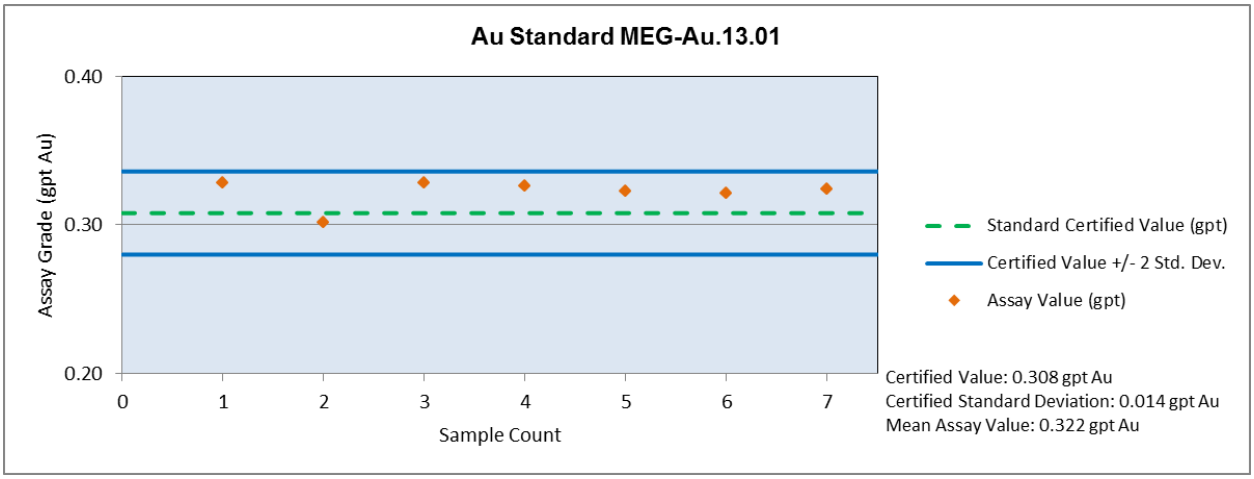
Table 12.2: Summary of Standard Reference Material Performance – Silver

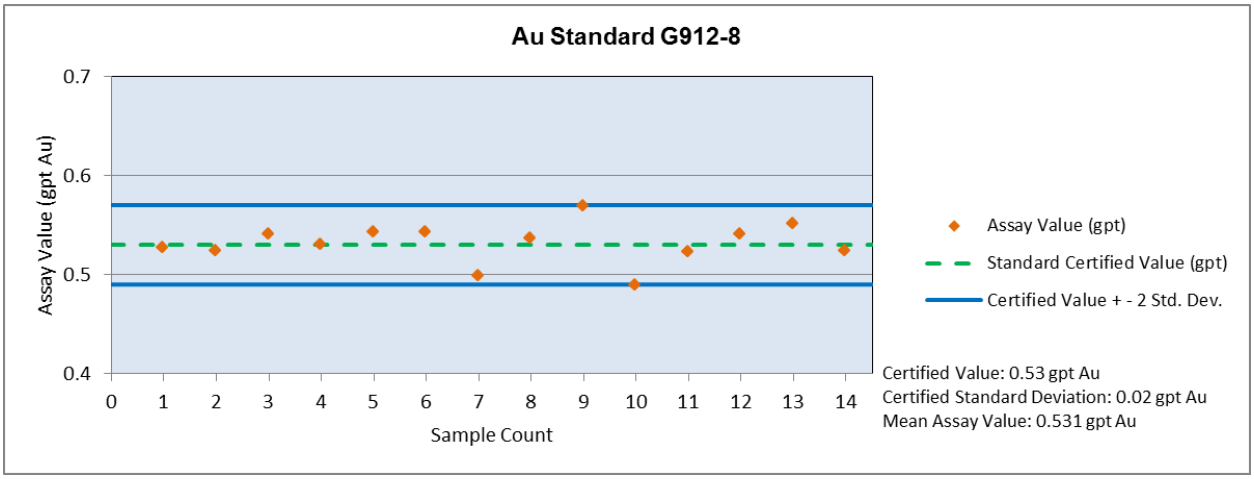
Standard	Origin	Certified Value (gpt Ag)	Std Dev (gpt Au)	No. of Assays	Mean Assay (gpt Ag)	Percent Difference	Min (gpt Ag)	Max (gpt Ag)	Below 2 Std Dev	Above 2 Std Dev	Percent Outside 2 Std Dev
MEG-Au.13.01	SCS/ MEG	0.833	0.181	7	0.46	-44.6	0.25	1.9	4	0	57%
MEG LWA-34	SCS/ MEG	1.854	0.419	7	0.97	-47.7	0.5	1.8	3	0	43%
MEG LWA-25	SCS/ MEG	3.149	0.276	7	2.55	-19.1	2.2	2.8	4	0	57%
MEG Au.12.25	SCS/ MEG	4.4	0.5	7	4.06	-7.6	3.3	4.5	0	0	0%
MEG-Au.13.03	SCS/ MEG	4.476	0.560	6	4.17	-6.8	3.7	4.7	0	0	0%
MEG-Au.11.29	SCS/ MEG	13.4	0.9	7	10.68	-20.3	1.9	14.7	1	0	14%
MEG-Au.11.13	SCS/ MEG	20.5	1.3	7	19.50	-4.9	17.8	21.7	1	0	14%
MEG-Au.11.15	SCS / MEG	52.15	3.42	7	53.50	2.6	49.4	56.8	0	0	0%

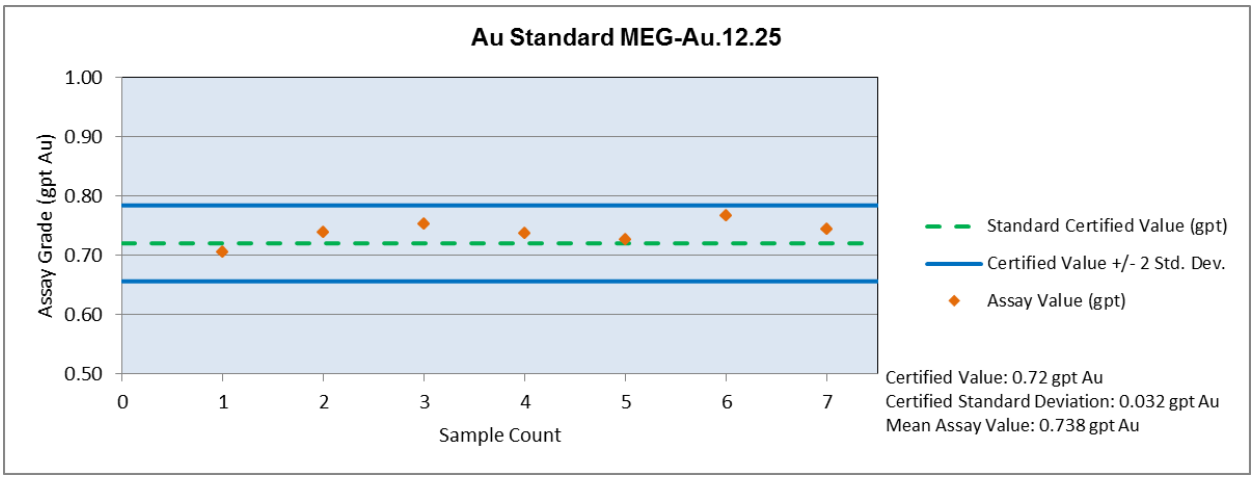
Gold Standard Reference Material Results

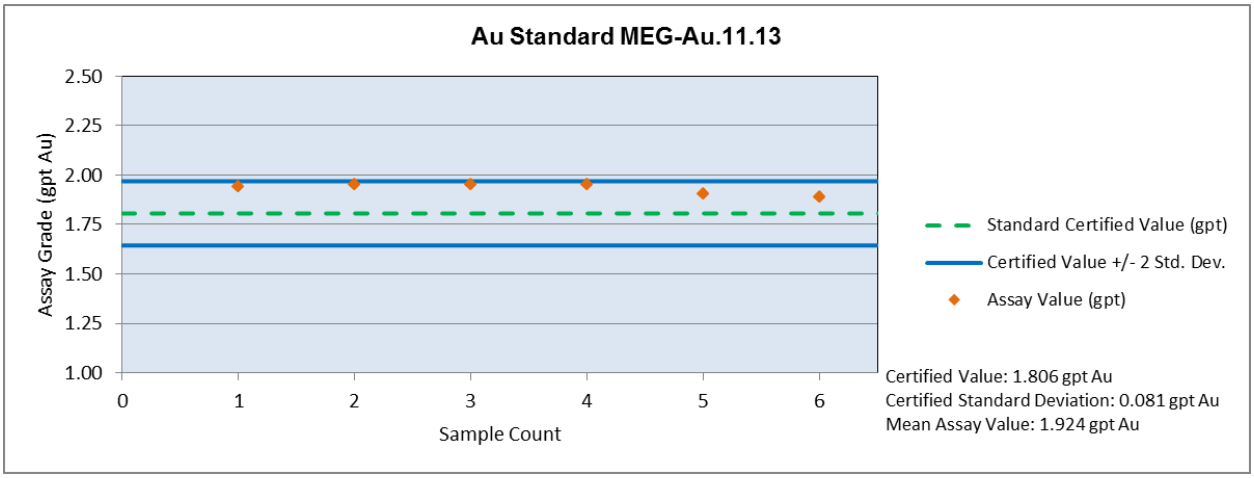
Figure 12.3 represents the results of the 2016-2017 Canamex gold standard reference material analyses.

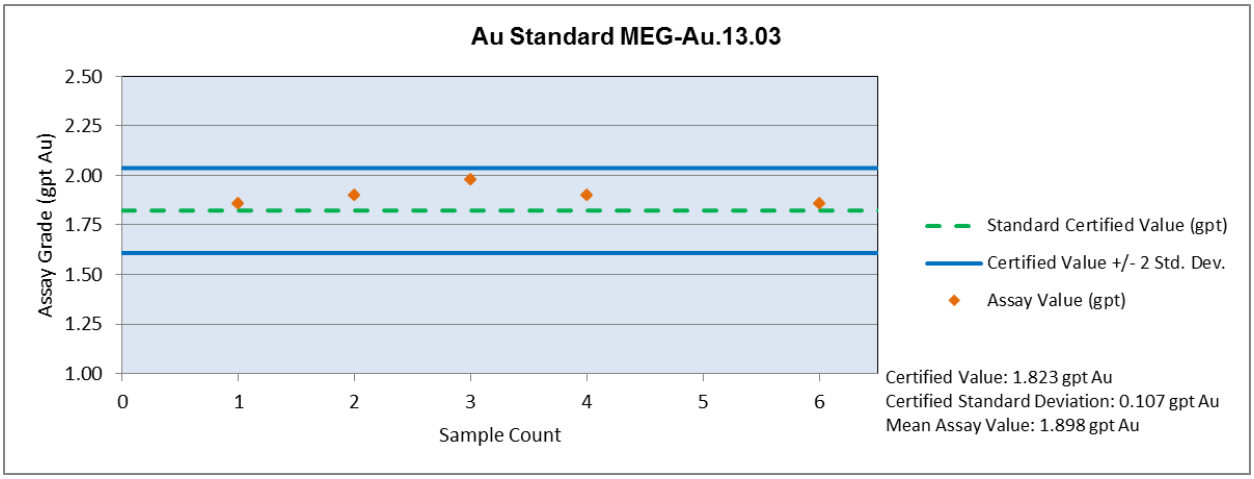
Figure 12.3: Gold Standard Reference Material Results

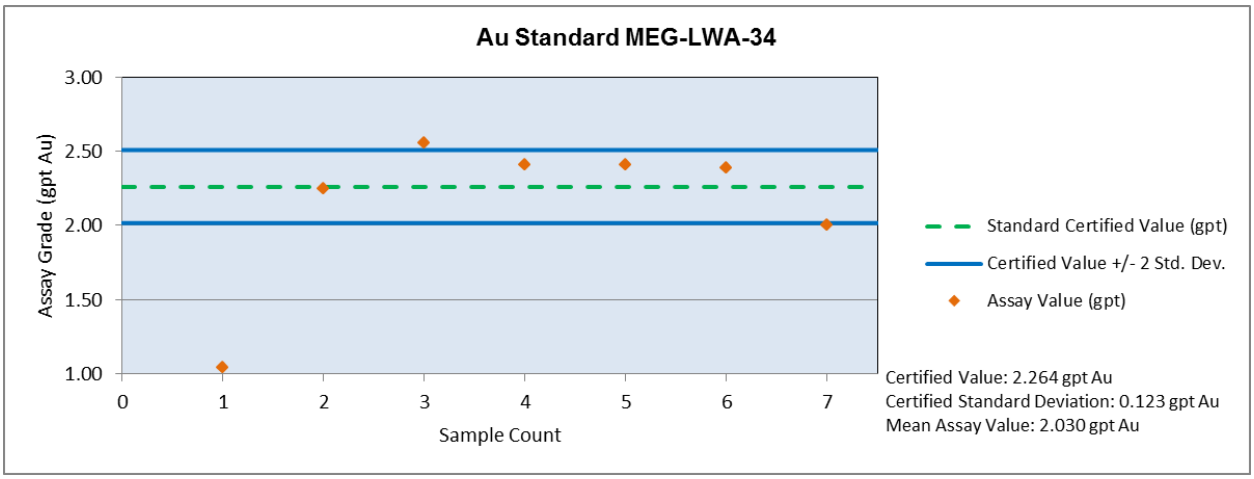


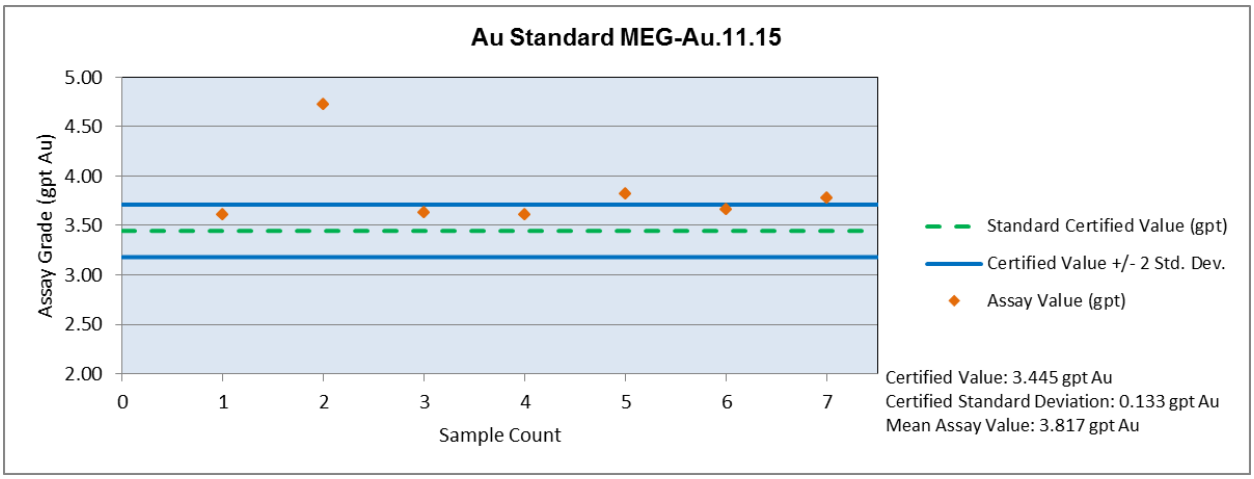

Au Standard G912-8
Assay Value (gpt Au)
0.7
0.6
0.5
0.4
0 1 2 3 4 5 6 7 8 9 10 11 12 13 14
Sample Count
Assay Value (gpt)
Standard Certified Value (gpt)
Certified Value + - 2 Std. Dev.
Certified Value: 0.53 gpt Au
Certified Standard Deviation: 0.02 gpt Au
Mean Assay Value: 0.531 gpt Au

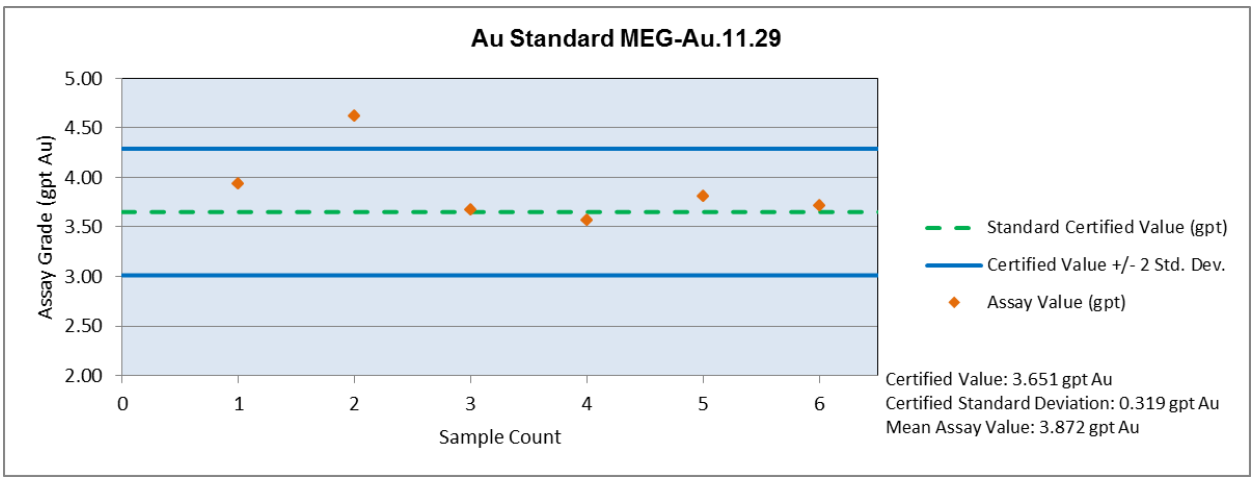

Au Standard MEG-Au.12.25
Assay Grade (gpt Au)
1.00
0.90
0.80
0.70
0.60
0.50
0 1 2 3 4 5 6 7
Sample Count
Standard Certified Value (gpt)
Certified Value +/- 2 Std. Dev.
Assay Value (gpt)
Certified Value: 0.72 gpt Au
Certified Standard Deviation: 0.032 gpt Au
Mean Assay Value: 0.738 gpt Au

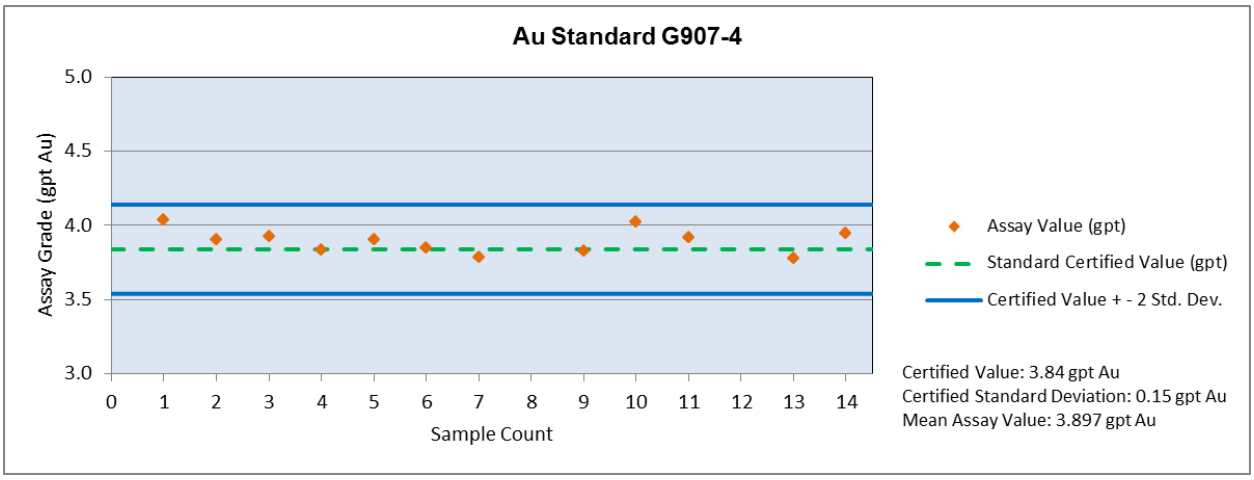

Au Standard MEG-Au.11.13
Assay Grade (gpt Au)
2.50
2.25
2.00
1.75
1.50
1.25
1.00
0 1 2 3 4 5 6
Sample Count
Standard Certified Value (gpt)
Certified Value +/- 2 Std. Dev.
Assay Value (gpt)
Certified Value: 1.806 gpt Au
Certified Standard Deviation: 0.081 gpt Au
Mean Assay Value: 1.924 gpt Au

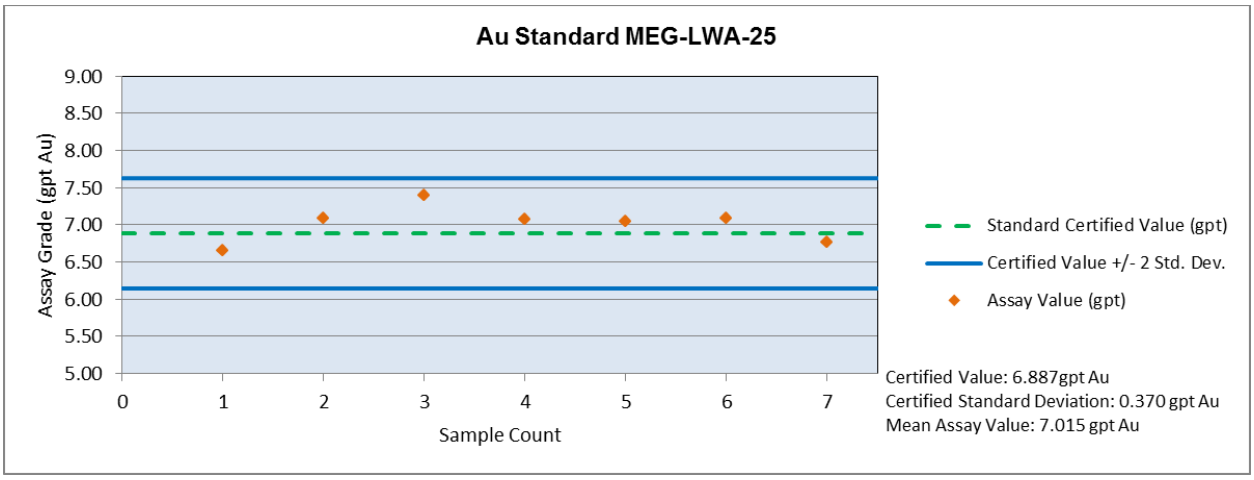

Au Standard MEG-Au.13.03
Assay Grade (gpt Au)
2.50
2.25
2.00
1.75
1.50
1.25
1.00
0
1
2
3
4
5
6
Sample Count
Standard Certified Value (gpt)
Certified Value +/- 2 Std. Dev.
Assay Value (gpt)
Certified Value: 1.823 gpt Au
Certified Standard Deviation: 0.107 gpt Au
Mean Assay Value: 1.898 gpt Au

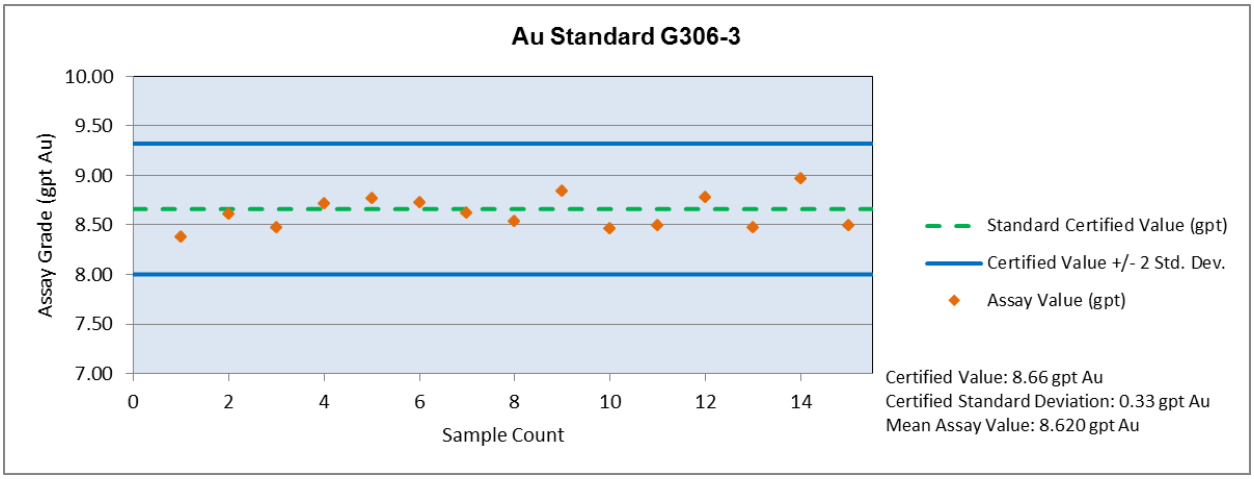

Au Standard MEG-LWA-34
Assay Grade (gpt Au)
3.00
2.50
2.00
1.50
1.00
0
1
2
3
4
5
6
7
Sample Count
Standard Certified Value (gpt)
Certified Value +/- 2 Std. Dev.
Assay Value (gpt)
Certified Value: 2.264 gpt Au
Certified Standard Deviation: 0.123 gpt Au
Mean Assay Value: 2.030 gpt Au


Au Standard MEG-Au.11.15
Assay Grade (gpt Au)
5.00
4.50
4.00
3.50
3.00
2.50
2.00
0
1
2
3
4
5
6
7
Sample Count
Standard Certified Value (gpt)
Certified Value +/- 2 Std. Dev.
Assay Value (gpt)
Certified Value: 3.445 gpt Au
Certified Standard Deviation: 0.133 gpt Au
Mean Assay Value: 3.817 gpt Au


Au Standard MEG-Au.11.29
Assay Grade (gpt Au)
5.00
4.50
4.00
3.50
3.00
2.50
2.00
0
1
2
3
4
5
6
Sample Count
Standard Certified Value (gpt)
Certified Value +/- 2 Std. Dev.
Assay Value (gpt)
Certified Value: 3.651 gpt Au
Certified Standard Deviation: 0.319 gpt Au
Mean Assay Value: 3.872 gpt Au


Au Standard G907-4
Assay Grade (gpt Au)
5.0
4.5
4.0
3.5
3.0
0
1
2
3
4
5
6
7
8
9
10
11
12
13
14
Sample Count
Assay Value (gpt)
Standard Certified Value (gpt)
Certified Value + - 2 Std. Dev.
Certified Value: 3.84 gpt Au
Certified Standard Deviation: 0.15 gpt Au
Mean Assay Value: 3.897 gpt Au


Au Standard MEG-LWA-25
Assay Grade (gpt Au)
9.00
8.50
8.00
7.50
7.00
6.50
6.00
5.50
5.00
0
1
2
3
4
5
6
7
Sample Count
Standard Certified Value (gpt)
Certified Value +/- 2 Std. Dev.
Assay Value (gpt)
Certified Value: 6.887gpt Au
Certified Standard Deviation: 0.370 gpt Au
Mean Assay Value: 7.015 gpt Au



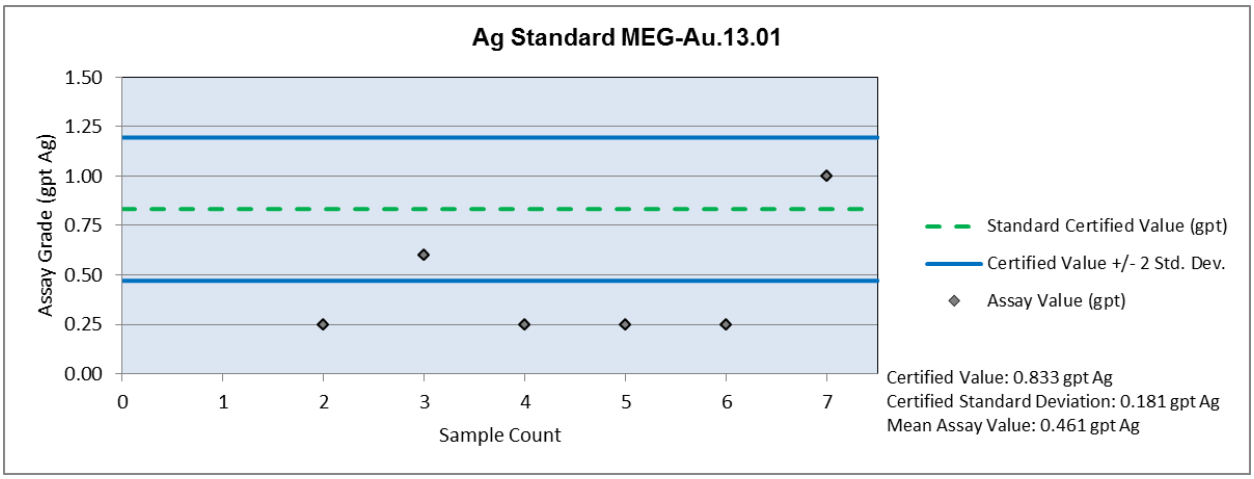
Discussion of Gold Standards Performance

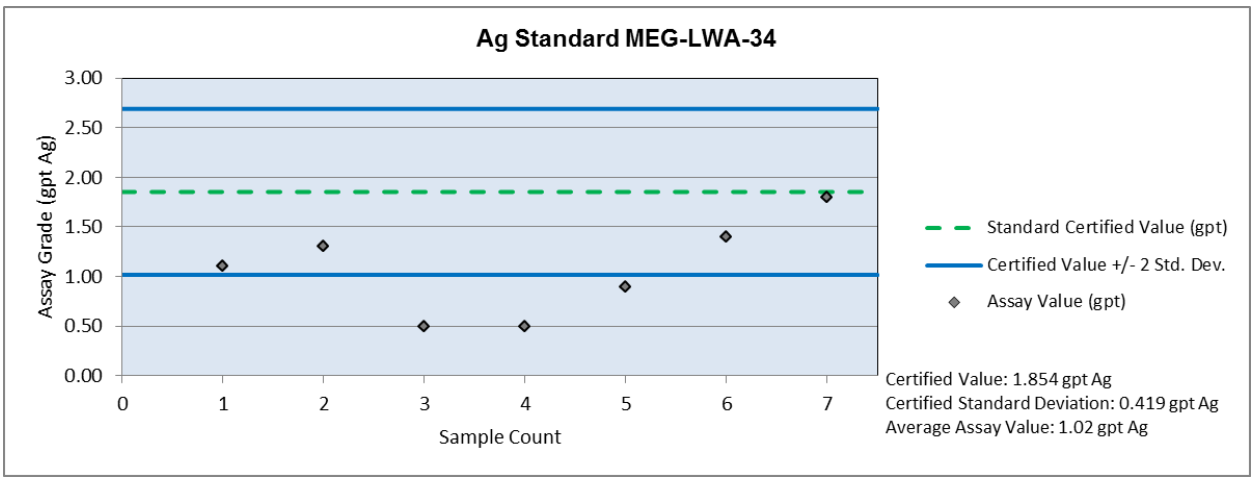
The performance of assay analyses of standard reference materials with respect to: occurrenc-es above or below two standard deviations; and indicated possible bias was very good. Review of the standard analyses indicates that 93% of all standards are within 2 standard deviations of the certified gold standard value.

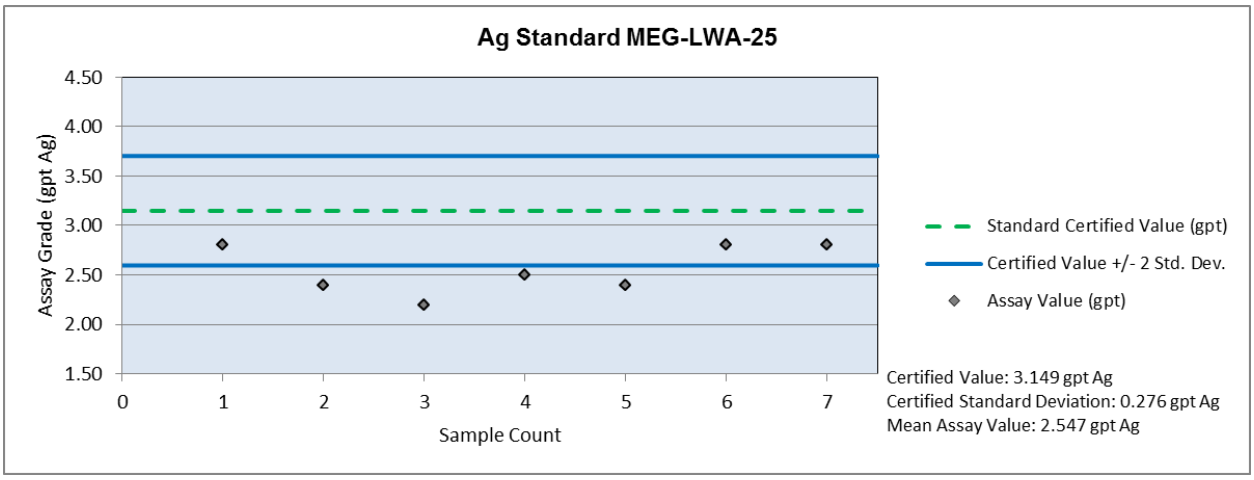
Silver Standard Reference Material Results

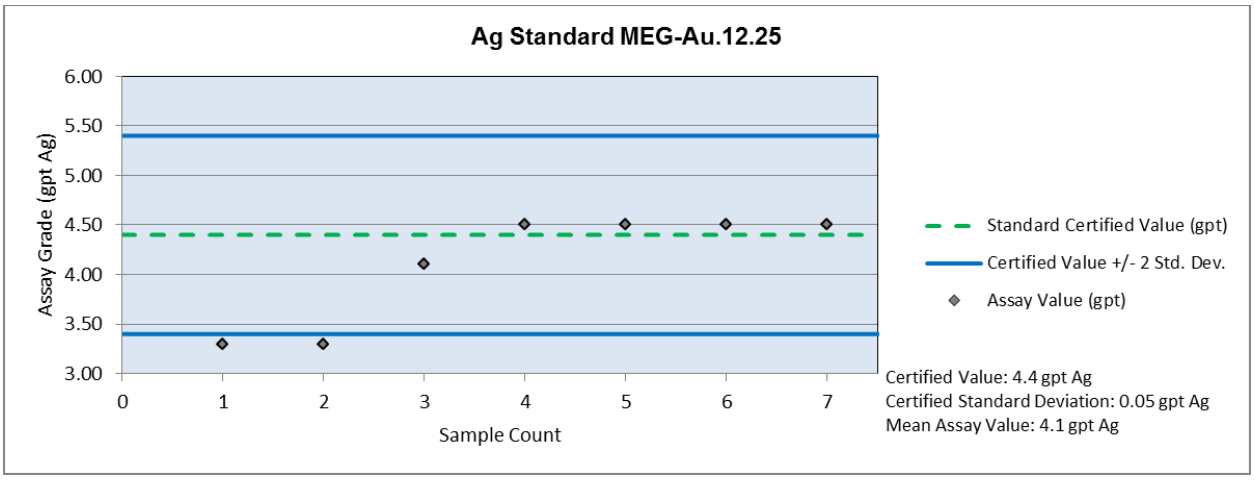
Figure 12.4 represents the results of the 2016-2017 Canamex silver standard reference material analyses.

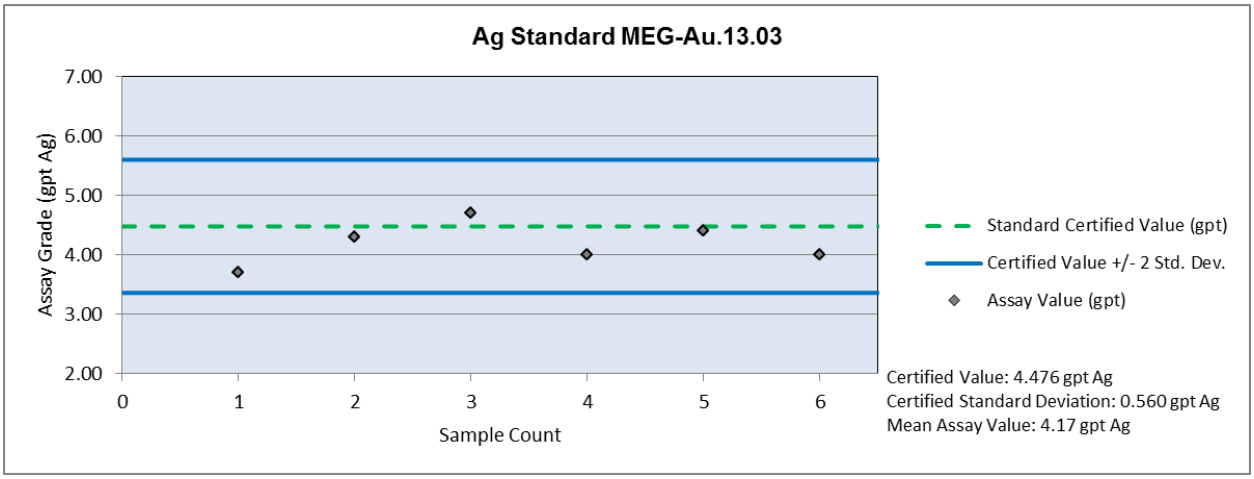
Figure 12.4: Silver Standard Reference Material Results

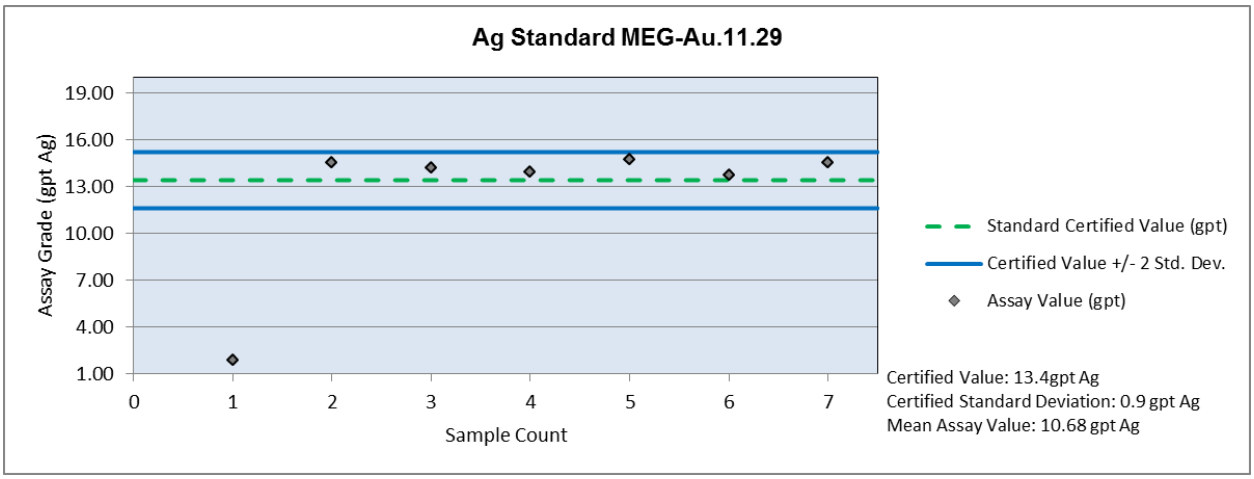


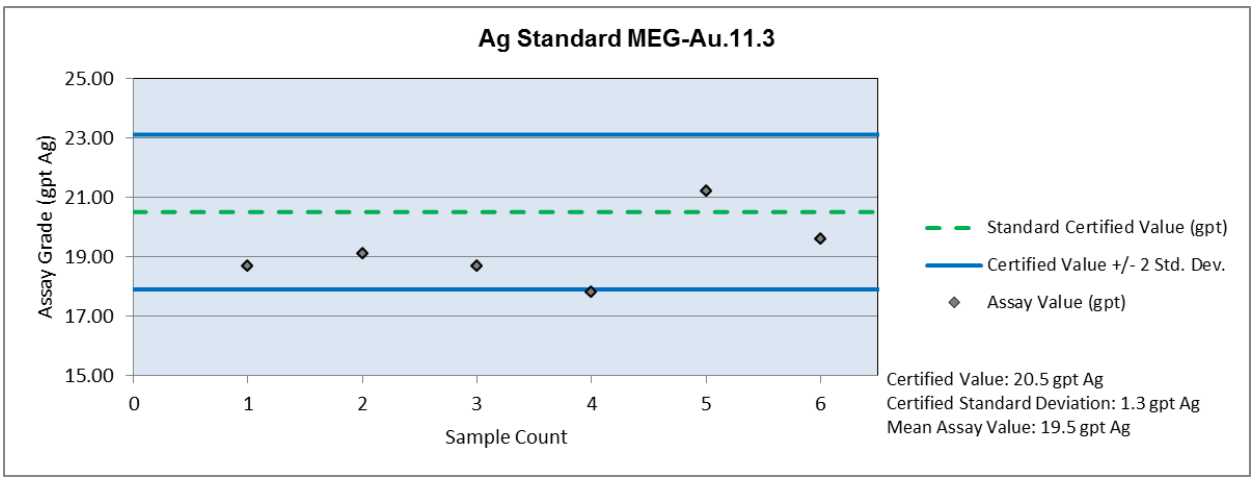

Ag Standard MEG-LWA-34
Assay Grade (gpt Ag)
3.00
2.50
2.00
1.50
1.00
0.50
0.00
0
1
2
3
4
5
6
7
Sample Count
Standard Certified Value (gpt)
Certified Value +/- 2 Std. Dev.
Assay Value (gpt)
Certified Value: 1.854 gpt Ag
Certified Standard Deviation: 0.419 gpt Ag
Average Assay Value: 1.02 gpt Ag

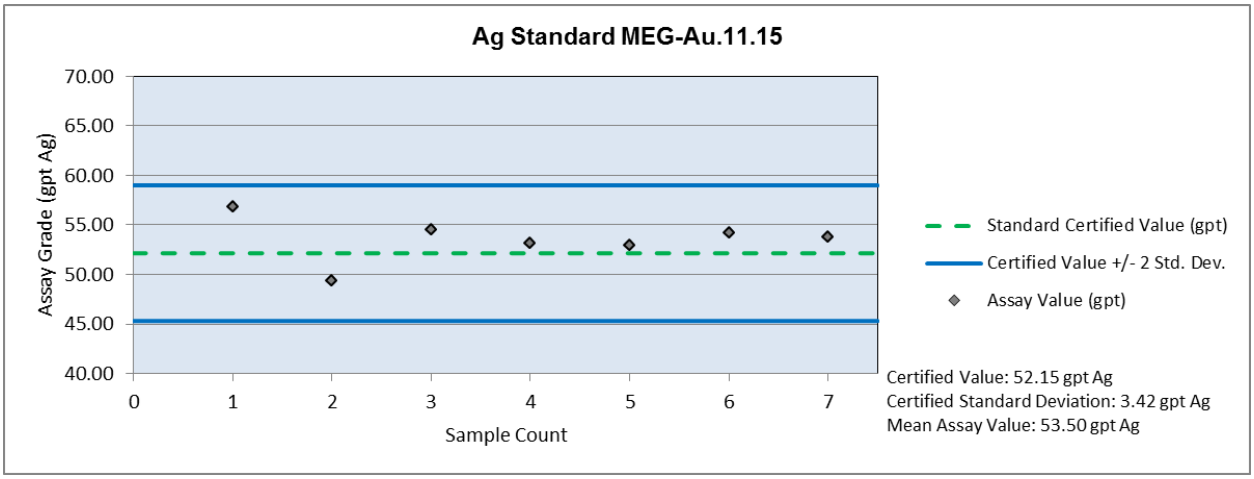

Ag Standard MEG-LWA-25
Assay Grade (gpt Ag)
4.50
4.00
3.50
3.00
2.50
2.00
1.50
0
1
2
3
4
5
6
7
Sample Count
Standard Certified Value (gpt)
Certified Value +/- 2 Std. Dev.
Assay Value (gpt)
Certified Value: 3.149 gpt Ag
Certified Standard Deviation: 0.276 gpt Ag
Mean Assay Value: 2.547 gpt Ag


Ag Standard MEG-Au.12.25
Assay Grade (gpt Ag)
6.00
5.50
5.00
4.50
4.00
3.50
3.00
0
1
2
3
4
5
6
7
Sample Count
Standard Certified Value (gpt)
Certified Value +/- 2 Std. Dev.
Assay Value (gpt)
Certified Value: 4.4 gpt Ag
Certified Standard Deviation: 0.05 gpt Ag
Mean Assay Value: 4.1 gpt Ag


Ag Standard MEG-Au.13.03
Assay Grade (gpt Ag)
7.00
6.00
5.00
4.00
3.00
2.00
0
1
2
3
4
5
6
Sample Count
Standard Certified Value (gpt)
Certified Value +/- 2 Std. Dev.
Assay Value (gpt)
Certified Value: 4.476 gpt Ag
Certified Standard Deviation: 0.560 gpt Ag
Mean Assay Value: 4.17 gpt Ag


Ag Standard MEG-Au.11.29
Assay Grade (gpt Ag)
19.00
16.00
13.00
10.00
7.00
4.00
1.00
0
1
2
3
4
5
6
7
Sample Count
Standard Certified Value (gpt)
Certified Value +/- 2 Std. Dev.
Assay Value (gpt)
Certified Value: 13.4gpt Ag
Certified Standard Deviation: 0.9 gpt Ag
Mean Assay Value: 10.68 gpt Ag


Ag Standard MEG-Au.11.3
Assay Grade (gpt Ag)
25.00
23.00
21.00
19.00
17.00
15.00
0
1
2
3
4
5
6
Sample Count
Standard Certified Value (gpt)
Certified Value +/- 2 Std. Dev.
Assay Value (gpt)
Certified Value: 20.5 gpt Ag
Certified Standard Deviation: 1.3 gpt Ag
Mean Assay Value: 19.5 gpt Ag



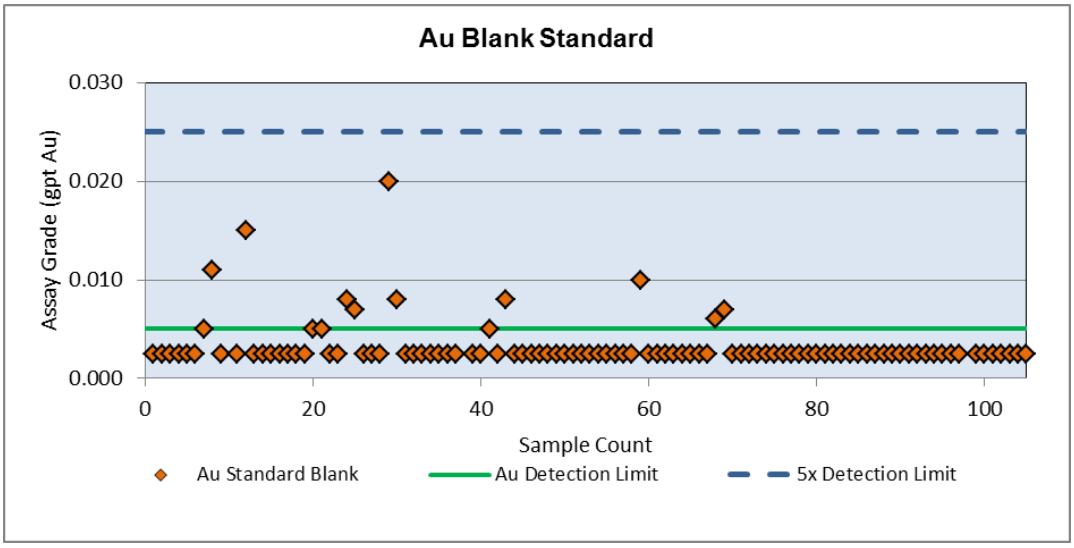
Discussion of Silver Standards Performance

The performance of assay analyses of standard reference materials with respect to: occurrences above or below two standard deviations; and indicated possible bias, was fair. Review of the standard analyses indicates that 72% of the silver standards are within 2 standard deviations of the certified silver standard value. All analyses outside of 2 standard deviations were below the 2 standard deviation threshold indicating a grade bias of lower than expect silver assay values.

Analyses of Gold Blank Standards

WHA has reviewed the analyses of a total of 104 gold blank standards (commercially prepared pulps) that were inserted into the sample stream by Canamex during the time of drilling. Figure 12.5 shows the results of the Canamex gold blank sample assay analyses.

Figure 12.5: Gold Blank Standard Results



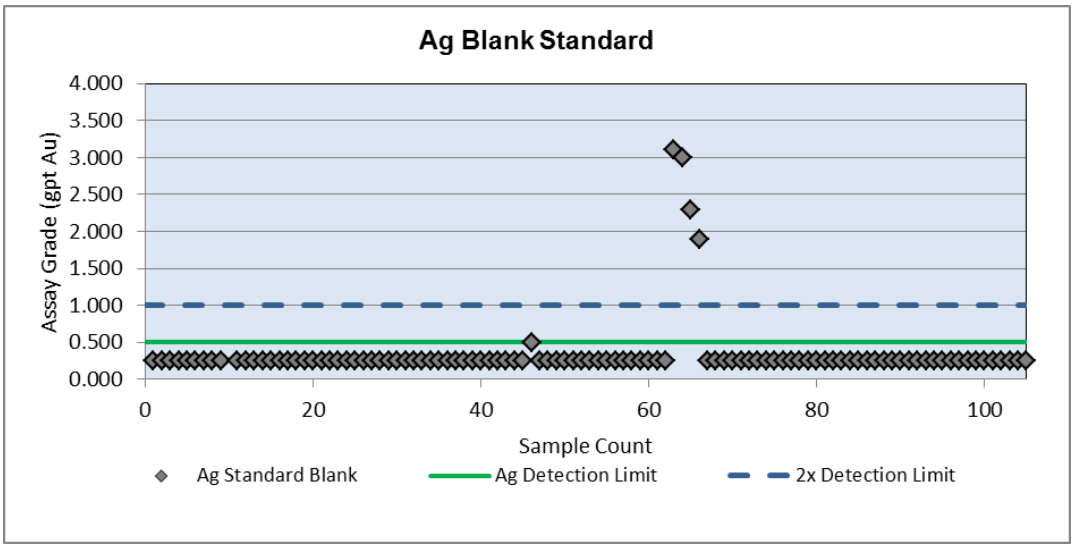
Discussion of Blank Standard Results for Gold

All gold blank standard samples returned assay values below five times the detection limit for gold, which is within industry blank standard tolerances.

Analyses of Silver Blank Standards

A total of 104 silver blank standards were submitted for analysis. **Figure 12.6** shows the results of the silver blank sample assay analyses.

Figure 12.6: Silver Blank Standard Results



Discussion of Blank Standard Results for Silver

Four (4) silver blank standard samples comprising 4% of blank assays returned assay values above two times the detection limit for silver, which is within industry blank standard tolerances. However, the results indicate possible minor contamination during the preparation of the higher than expected assay value samples at the lab.

2015-2016 QA/QC Conclusions

The 2016 and 2017 drilling programs consist of data from 43 RC drill holes for a total of 3,780 assay values for gold and 3,780 assay values for silver, accounting to 12% of the total assay values in the Bruner database and 18% of all assay values from drilling completed by Canamex at the Project.

The results presented by the field duplicate program, blind standards and blind blank standards present reasonable confirmation of the reproducibility of assay results with no indication of bias in the analysis of either gold or silver or significant contamination problems at the laboratory.

The results show the field duplicate program to have fair correlation (70%) between original and field duplicate assays for gold. The correlation between original and field duplicate results for silver are good at 78%.

The results presented of blind gold and silver standard submissions and blank submissions for both gold and silver indicate an acceptable analytical procedure with few and minor indications of contamination.

Statement of Data Adequacy

The WHA QP thoroughly reviewed the data verification procedures documented in the Tanaka (2015) report during the WHA 2016 data verification program and is confident the verification procedures employed were done to industry standards. The WHA QP did background work and validation of the results documented in Tanaka (2015) report and takes responsibility for the data verification results reported herein. It is therefore the WHA QP's conclusion that the pre-2015 drill hole database is of a standard acceptable and suitable for public reporting of resources according to NI 43-101 guidelines.

The WHA QP previously verified the 2015 drill hole database (WHA, 2016) and concluded that the 2015 drill hole database is of a standard acceptable and suitable for addition to the Bruner drill hole assay database and suitable for public reporting of resources according to NI 43-101 guidelines.

Based upon following, the QP concludes that the 2016-2017 database is suitable for informing the mineral resource estimate contained herein:

- field verification of mineralization and drill hole collars;
- review of drill hole cross-sections to verify the digital topography relative to drill hole collar elevations
- review and verification of 100 percent of the assay database for gold and 70 percent for silver by cross-checking database assay values with certified independent lab assay certificates;
- error rates for gold and silver assay data checked in the database were very low indicating the database is reliable and within industry standard tolerances; all errors were corrected in the database;
- the results of gold standard submissions and blank submissions for both gold and silver during the 2016-2017 Canamex drilling programs are indicative of acceptable analytical procedure with few and minor indications of contamination;
- the concentration of modern QA/QC protocols employed by Canamex drilling programs within the three zones identified for resource estimation;
- the significant proportion of historical and pre-NI 43-101 drilling undertaken by reasonably reputable companies.

The QP has independently checked the data for internal consistency and it is the opinion of the QP that the data has been generated using best practices and industry standards as required by NI 43-101, has been accurately transcribed from the original source, and is suitable for use in the preparation of the mineral resource estimate contained herein.

MINERAL PROCESSING AND METALLURGICAL TESTING

Canamex collected and submitted a total of five samples from different locations for preliminary metallurgical testing. Two were bulk samples for small diameter column testing and three were samples com-posed of drill hole sample intervals from both RC and core drilling for bottle roll testing. The following setion summarizes the test programs and their results.

The term “ore” has been used in previous metallurgical investigations and reports that are referenced in this Report section. The term “ore” generally implies that sufficient technical feasibility and economic viability studies have been completed to classify the material as mineral reserve. A Qualified Person has not done sufficient work to classify the mineral resource at the Bruner Gold Project as current mineral re-serve and the issuer is not treating the mineral resource as mineral reserve. The term “ore” is used to maintain the integrity of the previous metallurgical investigations quoted in this report.

The reader is reminded that the PEA is based on the Project resource model which consists of material in Indicated and Inferred classifications. Inferred mineral resources are considered too speculative geologically to have technical and economic considerations applied to them. The current basis of project information is not sufficient to convert the mineral resources to Mineral Reserves, and mineral resources that are not mineral reserves do not have demonstrated economic viability.

Description of Sampling and Test Work Done

First Metallurgical Tests

Approximately 1-tonne of sample was collected by Canamex on 02 April 2012. Thirty (30) large sample bags were filled from channel samples within the July (upper) adit at the HRA and were transported to the laboratory facility of Kappes, Cassiday & Associates (KCA) in Reno, Nevada from the Bruner Proper-ty. All of this material is oxidized and was comprised of samples that were minus 10-inch rock material.

Representative rock samples were taken from 25 of the 30 bags. The rocks were characterized, photo-graphed, and then submitted to Phillips Enterprises, LLC in Golden, Colorado for comminution tests. Phil-lips reported that the crusher work index value was 20.18 kW per tonne with an abrasion index of 0.269.

The remaining material was blended and crushed to a 3-inch nominal size (denoted “original crush” by KCA), and then combined into a single bulk sample. Two (2) samples were split from this bulk sample and used make both an original crush 3-inch crushed sample and a 0.75-inch crushed sample. The aver-age head assay for each sample was 0.0519 opt Au and 0.583 opt Ag for the “original crush” sample, and 0.0338 opt Au and 0.422 opt Ag for the 0.75-inch crushed sample.

These samples were used for preliminary metallurgical testing: bottle roll tests, gravity separation tests and column leaching tests. Both of the crushed ore samples yielded similar recoveries in the 83-day column tests. The 3-inch crush size sample was leached to an 89% gold recovery, and the 0.75-inch crushed material yielded an 87% gold recovery. The silver recoveries in the ores were 9% and 7% for the 3-inch and 0.75-inch crushed material, respectively. Cyanide consumption was reported to be 1.24 lbs/short ton for the 3-inch crushed tests, and 1.23 lbs/short ton for the 0.75-inch crushed material respectively.

Second Metallurgical Tests

In February 2013, Canamex submitted twenty one (21) bags of previously composited, crushed and assayed RC coarse reject material from the Penelas deposit to the laboratory facility of Kappes, Cassiday & Associates (KCA) in Reno, Nevada. The samples were used in bottle roll testing to determine the cyanide soluble gold and silver. The samples were selected with the intent of having varying grades and varying depths from two (2) different alteration types, silicified and argillized, from two (2) different drill holes. The average head grade of the drill hole composite was 0.092 opt Au and 0.18 opt Ag (the drill hole grade in all of the individual depths ranged from 0.010 opt Au to 0.554 opt Au and from 0.02 to 0.753 opt Ag). All samples were reported as being oxide in nature.

The bottle roll tests used 1 kg of pulverized samples mixed with 1.5-liters of cyanide solution (the NaCN concentration was maintained at 1 g/L throughout the leaching test). Each test ran for 96 hours total with solution sampling in increasing time increments. The solutions were tested for Au and Ag concentration, and NaCN content. The gold extraction for the 21 experiments was 97% (the extractions varied from 88% >99%. Silver extraction ranged from 66% to 92% with an average extraction of 79% for the 21 tests. The cyanide consumption was measured by the amount of NaCN required to maintain the 1 g/L concentration. The calculated cyanide consumption ranged from the lowest value of 0.05 lbs/short ton to 0.39 lbs per short ton. KCA reported no difference in metallurgical recoveries or property between the two ore types (silicified and argillized).

The KCA report concluded that the material was quite amenable to cyanide leaching and the grade, rock type, depth or location did not affect the leachability.

Third Metallurgical Tests

On 04 December 2013, the laboratory facility of Kappes, Cassiday & Associates (KCA) in Reno, Nevada received thirty-six (36) large rice bags that contained bulk material collected from channel samples from within the Duluth (lower) adit within the HRA at the Bruner Project. The bulk material represented a single channel cut across the entire mineralized zone exposed in the adit. The sample material was combined and utilized for metallurgical test work. The purpose of this program was to expand on the column leach test work done previously and to assess heap leach attributes and extractions at or near an estimated cut-off grade for open pit development.

The material was crushed and combined into a single bulk sample. The sample was split into two (2) fractions to be used to make two crush sizes: 3-inch and 0.75 inch. The 3-inch material had a head assay of 0.0138 opt Au and 0.126 opt Ag; the 0.75-inch material was reported to contain 0.015 opt Au and 0.110 opt Ag. These samples were loaded into columns and subjected to cyanide solution leaching at a rate of 0.004-5 gallons per minute per ft2 (the industry standard) for 83 days. The solutions were passed through activated carbon to collect the precious metals. The carbon analysis was used to determine the net recovery over time, while a final assay of the leached material was used to calculate the cumulative recovery.

The 83-day column test work determined that 72% of the gold was recovered from the 3-inch crush-size sample, and 81% from the 0.75-inch crush-size sample. The 3-inch material had silver

recoveries of 8%, and 20% from the 0.75 inch crush-size sample. Cyanide consumption for the 3-inch material was 0.84 lbs/short ton and 1.34 lbs/short ton for the 0.75-inch material. KCA noted that there is often variability in recoveries in samples with relatively low metal content. This ore (at less than 0.02 opt Au) qualifies for possible discrepancies.

Fourth Metallurgical Tests

On 12 December 2013, the laboratory facility of Kappes, Cassiday & Associates (KCA) in Reno, Nevada received twenty-nine (29) small cloth bags of sample material from the Bruner Project. The smaller bags were in two larger bags, and were composited RC drill cuttings composited from drill hole B-1340 from the HRA deposit and crushed core from drill hole B-1341C from the Penelas deposit. All of the material contained was a nominal size of 10 mesh Tyler. The bagged samples were composite samples that came from 20-ft depths of the holes. Each sample was individually assayed and used for bottle roll leach tests to determine the cyanide soluble Au and Ag contained.

As with the February 2013 tests, one (1) kg of the solid was mixed with 1.5-L of cyanide solution for 96 hours. Solution sampling for assays of Au, Ag and NaCN were taken in increasing time increments, and NaCN was added to maintain a 1-g/L concentration throughout the test. The head assays for the material from hole B-1340 varied from 0.011 to 0.571 opt Au and 0.053 to 0.677 opt Ag. The net gold extraction uses calculated heads from the test results, which KCA reported ranged from 0.001 opt Au to 0.5671 opt Au and 0.003 opt Ag to 0.665 opt Ag. The reported gold extraction averaged approximately 95% for both the HRA deposit and the Penelas deposit. The reported gold extractions ranged between 93- >99% for the HRA samples, and between 76-99% from samples for the Penelas deposit. Silver extractions varied from 15 to 81% for the HRA samples and between 23-85% for the Penelas samples—the net average silver recovery was 53% for both ores. The cyanide consumption varied between 0.01 to 0.39 lbs NaCN per short ton.

Fifth Tests

In 2014, the laboratory facility of Kappes, Cassiday & Associates (KCA) in Reno, Nevada received drill cuttings from the 2014 RC drill campaign on the Paymaster resource. The drilling samples were compo-sited into mostly 2-ft (6.1-m) length intervals, and had head grades ranging from 0.005 to 1.040 opt gold. The average grade of the 20 samples was 0.1011 opt Au and 0.297 opt Ag. Average extractions from a 96-hour bottle roll experiments on -200 mesh material were 95.1% for gold and 41.2% for silver. These results were similar to the cyanide leach test results from the HRA and Penelas tests. The reagent con-sumption averaged 0.08 pounds cyanide per ton and 2.75 pounds lime per ton, which are comparable to the HRA and Penelas test results.

Discussion of Metallurgical Test Results

In summary, the five (5) series of tests were conducted to give preliminary metallurgical recovery information on the mineralized material from the HRA, Penelas and Paymaster deposits on the Bruner Project. All of the test results were very positive, indicating a reasonable and predictable gold and silver recovery for all of the mineralized material on the property. All of the leaching results showed that each of the deposits had reasonable gold recoveries (> 85%) for coarse (3-inch

nominal) and for medium crushed (0.75-inch nominal) ores, as confirmed by the column studies performed by KCA on coarse and medium crushed ores. The ores showed similar recovery profiles whether the ore was crushed to 3-inch or 0.75-inch maximum size. It could be concluded that a 3-inch size for the ore would be sufficient for a heap leach process.

Bottle roll experiments were conducted to show the cyanide soluble gold and silver in the ores. All three deposits were shown to have similar gold recovery (88->99%) and similar silver recovery (65-92%). This would indicate that all of the ores have similar leachability.

Based on the similarity of leaching results for all of the ores, it has been suggested that a "run-of-mine" heap could be operated at the site with some success. The similarity of results for coarse and medium crushed ores would suggest that an "as-mined" ore could achieve a 70-75% recovery over an 83-day leach cycle. Further testing of coarse run-of-mine material would be suggested by the author to further verify this approximation.

The author suggests further testing of even coarser samples. For example, column studies using 6-inch rock (as could be achieved by a primary crusher) and "run-of-mine" rock to determine a more complete rock-size to recovery profile for the mineralized material at Bruner.

MINERAL RESOURCE ESTIMATES

Randall K. Martin, SME-RM, a Senior Mineral Modeler/Mine Planner with Hard Rock Consulting, LLC ("HRC"), is responsible for the mineral resource estimate presented herein. Mr. Martin is a Qualified Per-son as defined by NI 43-101, and is independent of Canamex Gold Corp. (Canamex).

The mineral resources reported here are classified as Indicated and Inferred in accordance with standards defined by Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") "CIM Definition Standards - For Mineral Resources and Mineral Reserves", prepared by the CIM Standing Committee on Re-serve Definitions and adopted by CIM Council on May 10, 2014. Classification of the resources reflects the relative confidence of the grade estimates.

The Bruner Gold Project mineral resources are reported at cutoff grades that are reasonable for similar deposits in the region. They are based on metallurgical recovery tests, anticipated mining and processing methods, operating and general administrative costs, while also considering economic conditions. These are in accordance with the regulatory requirement that a resource exists "in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction."

Introduction

Mineral resource estimates have been previously estimated for the Paymaster, HRA, and Penelas zones. These estimates have been reported in the technical reports: Tanaka (2015) and WHA (2016).

Subsequent to WHA (2016), additional drilling has been completed at all three zones. WHA used the same methodology used in the previous resource models to generate updated resource models

for all three zones. These models were generated by mineral modeler Randy Martin and reviewed by WHA geologist Doug Willis. WHA believes these models are suitable for a PEA level analysis.

A Summary Table of Mineral Resource by resource zone is presented in Table 14.1. The Mineral Re-source estimate uses a cutoff grade of 0.192 gpt Au, which is the external breakeven cutoff grade for crush material and 0.117 gpt Au which is the internal cutoff grade for crush material. The Paymaster, HRA and Penelas Resource values are all based on conceptual designed pits.

Resource Statement for the Bruner Gold Project, Effective December 26, 2017

RESOURCE ABOVE EXTERNAL BREAKEVEN CUTOFF										
	Indicated > 0.192 gpt Au Equiv					**Inferred > 0.192 gpt Au Equiv**				
Zone	**K-tonnes**	**Au grade gpt**	**Ag grade gpt**	**Cont'd Au k oz**	**Cont'd Ag k oz**	**K-tonnes**	**Au grade gpt**	**Ag grade gpt**	**Cont'd Au k oz**	**Cont'd Ag k oz**
Paymaster	600	1.01	4.4	19	85	200	0.54	1.12	3	7
HRA	4,550	0.61	7.76	89	1,135	250	0.36	5.37	3	43
Penelas	12,350	0.59	4.70	234	1,866	1,650	0.59	4.43	31	235
Sub Total	**17,500**	**0.61**	**5.49**	**342**	**3,086**	**2,100**	**0.56**	**4.23**	**37**	**285**
RESOURCE ABOVE INTERNAL BREAKEVEN CUTOFF AND BELOW EXTERNAL CUTOFF										
	Indicated between 0.117 and .192 gpt Au Equiv					**Inferred between 0.117 and 0.192 gpt Au Equiv**				
Zone	**K-tonnes**	**Au grade gpt**	**Ag grade gpt**	**Cont'd Au k oz**	**Cont'd Ag k oz**	**K-tonnes**	**Au grade gpt**	**Ag grade gpt**	**Cont'd Au k oz**	**Cont'd Ag k oz**
Paymaster	0	0	0	0	0	0	0	0	0	0
HRA	1,150	0.16	4.43	6	164	50	0.17	3.6	0	6
Penelas	900	0.16	3.17	5	92	100	0.16	2.59	1	8
Sub Total	**2,050**	**0.16**	**3.88**	**11**	**256**	**150**	**0.16**	**2.93**	**1**	**14**
TOTAL RESOURCE ABOVE INTERNAL BREAKEVEN CUTOFF										
	Indicated > 0.117 gpt Au Equiv					**Inferred > 0.117 gpt Au Equiv**				
	K-tonnes	**Au grade gpt**	**Ag grade gpt**	**Cont'd Au k oz**	**Cont'd Ag k oz**	**K-tonnes**	**Au grade gpt**	**Ag grade gpt**	**Cont'd Au k oz**	**Cont'd Ag k oz**
Total	**19,550**	**0.56**	**5.32**	**353**	**3,342**	**2,250**	**0.53**	**4.14**	**38**	**299**

Notes:

- The Mineral Resource estimates were prepared in conformity with CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines and are reported in accordance with the Canadian Securities Administrators NI 43-101.
- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves.
- Resources stated as contained within a potentially economic minable open pit design with engineered ramps and smoothed walls; economic cutoff grade parameters are: $1,250/oz Au and $15/oz Ag, 90% gold recovery for crushed material, 10% silver recovery, $2.70/tonne unit mining cost $4.23/tonne processing + G&A+ reclamation cost, 55 degree

inter-ramp pit slopes. Resources are reported using a 0.006 oz/t (0.192 gpt Au equiv.) gold cut-off grade for crush material, and a 0.004 oz/t (0.117 gpt Au equiv.) gold cut-off grade for crush material above internal breakeven but below external breakeven cutoff.

- Numbers in the table have been rounded to reflect the accuracy of the estimate and may not sum due to rounding. Tonnages have been rounded to nearest 50 k-tonnes. Grades have been rounded to nearest 0.01 gpt. Contained ounces have been rounded to nearest K-oz.
- HRA Resource is based on designed pit for $1350/oz Au Price Cone Shell.
- Penelas Resource is based on designed pit for $1350/oz Au Price Cone Shell.
- Paymaster Resource is based on designed pit for $1350/oz Au Price Cone Shell.
- External Breakeven Cutoff is the cutoff where value of metal recovered equals the cost of mining and processing.
    - Internal Breakeven Cutoff is the cutoff where value of metal recovered equals the cost of processing.
- Paymaster has minimal Indicated Resource between 0.117 and 0.192 gpt Au, and no inferred in this range.

New Drilling Information

A complete set of the latest drill hole data for the Bruner Gold Project was provided by Canamex. This new set of data included twenty-three Paymaster zone drill holes that were completed during the 2016 exploration campaign. It also includes nine HRA zone drill holes and eight Penelas Zone drill holes that were completed during the 2017 exploration campaign. These new holes were extracted from the master database and appended to the prior set of drill hole data which was used for the WHA (2016) report. This was done to insure that no changes had occurred to prior drill hole information which WHA had already vetted. The new drill hole information was thoroughly vetted by Doug Willis, CPG (see Section 12). There are a total of 377 drill holes and 103 continuous channel sample strings contained in the Bruner drill hole database. Of these, a total of 54 drill holes and 39 continuous channel sample strings were used for the Paymaster model. A total of 138 drill holes and 56 continuous channel sample strings were used for the HRA model, and 131 drill holes and 8 continuous channel sample strings were used for the Penelas model. The remaining drill holes and channel samples are located outside of the limits established for each resource area. For the purpose of resource modeling, the drill holes and continuous channel sample strings are all considered "drill holes". Summary statistics for the drill hole data are shown in **Table 14.12** through **14.4**.

Summary Statistics for Paymaster Drill Hole Data

Item	Non-Missing	Average	Standard Deviation	Minimum	Maximum	Missing
Interval	3119	1.61	1.26	0.3	46.94	0
Au_ppm	3063	0.28	1.96	0.0	58.50	56
Ag_ppm	2654	2.26	6.07	0.0	125.3	465

Summary Statistics for HRA Drill Hole Data

Item	Non-Missing	Average	Standard Deviation	Minimum	Maximum	Missing
Interval	11856	1.66	1.37	0.15	70.71	0
Au_ppm	11573	0.27	2.08	0.0	118.5	283
Ag_ppm	9337	4.94	19.68	0.0	952.0	2519

Summary Statistics for Penelas Drill Hole Data

Item	Non-Missing	Average	Standard Deviation	Minimum	Maximum	Missing
Interval	15797	1.60	0.73	0.09	49.07	0
Au_ppm	15648	0.22	1.80	0.0	132.3	149
Ag_ppm	13845	2.75	8.40	0.0	328.0	1952

Generation of Downhole Composites

The drill hole assay intervals were composited downhole on 5 meter intervals, using the standard Micro-MODEL downhole compositing method. Basic statistics were run on the composited values and are shown in **Tables 14.5 through 14.7**.

Basic Statistics for Paymaster Drill Hole Composites

Item	Non-Missing	Average	Standard Deviation	Minimum	Maximum	Missing
Interval	1042	4.72	0.98	0.1	5.00	0
Au_ppm	995	0.33	1.85	0.0	35.72	47
Ag_ppm	866	2.53	7.02	0.0	125.3	176

Basic Statistics for HRA Drill Hole Composites

Item	Non-Missing	Average	Standard Deviation	Minimum	Maximum	Missing
Interval	3969	4.86	0.69	0.1	5.00	0
Au_ppm	3773	0.28	1.26	0.0	39.1	196
Ag_ppm	3083	5.06	14.9	0.0	380.5	886

Basic Statistics for Penelas Drill Hole Composites

Item	Non-Missing	Average	Standard Deviation	Minimum	Maximum	Missing

Interval	5036	4.93	0.43	0.1	5.00	0
Au_ppm	4965	0.22	1.14	0.0	45.1	71
Ag_ppm	4408	2.78	7.14	0.0	234.7	628

Description of PACK Method

WHA used a modeling method called PACK, which Tanaka had implemented for all three of the Bruner models, and which WHA had used previously on the Paymaster. The PACK method allows for the generation of a mathematical grade shell. Gold grade modeling is then limited to the volume within these mathematical shells.

> *WHA generated 0.1 ppm gold grade shells for all three deposits. A second inner 0.3 ppm gold grade shell was generated for HRA. This was previously done by Tanaka, in order to more accurately represent a supergene enrichment zone in the upper areas of HRA.*
>
> *The following is a description of the PACK method from the Tanaka (2015) report:*
>
> *The PACK approach produces block estimates for the indicators that consist of numbers between 0 and 1 that are analogous to the decimal probability that the block is above or below the selected threshold grade upon which the indicator assignments are based. Selection of the appropriate indicator estimate value to use to constrain the estimate varies, but is most commonly based on examination of the results against the original drill hole data in section. In the case of all three deposits the highly variable orientation of drill holes precludes accurate assessment of the appropriate value visually and an alternative approach was used.*
>
> *The block indicator estimates were back-estimated to the composites using a nearest neighbor assignment with the identical anisotropic search used in the original indicator estimate. This assigns the nearest (in anisotropic space) block indicator value to the composites. The composite table is then brought into a spreadsheet for analysis.*
>
> *The analysis consists of comparing the original "1''s and 0's" assigned on the basis of the threshold se-lection to the indicator estimates and testing which value for the estimates most closely balances the errors of below-threshold composites included against errors of above-threshold composites excluded. The resulting number is then selected as the value that best defines both the volume to receive the estimate and the data to inform the estimate. In addition to offering an objective means of optimizing the indicator estimate value to define the eligible blocks, this approach also obviates the need to create a solid for locating eligible composites.*

3-D Rock Model

Generation of 3-D Rock Model

For each of the three models, a 3-D Rock Model was created as required by the MicroMODEL software. The rock model is usually a representation of the deposit geology. In the Bruner models, it is actually a mix of lithology and grade shell domains.

There is not yet a complete 3-D model of lithology available for any of the Bruner deposits, although some progress has been made in this regard.

The rock codes that were used in the Bruner models are as follows:

- 0 = Air Blocks
- 1 = 0.1 g/tonne Gold Grade Shell Domain
- 3 = 0.3 g/tonne Gold Grade Shell Domain
- 10 = Alluvium
- 9999 = Default Rock Code

Table 14.8 gives a summary of the counts for each rock code in each of the zones.

Bruner 3-D Rock Model Counts

Zone	Code 0 (Air)	Code 1 (0.1Au)	Code 3 (0.3Au)	Code 10 (Alluvium)	Code 9999 (Default)	Total Count
Paymaster	573,356	5,985	n/a	2,133	589,806	1,171,280
HRA	476,363	80,850	14,146	0	1,502,321	2,073,680
Penelas	545,571	194,547	n/a	61,149	1,464,003	2,265,270

Lithology Type Statistics

Canamex provided WHA with a geological database which assigns lithological rock type codes to each interval of drilling and channel sampling contained within the assay database. The geological database was assembled by Canamex geologists by reviewing drilling logs prepared by geologists responsible for the interpretation of lithology and alteration encountered in each drill hole and channel sample interval. Although alteration characteristics of each interval are coded in the database, no attempt was made to incorporate the information into a statistical analysis. A description of the lithological rock codes assigned in the geological database in shown in **Table 14.9.**

Lithology Type Rock Codes

Lithology Code	Description
Qal	alluvium
Tl	latite
Trhy	rhyolite
Tas	andesitic volcaniclastic sediments
Ta	andesite
Void/Workings	void/underground workings
No Sample	no Sample

Tvs	tuffaceous siltstone and sandstone
no descr	no description

A statistical analysis of the lithologic data was conducted to ascertain gold content in each of the rock types. Based on the statistical analysis, it is clear that the most prominent lithological units in terms of frequency count and gold mineralization at Bruner are the latite and rhyolite units. Although the andesitic volcaniclastic sediments and tuffaceous sediments units represent a lower frequency count, both units display amenability to gold mineralization. The alluvium lithology type does display a minor gold content, but the distribution of gold in alluvium cannot be quantified and therefore, for the purpose of resource modeling, alluvium is considered barren. Two phases of andesite occur at Bruner: basal andesite occurs as a massive unit underlying the felsic (rhyolite and latite) section and is considered barren, and andesite dikes which appear to be younger basaltic andesite dikes that are coeval with gold mineralization and can be mineralized. The majority of andesite intercepted in drilling at Bruner occurs in the Penelas zone and is primarily the andesite dike phase. The statistical analysis of gold content within each rock type is presented as **Table 14.10**.

Gold Content by Lithology Type (Weighted by Interval Length)

Lith. Code	Lith. Type	Count	Min (g/t)	Max (g/t)	Mean (g/t)	Var. (g/t)	Std. Dev. (g/t)	Coef. of Var.	Raw Count*Mean	% of Gold Contained (footage factored)
10	QAL	1,627	0.000	1.678	0.034	0.004	0.064	1.872	55.8	0.8
20	TA	1,696	0.000	29.547	0.100	1.088	1.043	10.453	169.2	2.3
21	TAS	1,209	0.000	1.027	0.039	0.007	0.081	2.085	47.0	0.6
30	TL	13,168	0.000	118.500	0.240	4.226	2.056	8.583	3154.0	43.0
40	TRHY	12,022	0.000	132.350	0.245	3.782	1.945	7.932	2947.3	40.2
50	TVS	1,904	0.000	33.400	0.141	0.815	0.903	6.406	268.4	3.7
90	VOID/WKG	3	0.151	0.867	0.425	0.149	0.386	0.908	1.3	0.0
99	NO SAMP	14	0.000	9.505	0.870	6.246	2.499	2.874	12.2	0.2
9999	UNKNWN	1,809	0.000	35.719	0.373	3.337	1.827	4.904	673.9	9.2
								TOTAL	7329.0	100

As shown on the above table, codes *VOID/WKG* and *NO SAMP* both returned mineralized assay results. In the case of voids and workings, it is assumed that during drilling the geologist preparing the geologic logs recorded the interval as being void or workings when in fact there was minor return of sample prior to or after the drilling encountered the void. In the case of the no sample descriptions, it is assumed that poor drilling conditions caused by loss of circulation limited the sample return and the decision to forego the collection of geologist samples was made to ensure enough sample volume for assays.

Lithological Boundaries Modeling

Qal Modeling

Gridded surface models of the base of alluvium for both the Paymaster and Penelas zones were provid-ed to WHA by Canamex personnel. The HRA zone has insignificant alluvial cover, so no surface was provided for HRA.

The gridded surfaces were imported into MicroMODEL. Any 3-D rock model blocks falling between cur-rent topo and the bottom of the alluvium were recoded to 10. Blocks coded as alluvium were not allowed to be part of the 0.1 g/tonne gold indicator shell.

Surfaces were also checked by plotting sections showing the Qal intervals in drill holes overlain by a pro-file of the alluvium surface. There appeared to be reasonable correlation between the drill hole information and the imported surface.

Basal Andesite Modeling

Gridded surface models for the top of the Basal Andesite unit were provided to WHA by Canamex personnel. These surfaces were imported to MicroMODEL and then displayed as a 3-D surface in conjunction with the cone surface generated at a $1550 gold price (this is the highest gold price which was evaluated, and it generates the largest and deepest pit). From this display, it was concluded that the basal andesite unit is always below the pit shells, and as such, has no effect on the resource calculations.

Swath Plots

Swath Plots for Gold

WHA generated swath plots showing tonnes above a 0.192 AuEq cutoff grade, 5-mtr composite gold grade, and block gold grade for each zone. Swath plots are a visual tool used by some to evaluate grade models. Example swath plots for each zone are shown in **the Figures 14.1** through **14.3**.

Figure 14.1: Paymaster Gold Swath Plot

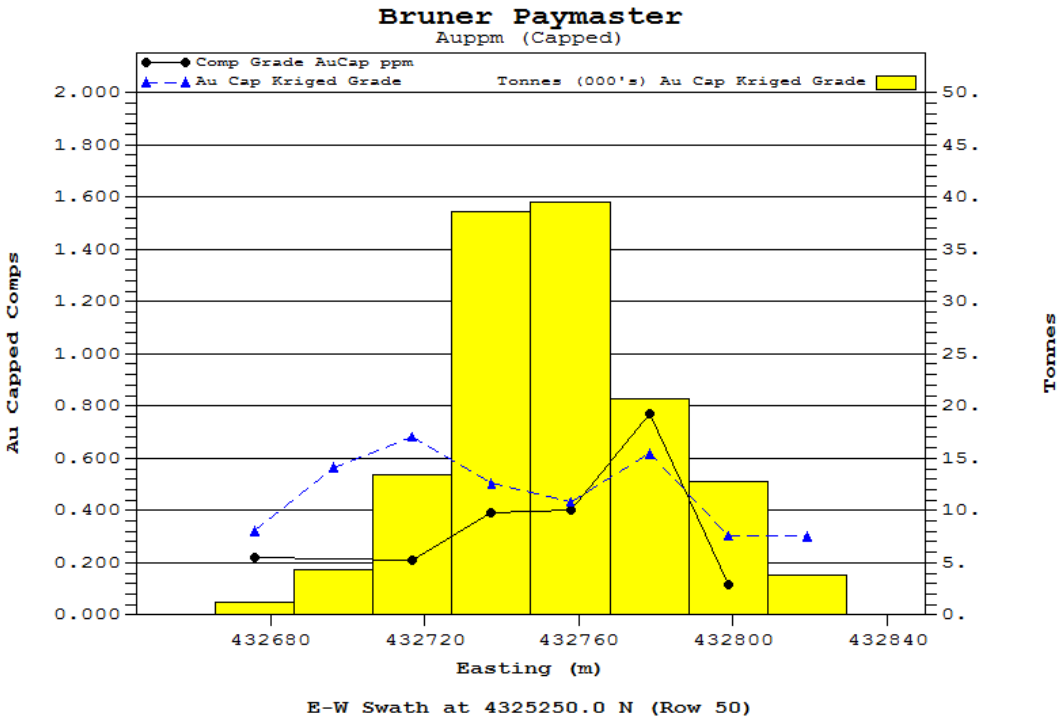


Figure 14.2: HRA Gold Swath Plot

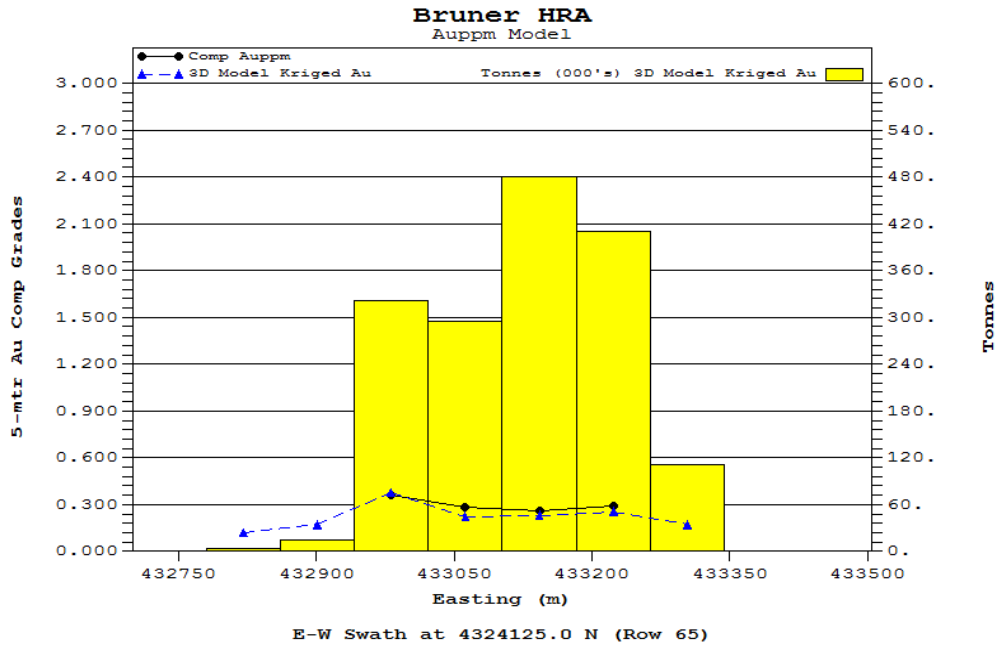
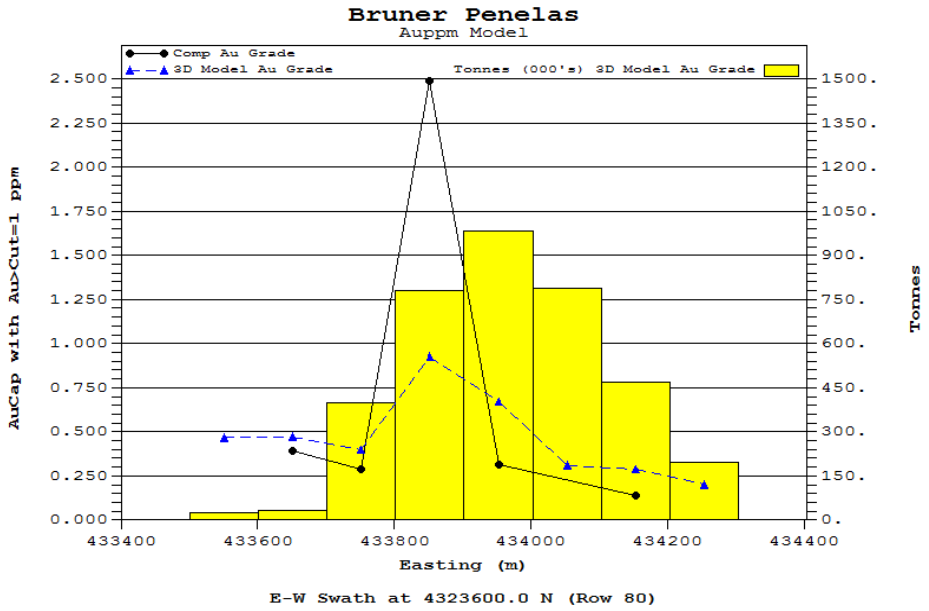


Figure 14.3: Penelas Gold Swath Plot



Swath Plots for Silver

WHA generated swath plots showing tonnes above a 0.192 AuEq cutoff grade, 5-mtr composite silver grade, and block silver grade for each zone. Example swath plots for each zone are shown in the **Figures 14.4** through **14.6**.

Figure 14.4: Paymaster Silver Swath Plot

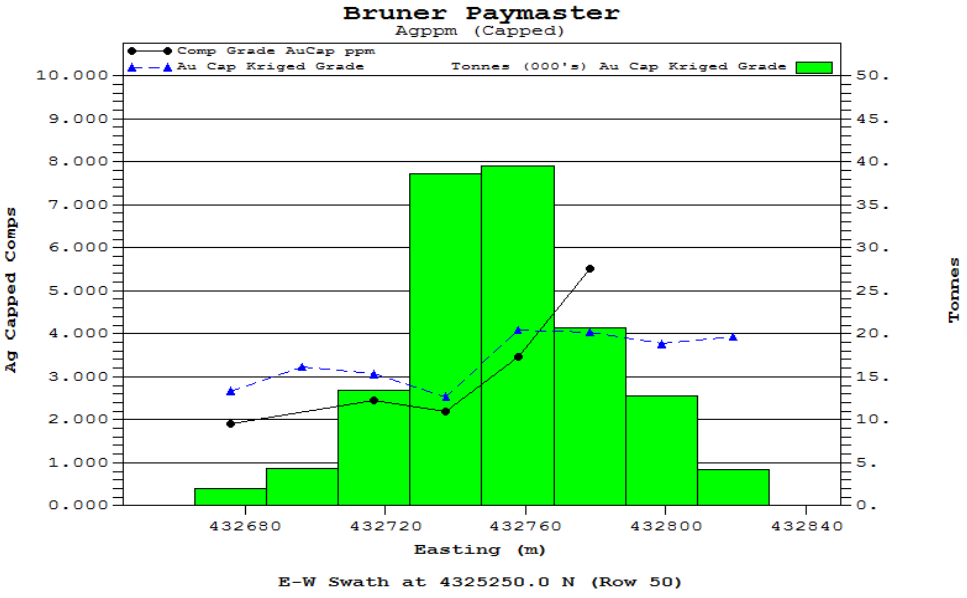


Figure 14.5: HRA Silver Swath Plot

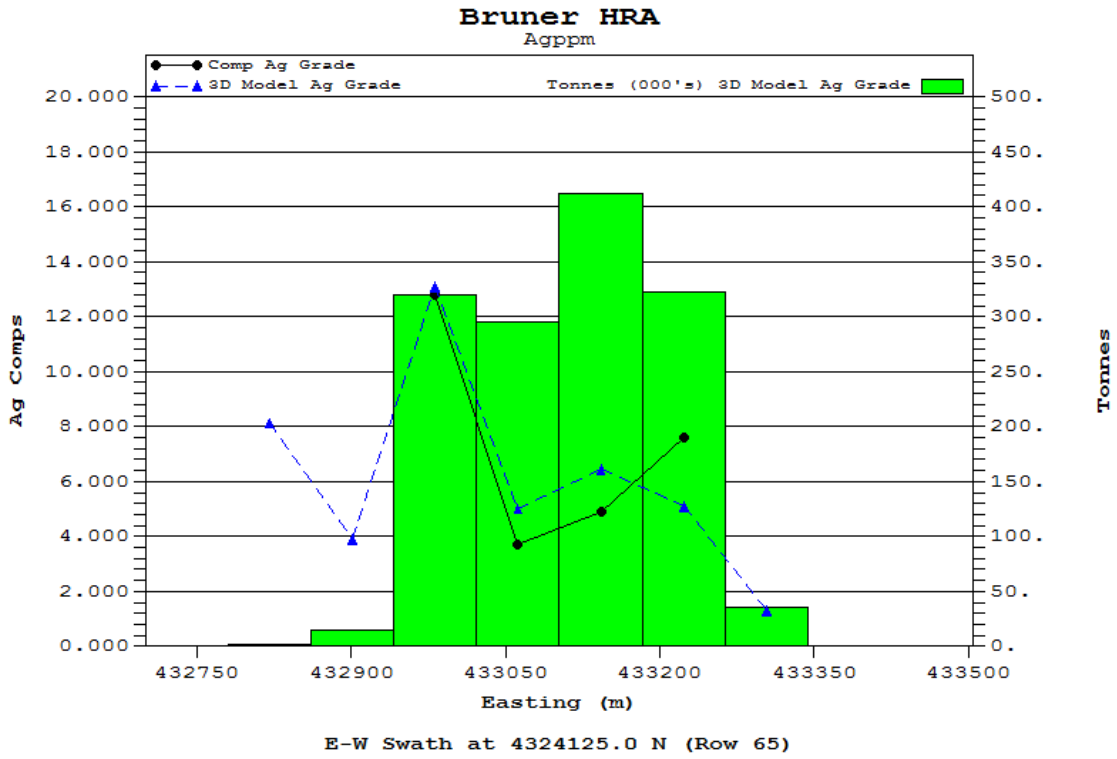
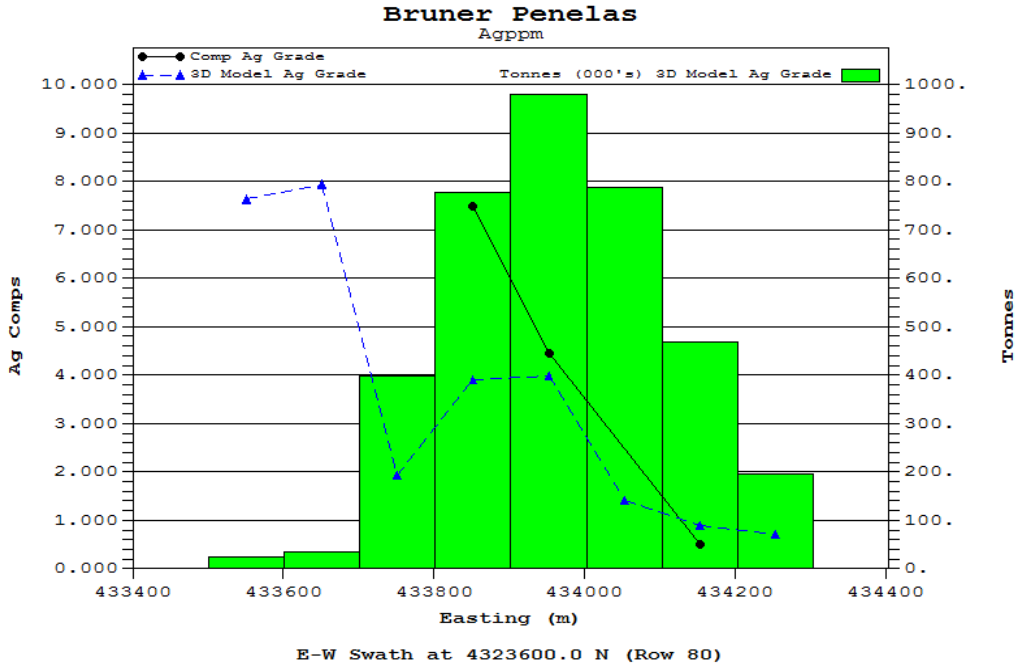


Figure 14.6: Penelas Silver Swath Plot



Gold Capping

A gold capping study was performed for each resource zone, using the latest set of composite data. Calculations were based on the same methods that were used in the previous Tanaka (2015) report. With this method, the need for capping is assessed by studying the population of informing composites which are above the external cutoff grade (0.192 ppm Au) for each modeled indicator zone. A capping cutoff is chosen above which there are roughly one percent of these composites. If the excess metal content (that which is between the capping cutoff and the composite grade) of these chosen composites exceeds ten percent of the total metal content of all composites in the study, then capping is warranted. Results of this study are presented in **Table 14.11**. Note that a capping value for silver is also reported. The silver cap is chosen visually, at a point in the silver cumulative frequency curve where composites begin to deviate from the overall trend.

Gold Capping Study Results

Zone	Indicator Cutoff (ppm Au)	Cap Threshold (ppm Au)	Total Informing Comps > 0.192 ppm Au	Total Informing Comps > Cap Threshold	% of Au Comps > Threshold (%)	Percent of Au Metal (%)	Visual Inspection Ag Cap (ppm Ag)	Cap? Yes/No
Paymaster	0.1	15.0	184	2	1.1	14.1	26.0	Yes
HRA	0.1	12.0	853	9	1.1	9.4	75.0	No
HRA	0.3	16.5	513	5	1.0	7.0	75.0	No
Penelas	0.1	10.2	962	9	0.9	9.9	50.0	No

Based on these results, the Paymaster Zone is reported using a capped model as the base case, while the HRA and Penelas continue to be reported using an uncapped model as the base case. It should be noted that both HRA and Penelas are near the ten percent decision limit suggested by Tanaka. WHA continues to use the Tanaka method for assessing whether capping is appropriate or not, in order to pro-vide continuity in the method by which resource models have been generated to this point.

Gold values were capped using the same formula as Tanaka (2015), for the sake of consistency. (Re-duce the component of grade value above the selected cap value (CV) by a factor of ten):

- AuCap = Auppm + 0.1*(Auppm-CV)

Silver values were capped using the same type of formula. (Reduce the component of grade value above the selected cap value (CV) by a factor of ten):

- AgCap = Agppm + 0.1*(Agppm-CV)

Topography Data

Current topography encompassing the Bruner Project was imported for each zone from the topography grid file (pay_topo.txt) used in the previous reports by Tanaka (2015) and WHA (2016)

Paymaster Zone Resource Modeling

New gold and silver grade models were generated for the Paymaster zone. The 3-D block model limits for the Paymaster zone is shown in the following table:

Paymaster Zone Model Limits and Block Model Parameters

Item	Value	Units
Lower Left Corner Easting	432,400	meters
Lower Left Corner Northing	4,325,000	meters
Lower Left Corner Elevation	1745	meters
Model Rotation Angle	0	degrees
Column Width	5	meters
Row Width	5	meters
Bench Height	5	meters
Number of Columns	121	-
Number of Rows	121	-
Number of Benches	80	-

Indicator Variograms

Experimental Indicator variograms were run for gold at an 0.1 g/tonne cutoff. Inspection of the results including the new 2016-2017 drilling data for the directions that were identified by Tanaka as the primary, secondary, and tertiary directions showed that the Tanaka models could be reused. That is, the indicator variography did not change significantly with the new drilling. Similar findings were made for HRA and Penelas. **Figures 14.7** through **14.9** present the indicator variograms for the Paymaster zone.

Figure 14.7: Paymaster Primary Direction Indicator Variogram

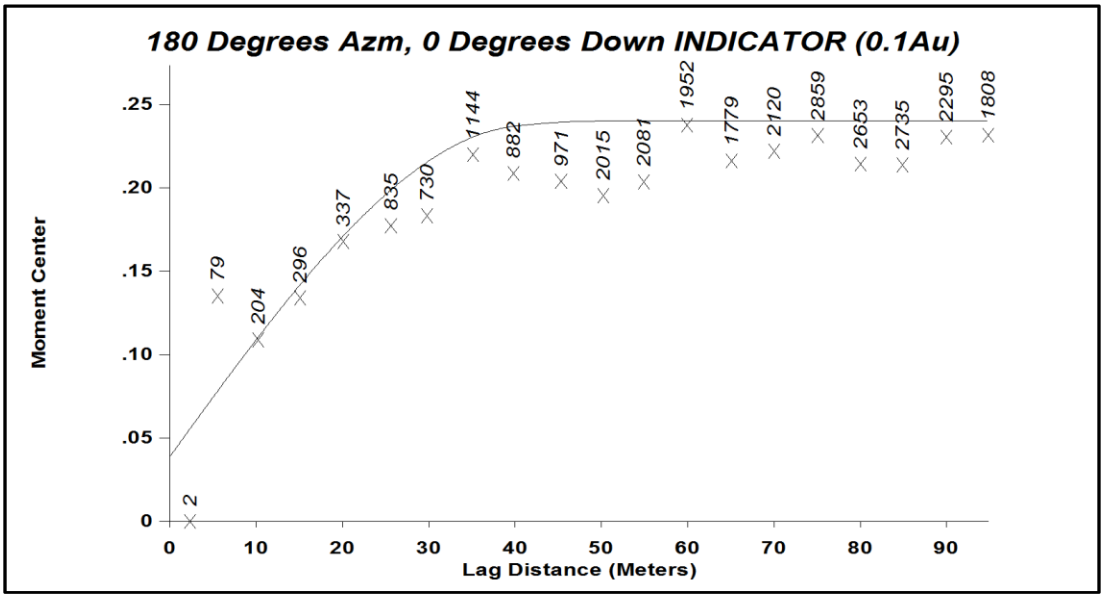


Figure 14.8: Paymaster Secondary Direction Indicator Variogram

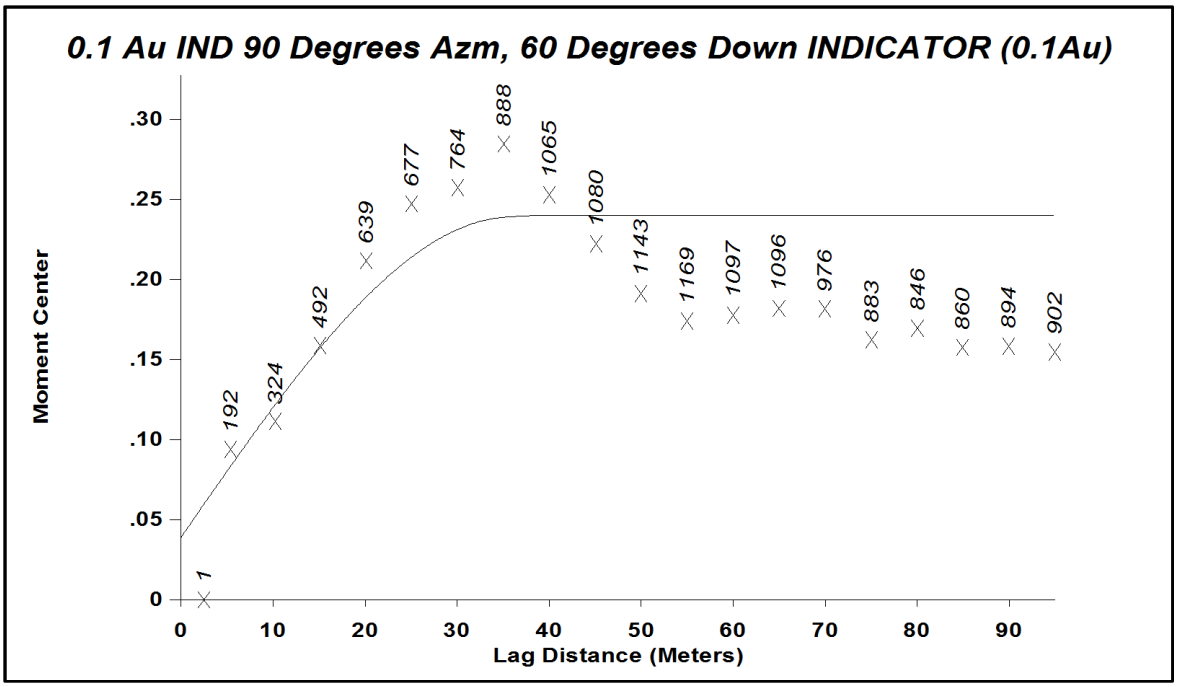
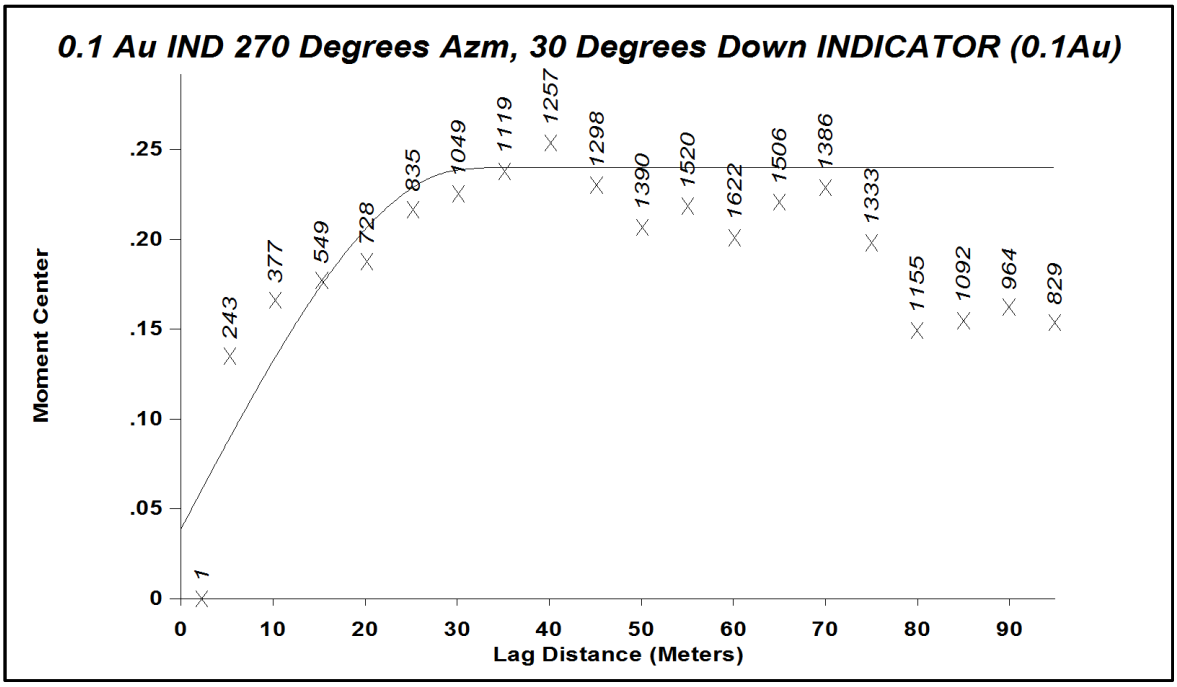


Figure 14.9: Paymaster Tertiary Direction Indicator Variogram



An indicator model was generated using the parameters listed in **Table 14.13**:

Paymaster 0.1 Gold Indicator Modeling Parameters

MODEL DESCRIPTION	**Paymaster Auppm 0.1 Indicator**					
	Informing Composite Statistics (0.1Au)					
	Count	Minimum Auppm	Maximum Auppm	Mean Auppm	Std. Dev.	Coefficient of Variance
	995	0	1	0.307	0.46	1.51
SEARCH PARAMETERS						
Search Type:	15 Closest Points					
Maximum pts from single DH:	5					
Isotropic Search Range:	N/A					
Primary Axis Length:	40					
Secondary Axis Length:	50					
Tertiary Axis Length:	35					
First MM Rotation Angle:	90					
Second MM Rotation Angle:	60					
Third Rotation Angle (Rake):	0					
Match Composite Code:	ROCK	(All)				
Match 3-D Model Code:	ROCK	(All)				
MODEL PARAMETERS						
Block Estimation Detail:	3	(4x4 grid)				
Minimum Number of Pts Req:	3					
		Prim. Axis Len	Secon. Axis Len	Tert. Axis Len		
Anisotropy Number:	1	35	40	30		
Anisotropy Number:	2	40	50	35		
Variogram Nugget:	0.163	Sill Value	Range	Anisotropy #		
Variogram Model:	Spherical	0.612	35	1		
Variogram Model:	Spherical	0.224	40	2		
	Model Statistics (KRIGED Au_Ind)					
	Count	Minimum Auppm	Maximum Auppm*	Mean Auppm	Std. Dev.	Coefficient of Variance
	59188	0	1	0.188	0.25	1.33

Paymaster Indicator Model Cutoff Selection

The five meter composites were backmarked from the 3-D indicator model. A file containing Au grade, and backmarked indicator value was generated. This file was analyzed to find the optimal indicator estimate cutoff value. **Table 14.14** summarizes the selection:

Paymaster 0.1 g/Tonne Au Indicator Estimate Cutoff Value

	Paymaster 0.1 Au Indicator			
	0.1 ppm Au Zone	0.1 ppm Au percent error	Avg. Grade of Errors Au ppm	Avg. Grade Selected Au ppm
Selected Indicator Cutoff:	0.4725			0.974
Total Positive Errors:	35	3.52	0.053	
Total Negative Errors:	35	3.52	0.247	
Total Net Error:	0	0.00		

Selecting an indicator cutoff value of 0.4725 gives an average grade of composites within the envelope of 0.974 gpt gold. A total of 35 composites (3.5% of the total) are included in that envelope that are below the threshold (0.1 gpt Au) and have an average grade of 0.053 gpt gold. A total of 35 composites above the threshold (0.1 gpt Au) are excluded from the envelope and have an average grade of 0.247 gpt gold.

In order to prepare for the ordinary kriging of gold grades within the zone that was defined using the PACK method, all composites with a back marked indicator value of 0.4725 or greater were assigned a ROCK code of 1. All other composites were assigned a ROCK code of 9999. In addition, a 3-D ROCK model was created based on the Au indicator model. If the indicator value is greater than or equal to 0.4725, then the ROCK was set to 1. Otherwise, ROCK was set to 9999. Then, model blocks that are of ROCK code 1 were modeled using composites that were of ROCK code 1.

Paymaster Capped Gold Model

WHA was unable to generate meaningful directional variograms for the capped Au composites. The gold variogram from the Tanaka report was re-used to create the Capped Gold Model. This variogram was based on the downhole gold variogram nugget and also incorporated sills and ranges from the indicator variogram.

The capping study for Paymaster shows that the gold should be capped (see **Table 14.11**). This capped gold model was generated using the parameters listed in **Table 14.15**.

Paymaster Capped Gold Modeling Parameters

MODEL DESCRIPTION **Paymaster AuCap**

Informing Composite Statistics (AuCap)					
Count	Minimum Auppm	Maximum Auppm	Mean Auppm	Std. Dev.	Coefficient of Variance
305	0.009	17.07	0.856	2.15	2.52

SEARCH PARAMETERS

Search Type:	15 Closest Points	
Maximum pts from single DH:	5	
Isotropic Search Range:	N/A	
Primary Axis Length:	40	
Secondary Axis Length:	50	
Tertiary Axis Length:	35	
First MM Rotation Angle:	90	
Second MM Rotation Angle:	60	
Third Rotation Angle (Rake):	0	
Match Composite Code:	Au>Cut	1
Match 3-D Model Code:	ROCK	1

MODEL PARAMETERS

Block Estimation Detail:	3	(4x4 grid)		
Minimum Number of Pts Req:	4			
		Prim. Axis Len	Secon. Axis Len	Tert. Axis Len
Anisotropy Number:	1	35	40	30
Anisotropy Number:	2	40	50	35

Variogram Nugget:	0.341	Sill Value	Range	Anisotropy #
Variogram Model:	Spherical	0.318	35	1
Variogram Model:	Spherical	0.341	40	2

Model Statistics (KRIGED AuCap)					
Count	Minimum Auppm	Maximum Auppm	Mean Auppm	Std. Dev.	Coefficient of Variance
4577	0	7.85	0.714	0.81	1.14

Paymaster Capped Silver model

A kriged model was generated for silver in the new Paymaster resource model, based on the silver composites found within the mineralized zone defined by the gold indicator model. The downhole variogram model for silver within the mineralized zone was used. Modeling parameters for the capped silver model are listed in Table 14.16. The downhole variogram for Paymaster silver ppm is shown in **Figure 14.10.**

Paymaster Capped Silver Model Parameters

MODEL DESCRIPTION **Paymaster AgCap**

Informing Composite Statistics (AgCap)					
Count	Minimum Agppm	Maximum Agppm	Mean Agppm	Std. Dev.	Coefficient of Variance
285	0	35.93	5.010	6.36	1.27

SEARCH PARAMETERS

Search Type:	15 Closest Points	
Maximum pts from single DH:	5	
Isotropic Search Range:	50	
Primary Axis Length:	50	
Secondary Axis Length:	50	
Tertiary Axis Length:	50	
First MM Rotation Angle:	0	
Second MM Rotation Angle:	0	
Third Rotation Angle (Rake):	0	
Match Composite Code:	Au>Cut	1
Match 3-D Model Code:	ROCK	1

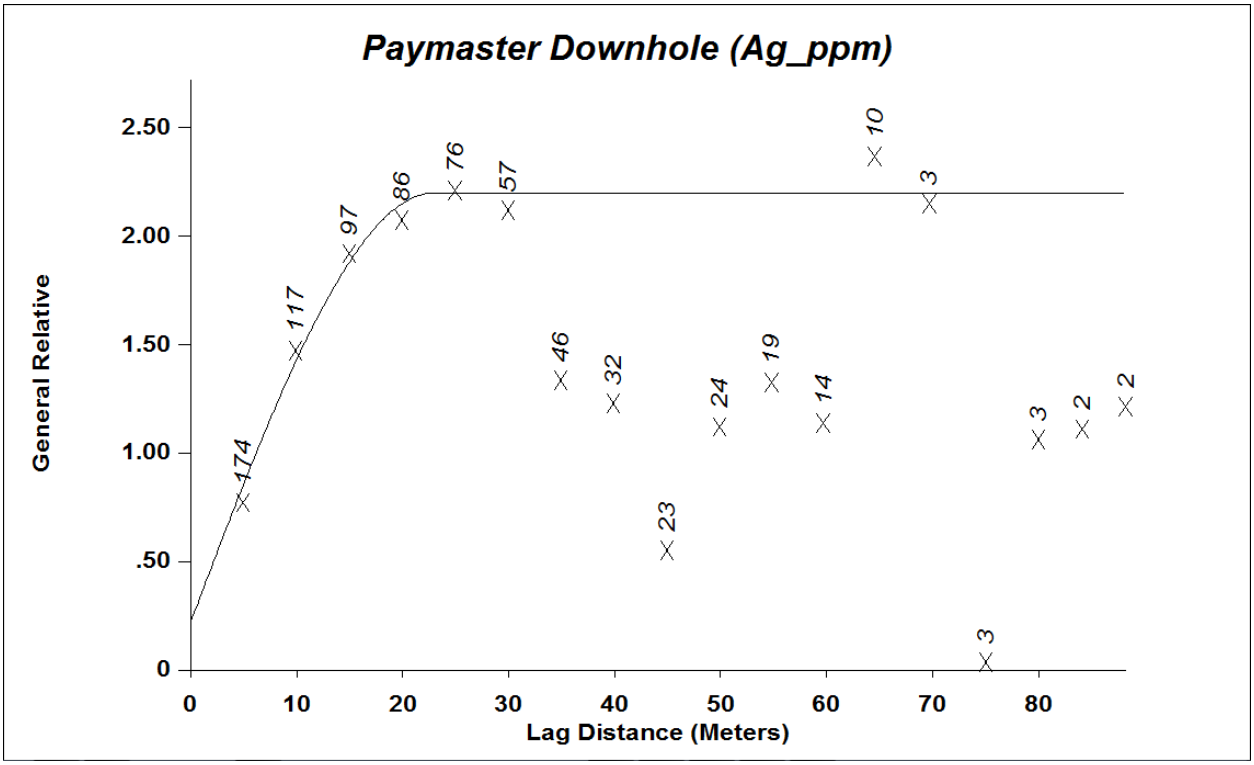
MODEL PARAMETERS

Block Estimation Detail:	3	(4x4 grid)		
Minimum Number of Pts Req:	4			
		Prim. Axis Len	Secon. Axis Len	Tert. Axis Len
Anisotropy Number:	1	n/a	n/a	n/a
Anisotropy Number:	2	n/a	n/a	n/a

Variogram Nugget:	0.10	Sill Value	Range	Anisotropy #
Variogram Model:	Spherical	0.90	23	n/a
Variogram Model:	Spherical	n/a	n/a	n/a

Model Statistics (KRIGED Ag)					
Count	Minimum Agppm	Maximum Agppm	Mean Agppm	Std. Dev.	Coefficient of Variance
4455	0	22.65	3.68	2.88	0.78

Figure 14.10: Paymaster Downhole Silver Variogram



HRA Zone Resource Modeling

New gold and silver grade models were generated for the HRA zone. The 3-D block model limits for the HRA zone are shown in the following table:

HRA Zone Model Limits and Block Model Parameters

Item	Value	Units
Lower Left Corner Easting	432,700	meters
Lower Left Corner Northing	4,323,800	meters
Lower Left Corner Elevation	1745	meters
Model Rotation Angle	0	degrees
Column Width	5	meters
Row Width	5	meters
Bench Height	5	meters
Number of Columns	161	-
Number of Rows	161	-
Number of Benches	80	-

Indicator Variograms

For the HRA zone, interpretation of a pronounced supergene zone led to definition of two gold domains: a low-grade supergene halo surrounding a higher-grade “core”. HRA was modeled using

two grade shells based on a lower 0.1 g/tonne cutoff, as used in the other deposits, plus a higher 0.3 g/tonne cutoff. Experimental Indicator variograms were run for gold at a 0.1 g/tonne cutoff, and at a 0.3 g/tonne cutoff. Inspection of the results including the new 2016-2017 drilling data for the directions that were identified by Tanaka as the primary, secondary, and tertiary directions showed that the Tanaka models could be re-used. That is, the indicator variography did not change significantly with the new drilling. Figures 14.11 and 14.12 show the HRA 0.1 Au and 0.3 Au indicator variograms for the Tanaka primary direction, respectively.

Figure 14.11: HRA 0.1 Au Indicator Variogram for the Tanaka Primary Direction.

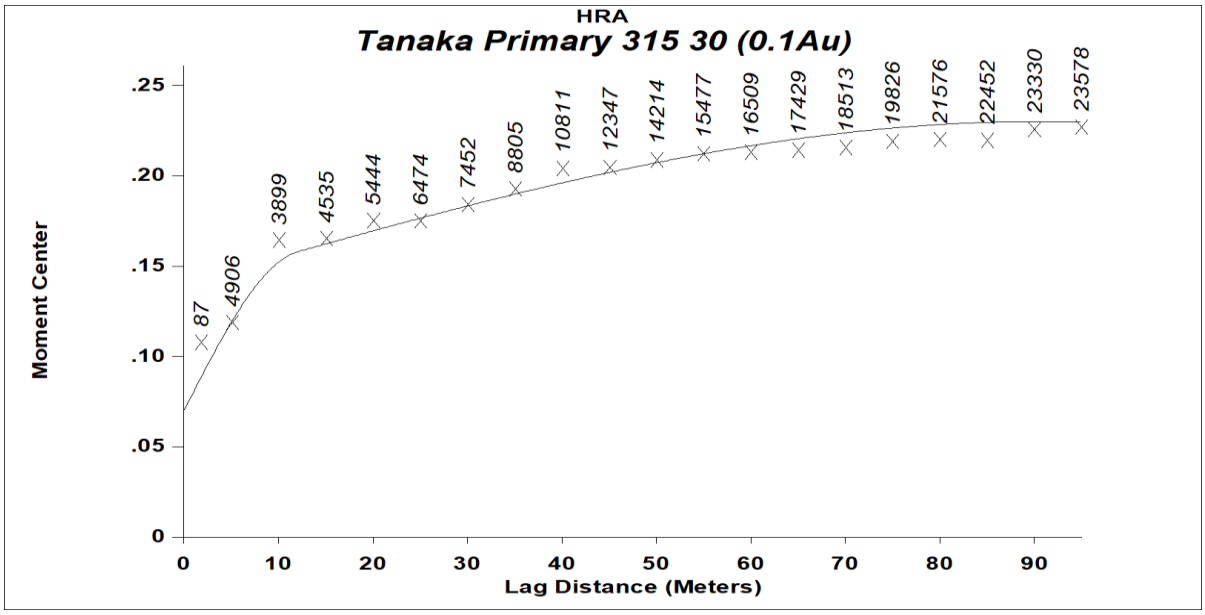
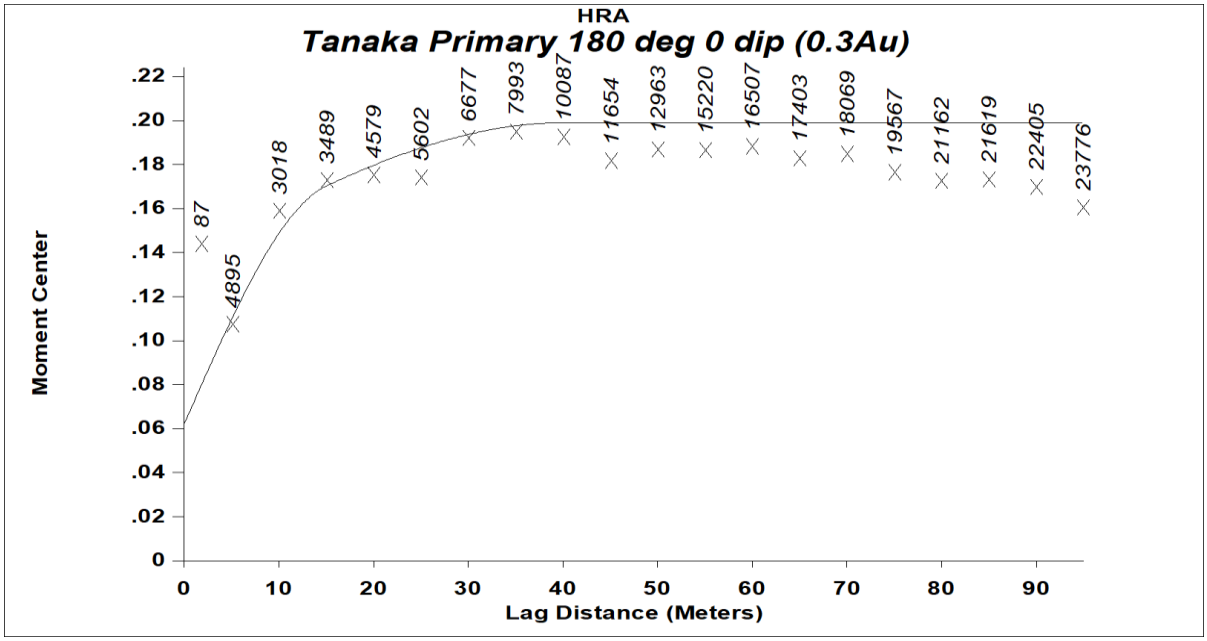


Figure 14.12: HRA 0.3 Au Indicator Variogram for the Tanaka Primary Direction.



An indicator model for the 0.1 g/tonne cutoff was generated using the parameters listed in **Table 14.18**.

HRA 0.1 Indicator Model Parameters

MODEL DESCRIPTION **HRA Auppm 0.1 Indicator**

Informing Composite Statistics (0.1Au)					
Count	Minimum Auppm	Maximum Auppm	Mean Auppm	Std. Dev.	Coefficient of Variance
3773	0	1	0.397	0.49	1.23

SEARCH PARAMETERS

Search Type:	15 Closest Points	
Maximum pts from single DH:	5	
Isotropic Search Range:	N/A	
Primary Axis Length:	90	
Secondary Axis Length:	60	
Tertiary Axis Length:	70	
First MM Rotation Angle:	315	
Second MM Rotation Angle:	30	
Third Rotation Angle (Rake):	0	
Match Composite Code:	ROCK	(All)
Match 3-D Model Code:	ROCK	(All)

MODEL PARAMETERS

Block Estimation Detail:	3	(4x4 grid)		
Minimum Number of Pts Req:	3			
		Prim. Axis Len	Secon. Axis Len	Tert. Axis Len
Anisotropy Number:	1	12	15	20
Anisotropy Number:	2	90	60	70

Variogram Nugget:	0.367	Sill Value	Range	Anisotropy #
Variogram Model:	Spherical	0.224	12	1
Variogram Model:	Spherical	0.408	90	2

Model Statistics (KRIGED Au_Ind)					
Count	Minimum Auppm	Maximum Auppm*	Mean Auppm	Std. Dev.	Coefficient of Variance
558150	0	1	0.236	0.26	1.08

An indicator model for the 0.3 g/tonne cutoff was generated using the parameters listed in **Table 14.19**.

HRA 0.3 Indicator Model Parameters

MODEL DESCRIPTION **HRA Auppm 0.3 Indicator**

Informing Composite Statistics (0.3Au)					
Count	Minimum Auppm	Maximum Auppm	Mean Auppm	Std. Dev.	Coefficient of Variance
3773	0	1	0.16	0.36	2.29

SEARCH PARAMETERS

Search Type:	15 Closest Points	
Maximum pts from single DH:	5	
Isotropic Search Range:	N/A	
Primary Axis Length:	40	
Secondary Axis Length:	30	
Tertiary Axis Length:	70	
First MM Rotation Angle:	180	
Second MM Rotation Angle:	0	
Third Rotation Angle (Rake):	0	
Match Composite Code:	ROCK	(All)
Match 3-D Model Code:	ROCK	(All)

MODEL PARAMETERS

Block Estimation Detail:	3	(4x4 grid)		
Minimum Number of Pts Req:	3			
		Prim. Axis Len	Secon. Axis Len	Tert. Axis Len
Anisotropy Number:	1	15	10	40
Anisotropy Number:	2	40	30	70

Variogram Nugget:	0.383	Sill Value	Range	Anisotropy #
Variogram Model:	Spherical	0.290	15	1
Variogram Model:	Spherical	0.328	40	2

Model Statistics (KRIGED Au_Ind)					
Count	Minimum Auppm	Maximum Auppm*	Mean Auppm	Std. Dev.	Coefficient of Variance
301371	0	1	0.079	0.15	1.88

HRA Indicator Model Cutoff Selection

The five meter composites were backmarked from each of the two 3-D indicator models. A file containing Au grade, and backmarked indicator value was generated. This file was analyzed to find the optimal indicator estimate cutoff value for that zone. The tables below summarize the selections:

HRA 0.1 g/Tonne Au Indicator Estimate Cutoff Value

	HRA 0.1 Au Indicator			
	0.1 ppm Au Zone	0.1 ppm Au percent error	Avg. Grade of Errors Au ppm	Avg. Grade Selected Au ppm
Selected Indicator Cutoff:	0.4915			0.614
Total Positive Errors:	186	4.73	0.065	
Total Negative Errors:	186	4.73	0.285	
Total Net Error:	0	0.00		

HRA 0.3 g/Tonne Au indicator Estimate Cutoff Value

	HRA 0.3 Au Indicator			
	0.1 ppm Au Zone	0.1 ppm Au percent error	Avg. Grade of Errors Au ppm	Avg. Grade Selected Au ppm
Selected Indicator Cutoff:	0.4105			1.22
Total Positive Errors:	157	3.99	0.165	
Total Negative Errors:	157	3.99	0.633	
Total Net Error:	0	0.00		

Uncapped gold models were generated for the HRA 0.1 and 0.3 g/tonne indicator domains. Details are given in **Tables 14.22** and **14.23**.

Generation of HRA Gold Model

MODEL DESCRIPTION	HRA Auppm1					
	Informing Composite Statistics (Au_ppm)					
	Count	Minimum Auppm	Maximum Auppm	Mean Auppm	Std. Dev.	Coefficient of Variance
	911	0	5.73	0.220	0.31	1.4

SEARCH PARAMETERS		
Search Type:	15 Closest Points	
Maximum pts from single DH:	5	
Isotropic Search Range:	N/A	
Primary Axis Length:	90	

Secondary Axis Length:	90	
Tertiary Axis Length:	60	
First MM Rotation Angle:	70	
Second MM Rotation Angle:	315	
Third Rotation Angle (Rake):	30	
Match Composite Code:	1Only	1
Match 3-D Model Code:	ROCK	1

MODEL PARAMETERS

Block Estimation Detail:	3	(4x4 grid)
Minimum Number of Pts Req:	4	

		Prim. Axis Len	Secon. Axis Len	Tert. Axis Len
Anisotropy Number:	1	12	15	20
Anisotropy Number:	2	90	60	70

Variogram Nugget:	0.293	Sill Value	Range	Anisotropy #
Variogram Model:	Spherical	0.293	12	1
Variogram Model:	Spherical	0.415	90	2

Model Statistics (KRIGED Au)					
Count	Minimum Auppm	Maximum Auppm	Mean Auppm	Std. Dev.	Coefficient of Variance
71369	0.064	2.017	0.223	0.09	0.41

HRA 0.1 Au Zone Gold Model Parameters

MODEL DESCRIPTION	**HRA Auppm3**

Informing Composite Statistics (Au_ppm)					
Count	Minimum Auppm	Maximum Auppm	Mean Auppm	Std. Dev.	Coefficient of Variance
602	0.003	39.06	1.220	2.96	2.42

SEARCH PARAMETERS

Search Type:	15 Closest Points	
Maximum pts from single DH:	5	
Isotropic Search Range:	N/A	
Primary Axis Length:	40	
Secondary Axis Length:	40	
Tertiary Axis Length:	30	
First MM Rotation Angle:	70	
Second MM Rotation Angle:	180	
Third Rotation Angle (Rake):	0	
Match Composite Code:	Au>Ct3	1
Match 3-D Model Code:	ROCK	3

MODEL PARAMETERS

Block Estimation Detail:	3	(4x4 grid)		
Minimum Number of Pts Req:	4			
		Prim. Axis Len	Secon. Axis Len	Tert. Axis Len
Anisotropy Number:	1	15	10	40
Anisotropy Number:	2	40	30	70

Variogram Nugget:	0.328	Sill Value	Range	Anisotropy #
Variogram Model:	Spherical	0.344	15	1
Variogram Model:	Spherical	0.328	40	2

Model Statistics (KRIGED Au)					
Count	Minimum Auppm	Maximum Auppm	Mean Auppm	Std. Dev.	Coefficient of Variance
10751	0.207	11.3	0.959	0.80	0.83

HRA 0.3 Au Zone Gold Model Parameters

MODEL DESCRIPTION	**HRA Auppm3**

Informing Composite Statistics (Au_ppm)					
Count	Minimum Auppm	Maximum Auppm	Mean Auppm	Std. Dev.	Coefficient of Variance
602	0.003	39.06	1.220	2.96	2.42

SEARCH PARAMETERS

Search Type:	15 Closest Points	
Maximum pts from single DH:	5	
Isotropic Search Range:	N/A	
Primary Axis Length:	40	
Secondary Axis Length:	40	
Tertiary Axis Length:	30	
First MM Rotation Angle:	70	
Second MM Rotation Angle:	180	
Third Rotation Angle (Rake):	0	
Match Composite Code:	Au>Ct3	1
Match 3-D Model Code:	ROCK	3

MODEL PARAMETERS

Block Estimation Detail:	3	(4x4 grid)
Minimum Number of Pts Req:	4	

		Prim. Axis Len	Secon. Axis Len	Tert. Axis Len
Anisotropy Number:	1	15	10	40
Anisotropy Number:	2	40	30	70

Variogram Nugget:	0.328	Sill Value	Range	Anisotropy #
Variogram Model:	Spherical	0.344	15	1
Variogram Model:	Spherical	0.328	40	2

Model Statistics (KRIGED Au)					
Count	Minimum Auppm	Maximum Auppm	Mean Auppm	Std. Dev.	Coefficient of Variance
10751	0.207	11.3	0.959	0.80	0.83

Generation of HRA Silver Model

An uncapped silver model was generated for HRA using the parameters listed in **Table 14.24**. The downhole variogram for HRA silver ppm is shown in **Figure 14.13**.

HRA Silver Model Parameters

MODEL DESCRIPTION	**HRA Agppm**					
	Informing Composite Statistics (Ag_ppm)					
	Count	Minimum Agppm	Maximum Agppm	Mean Agppm	Std. Dev.	Coefficient of Variance
	1319	0	380.5	8.731	19.91	2.28

SEARCH PARAMETERS

Search Type:	15 Closest Points	
Maximum pts from single DH:	5	
Isotropic Search Range:	60	
Primary Axis Length:	60	
Secondary Axis Length:	60	
Tertiary Axis Length:	60	
First MM Rotation Angle:	0	
Second MM Rotation Angle:	0	
Third Rotation Angle (Rake):	0	
Match Composite Code:	Au>Ct1	1
Match 3-D Model Code:	ROCK	1,3

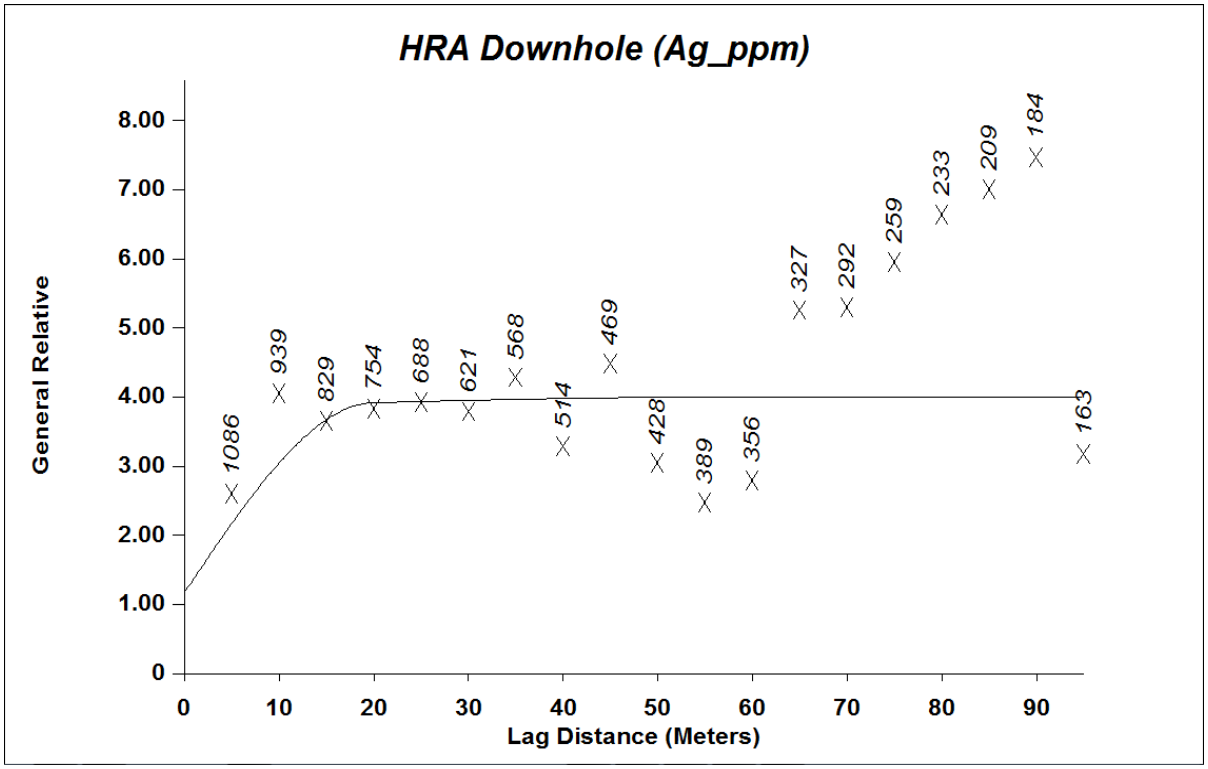
MODEL PARAMETERS

Block Estimation Detail:	3	(4x4 grid)		
Minimum Number of Pts Req:	3			
		Prim. Axis Len	Secon. Axis Len	Tert. Axis Len
Anisotropy Number:	1	n/a	n/a	n/a
Anisotropy Number:	2	n/a	n/a	n/a

Variogram Nugget:	0.292	Sill Value	Range	Anisotropy #
Variogram Model:	Spherical	0.667	20	n/a
Variogram Model:	Spherical	0.041	60	n/a

Model Statistics (KRIGED Ag)					
Count	Minimum Agppm	Maximum Agppm	Mean Agppm	Std. Dev.	Coefficient of Variance
62861	0	147.3	6.559	6.62	1.01

Figure 14.13: HRA Downhole Silver Variogram



Penelas Zone Resource Modeling

New gold and silver grade models were generated for the Penelas zone. The 3-D block model limits for the Penelas zone are shown in the following table:

Penelas Zone Model Limits and Block Model Parameters

Item	Value	Units
Lower Left Corner Easting	433,400	meters
Lower Left Corner Northing	4,323,200	meters
Lower Left Corner Elevation	1755	meters
Model Rotation Angle	0	degrees
Column Width	5	meters
Row Width	5	meters
Bench Height	5	meters
Number of Columns	201	-
Number of Rows	161	-
Number of Benches	70	-

Indicator Variograms

Penelas was modeled using a grade shell based on a 0.1 g/tonne cutoff. Experimental Indicator vario-grams were run for gold at the 0.1 g/tonne cutoff. Inspection of the results including the new 2017 drilling data for the directions that were identified by Tanaka as the primary, secondary, and tertiary directions showed that the Tanaka models could be reused. That is, the indicator variography did not change signif-icantly with the new drilling. Figures 14.14 through 14.16 show the Penelas 0.1 Auppm gold indicator ex-perimental variograms along with the variogram model parameters that were used in the Tanaka report.

Figure 14.14: Penelas 0.1 g/tonne Gold Indicator Variogram Primary Direction

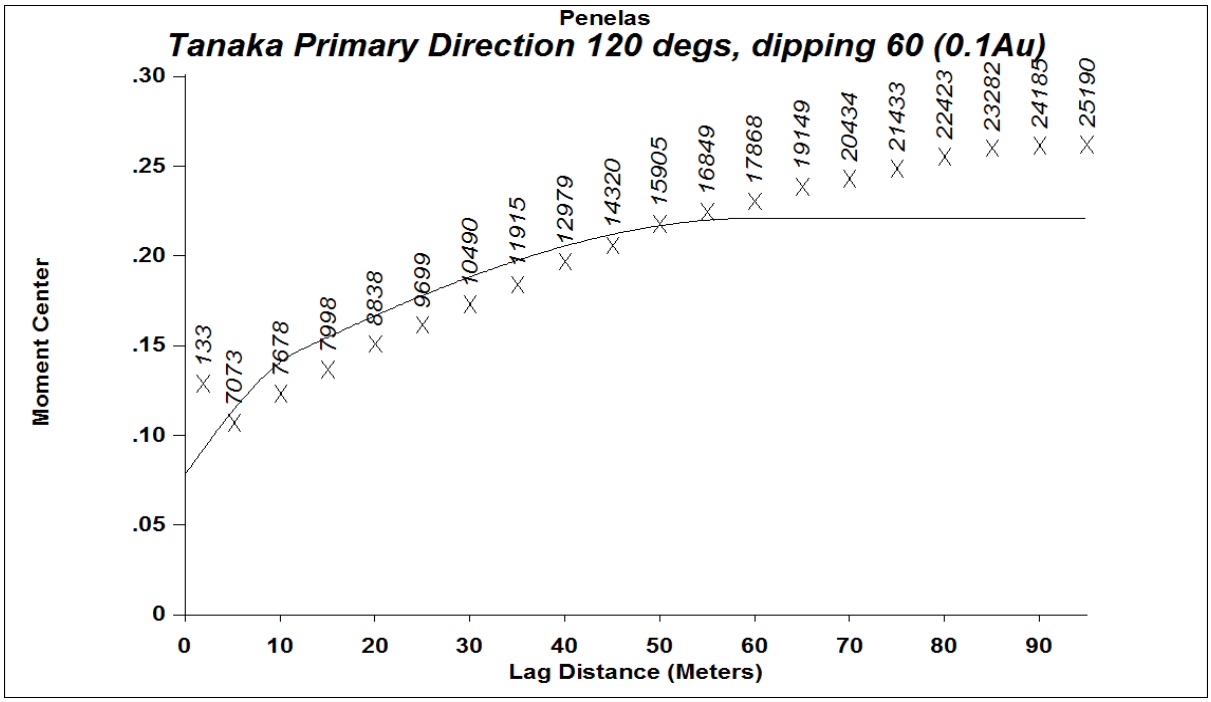


Figure 14.15: Penelas 0.1 g/tonne Gold Indicator Variogram Secondary Direction

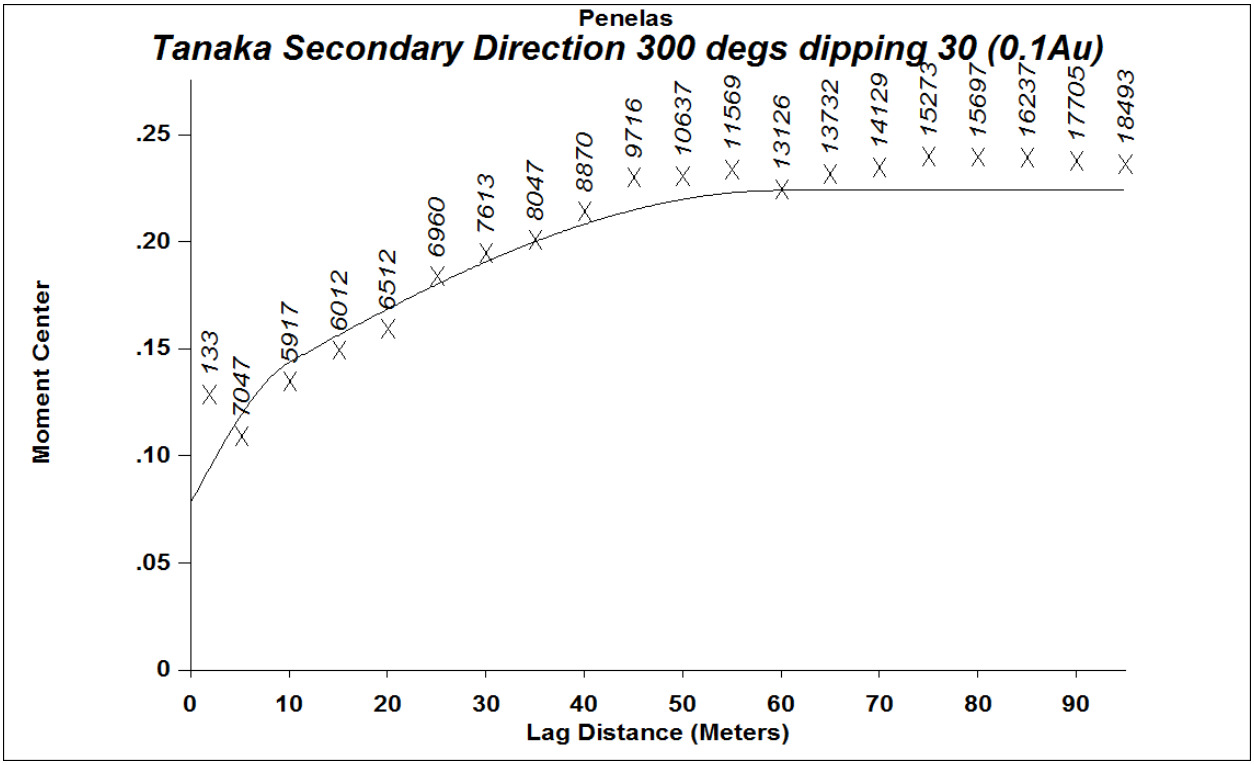
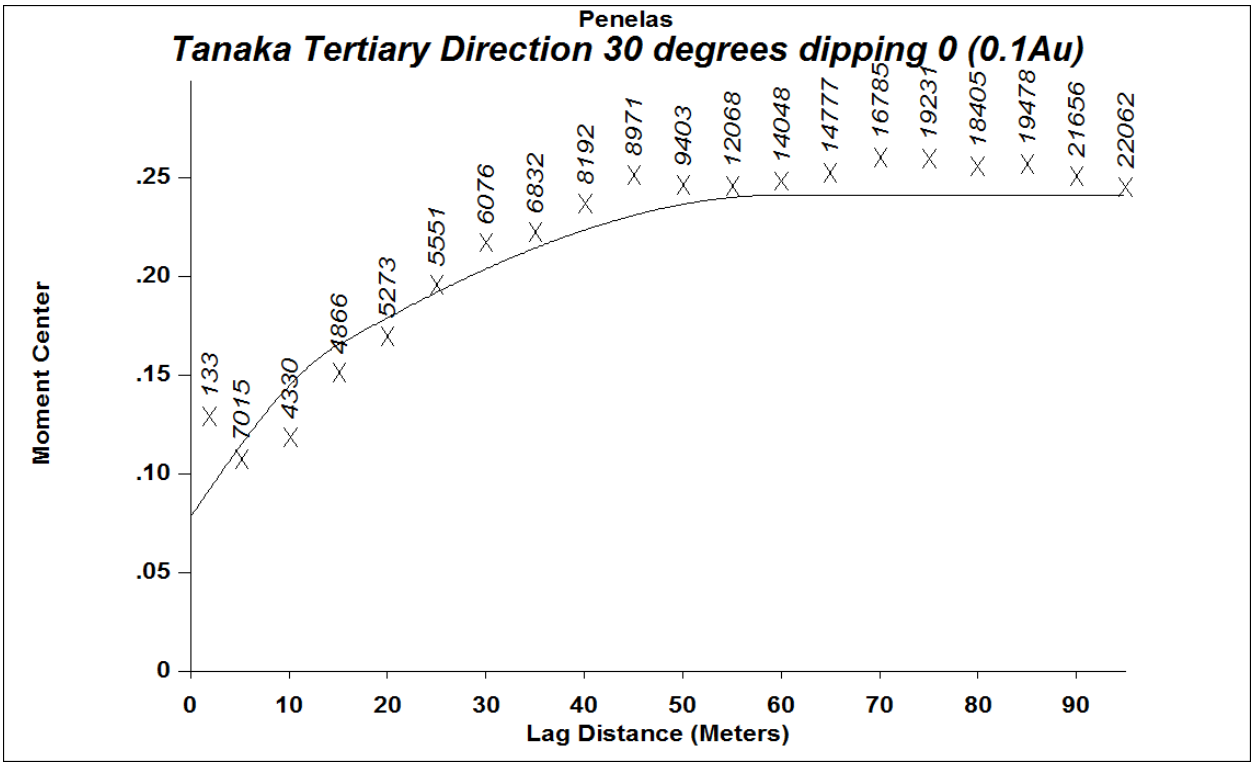


Figure 14.16: Penelas 0.1 g/tonne Gold Indicator Variogram Tertiary Direction



An indicator model for the 0.1 g/tonne cutoff Penelas zone was generated using the parameters listed in **Table 14.26**.

Penelas 0.1 g/Tonne Gold Indicator Model Parameters

MODEL DESCRIPTION **Penelas Auppm 0.1 Indicator**

Informing Composite Statistics (0.1Au)					
Count	Minimum Auppm	Maximum Auppm	Mean Auppm	Std. Dev.	Coefficient of Variance
4965	0	1	0.360	0.48	1.33

SEARCH PARAMETERS

Search Type:	15 Closest Points	
Maximum pts from single DH:	5	
Isotropic Search Range:	N/A	
Primary Axis Length:	60	
Secondary Axis Length:	60	
Tertiary Axis Length:	60	
First MM Rotation Angle:	120	
Second MM Rotation Angle:	60	
Third Rotation Angle (Rake):	0	
Match Composite Code:	ROCK	(All)
Match 3-D Model Code:	ROCK	9999

MODEL PARAMETERS

Block Estimation Detail:	3	(4x4 grid)		
Minimum Number of Pts Req:	3			
		Prim. Axis Len	Secon. Axis Len	Tert. Axis Len
Anisotropy Number:	1	12	15	10
Anisotropy Number:	2	60	60	60

Variogram Nugget:	0.348	Sill Value	Range	Anisotropy #
Variogram Model:	Spherical	0.174	12	1
Variogram Model:	Spherical	0.478	60	2

Model Statistics (KRIGED Au_Ind)					
Count	Minimum Auppm	Maximum Auppm*	Mean Auppm	Std. Dev.	Coefficient of Variance
650822	0	1	0.311	0.93	0.98

Indicator Model Cutoff Selection

The five meter composites were backmarked from the 0.1 Au indicator model. A file containing Au grade, and backmarked indicator value was generated. This file was analyzed to find the optimal indica-tor estimate cutoff value. **Table 14.27** summarizes the selection:

Penelas 0.1 g/Tonne Au Indicator Estimate Cutoff Value

	Penelas 0.1 Au Indicator			
	0.1 ppm Au Zone	0.1 ppm Au percent error	Avg. Grade of Errors Au ppm	Avg. Grade Selected Au ppm
Selected Indicator Cutoff:	0.4795			0.534
Total Positive Errors:	199	4.21	0.066	
Total Negative Errors:	200	4.23	0.289	
Total Net Error:	-1	-0.02		

Generation of Penelas Gold Model

An uncapped gold model was generated for the Penelas 0.1 g/tonne indicator domain. Details are listed in Table **14.28**.

Penelas Uncapped Gold Model Parameters

MODEL DESCRIPTION **Penelas Auppm**

Informing Composite Statistics (Auppm)					
Count	Minimum Auppm	Maximum Auppm	Mean Auppm	Std. Dev.	Coefficient of Variance
1769	0.005	45.06	0.534	1.86	3.49

SEARCH PARAMETERS

Search Type:	15 Closest Points	
Maximum pts from single DH:	5	
Isotropic Search Range:	N/A	
Primary Axis Length:	60	
Secondary Axis Length:	60	
Tertiary Axis Length:	60	
First MM Rotation Angle:	120	
Second MM Rotation Angle:	60	
Third Rotation Angle (Rake):	0	
Match Composite Code:	Au>Cut	1
Match 3-D Model Code:	ROCK	1

MODEL PARAMETERS

Block Estimation Detail:	3	(4x4 grid)		
Minimum Number of Pts Req:	4			
		Prim. Axis Len	Secon. Axis Len	Tert. Axis Len
Anisotropy Number:	1	12	15	10
Anisotropy Number:	2	60	60	60

Variogram Nugget:	0.286	Sill Value	Range	Anisotropy #
Variogram Model:	Spherical	0.286	12	1
Variogram Model:	Spherical	0.429	60	2

Model Statistics (KRIGED Au)					
Count	Minimum Auppm	Maximum Auppm	Mean Auppm	Std. Dev.	Coefficient of Variance
184341	0.078	15.63	0.408	0.44	1.07

Generation of Penelas Silver Model

An uncapped silver model was generated for Penelas using the parameters listed in **Table 14.29**.

Penelas Uncapped Silver Model Parameters

MODEL DESCRIPTION	**Penelas Agppm**					
	Informing Composite Statistics (Ag_ppm)					
	Count	Minimum Agppm	Maximum Agppm	Mean Agppm	Std. Dev.	Coefficient of Variance
	1683	0	234.7	5.170	9.56	1.85

SEARCH PARAMETERS

Search Type:	15 Closest Points	
Maximum pts from single DH:	5	
Isotropic Search Range:	60	
Primary Axis Length:	60	
Secondary Axis Length:	60	
Tertiary Axis Length:	60	
First MM Rotation Angle:	0	
Second MM Rotation Angle:	0	
Third Rotation Angle (Rake):	0	
Match Composite Code:	Au>Cut	1
Match 3-D Model Code:	ROCK	1

MODEL PARAMETERS

Block Estimation Detail:	3	(4x4 grid)

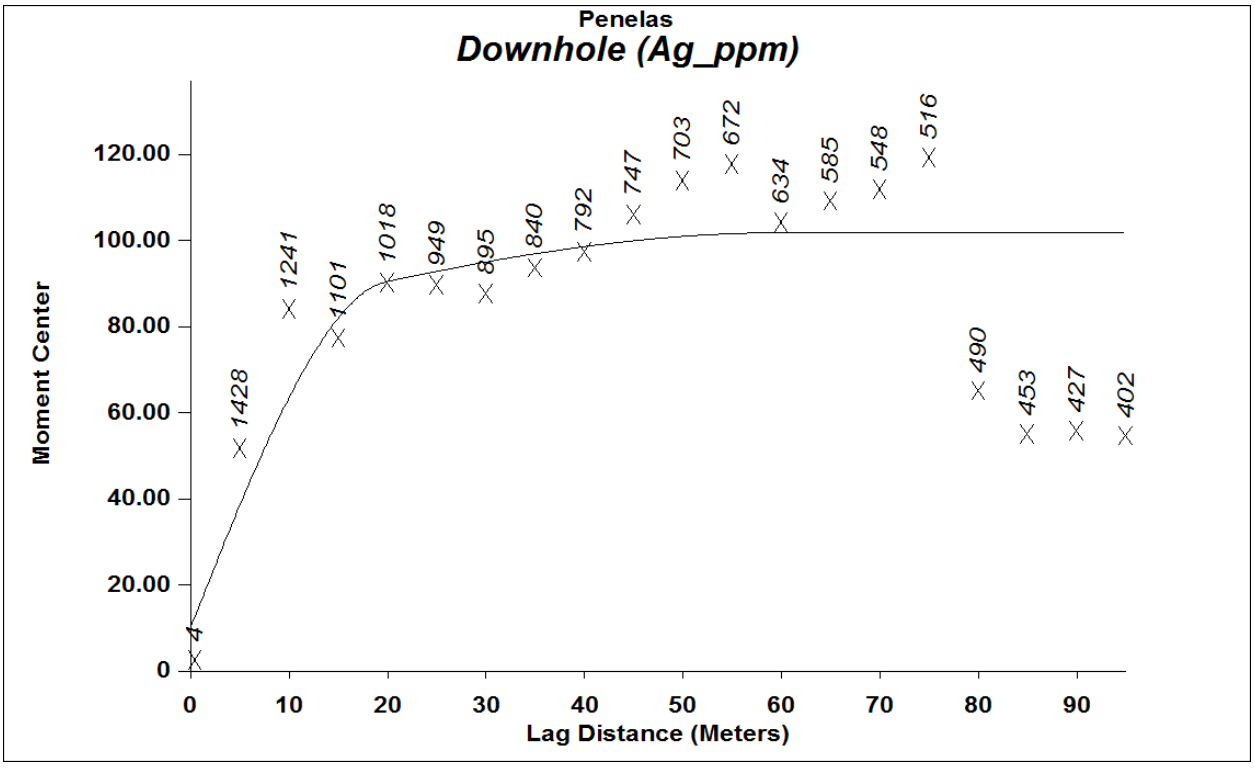
Minimum Number of Pts Req:	4			
		Prim. Axis Len	Secon. Axis Len	Tert. Axis Len
Anisotropy Number:	1	n/a	n/a	n/a
Anisotropy Number:	2	n/a	n/a	n/a

Variogram Nugget:	0.091	Sill Value	Range	Anisotropy #
Variogram Model:	Spherical	0.636	20	n/a
Variogram Model:	Spherical	0.273	60	n/a

Model Statistics (KRIGED Ag)					
Count	Minimum Agppm	Maximum Agppm	Mean Agppm	Std. Dev.	Coefficient of Variance
166498	0	136.23	4.27	3.76	0.88

The downhole variogram for Agppm for Penelas is shown as **Figure 14.17**.

Figure 14.17: Penelas Downhole Agppm Variogram



Final Grade Models

Cone Shell Generation

The mined shells were designed based on the following models:

- Capped Au and Ag Models for Paymaster, with deduction applied for underground workings;
- Uncapped Au and Ag Models for HRA, with deduction applied for underground workings;
- Uncapped Au and Ag Models for Penelas, underground workings considered insignificant.

A series of open pit shells were generated, using the MicroMODEL floating cone module. Cone designs were based on the following economic and physical assumptions:

Pit Shell Generation Assumptions

WHA Economic Parameters	
Mining Cost	$2.70/tonne mined
Process + G&A Cost	$4.23/tonne Ore
Au Recovery	90%
Ag Recovery	10%
Au Price Range	$950 to $1550/tr oz
Ag Price (constant)	$15/tr oz
Mining Recovery	100%
Dilution	0%
Slope	55 degrees

Resource Classification Parameters

WHA opted to use a different method for assigning resource classification that was used in previous re-source estimates. This method takes into account whether multiple drill holes contribute to the assign-ment of grade for each block. Although the method used in the previous two reports, (Tanaka, 2015) and (WHA, 2016), is an industry accepted method, WHA used a method which is based on the distance to a block from nearest informing sample along with the number of unique drill holes that informed the block. WHA calibrated the classification parameters by applying them to the 2016 Penelas model and compar-ing the two classification models. Based on this work, the following guidelines have been used for re-sources reported in this report:

Indicated: Closest sample is within 28 meters of the block. At least two unique drill holes contributed in-forming samples.

Inferred: Closest sample is within 32 meters of the block.

Handling of Underground Channel Sample Block Model Influence

The previous report had classified the Paymaster Zone as being no more than inferred in resource class, due to the high reliance on channel sampling in that zone. WHA took a look at this and,

based on the fol-lowing studies, concluded that the channel composites do not appear to be significantly different in terms of grade distribution than the drill hole composites.

Underground channel sample data collected by Newmont Exploration Ltd. during their exploration activi-ties at Bruner is included in the resource model database for all three of the resource zones. Underground assay composites account for 32 percent of the total composites used to inform the mineral resource grade blocks within the Paymaster model, 13 percent within the HRA model and 1.5 percent within the Penelas model. The influence of underground channel sample assays is significant in the Paymaster zone and, to a lesser degree, in the HRA zone. Penelas channel samples have minimal impact on the resource. In order to investigate the reliability of the channel samples, WHA conducted three separate analyses to quantify the influence of the channel sample assays on the grade model blocks. The first study was accomplished by analysis of histograms of blocks informed by a certain percentage of chan-nel sample assay values, based on the drill hole count and search distance criteria, Secondly, cumulative frequency analyses of channel vs. non-channel (drill holes) assay composites were performed. Finally, visual inspection of drill hole sections were made, comparing channel samples to drill hole samples.

Histograms of Model Blocks Informed by Channel Sample Influence

Tables 14.31 and **14.32** show the influence of the channel sample assay composites on the block grades in the Paymaster and HRA resource models. The left column in each table lists a range of channel sam-ple metal contribution to the modeled block grade, and the right columns list the results of percent of blocks influence. For example, in the Paymaster model, 14.4 percent of the blocks are informed by a greater than 90 percent contribution of total metal from channel sample composites; 40.6 percent of the Paymaster blocks are informed by a less than 10 percent contribution of total metal from channel sample composites. In the HRA, only 0.3 percent of the blocks are informed by a greater than 90 percent contri-bution of total metal from channel sample composites, while 90.5 percent of the blocks are informed by a less than 10 percent contribution of total metal from channel sample composites. Based on these num-bers, it is apparent that the Paymaster block model relies much more heavily on channel samples than does the HRA model.

Blocks Influenced by Channel Sample Composites in Paymaster

Paymaster Zone	
Percent Metal Contribution from Channel Samples to Block Grade	**Percentage of Blocks**
0-10%	40.6%
10-20%	8.4%
20-30%	5.7%
30-40%	3.4%
40-50%	3.6%
50-60%	4.8%
60-70%	5.4%

70-80%	5.2%
80-90%	8.3%
>90%	14.4%

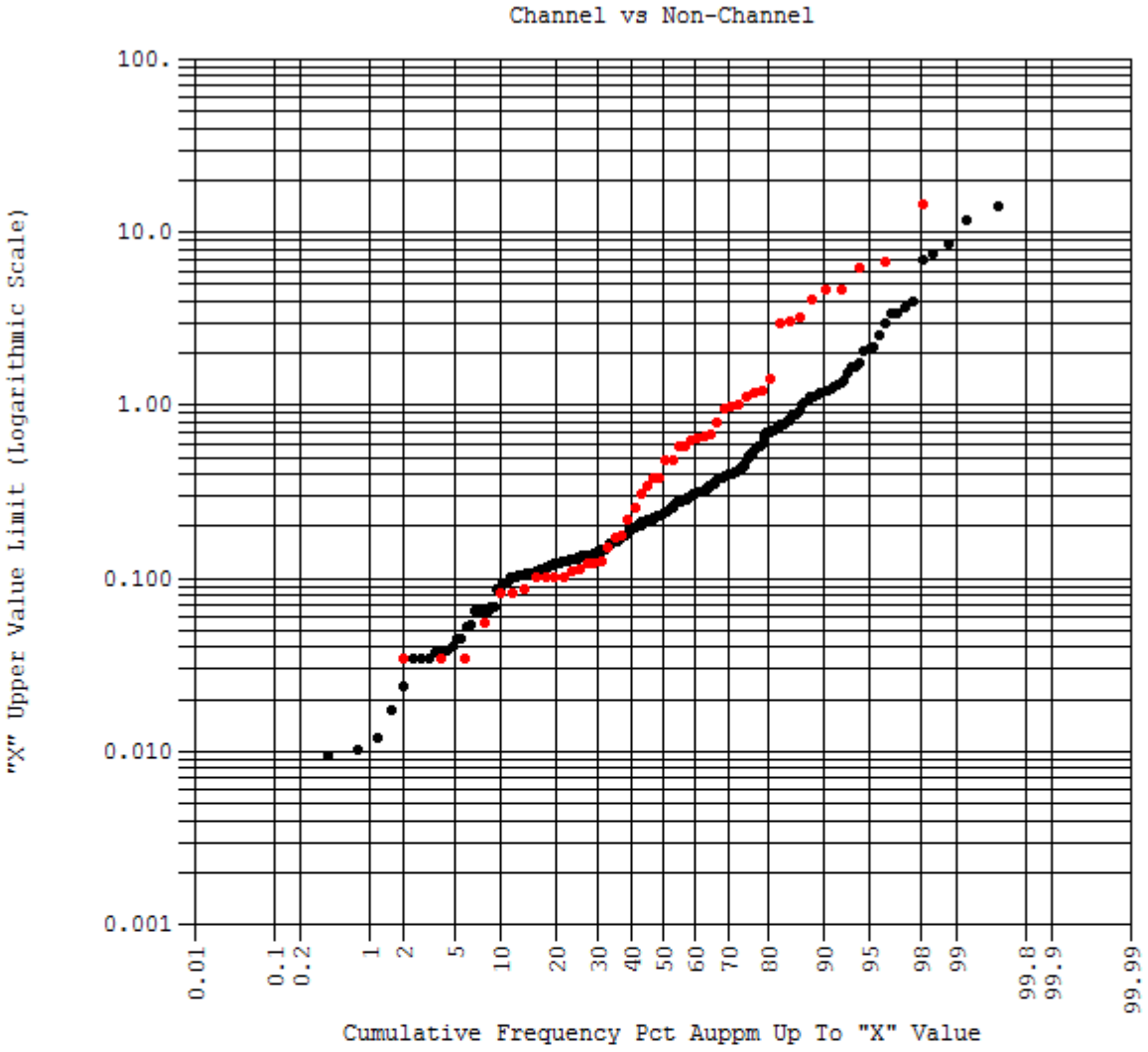
Blocks Influenced by Channel Sample Composites in HRA

HRA Zone	
Percent Metal Contribution from Channel Samples to Block Grade	**Percentage of Blocks**
0-10%	90.5%
10-20%	2.0%
20-30%	1.4%
30-40%	0.9%
40-50%	1.0%
50-60%	1.0%
60-70%	1.2%
70-80%	1.0%
80-90%	0.7%
>90%	0.3%

Cumulative Frequencies of Channel Composite vs. Non-Channel Composites

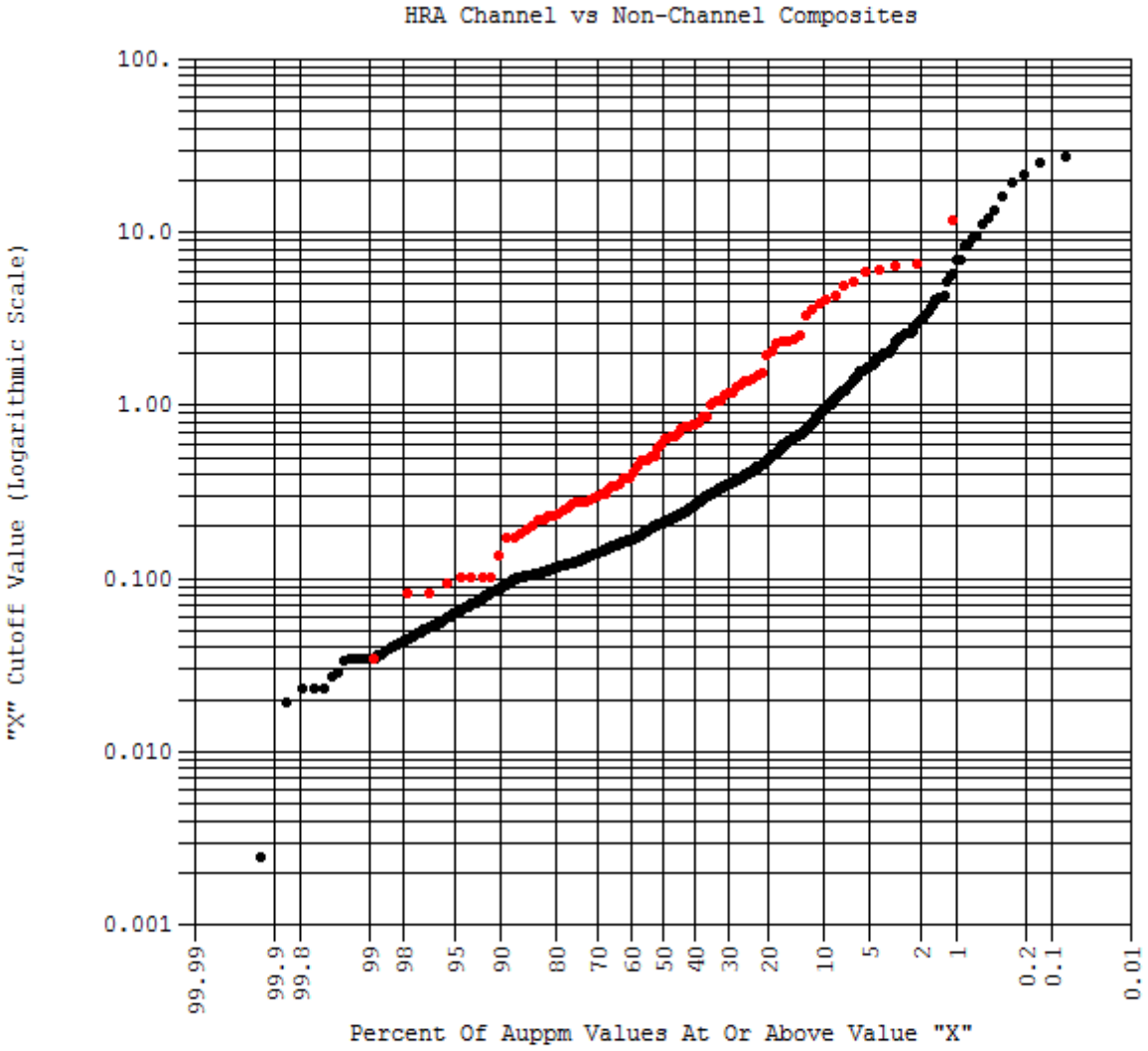
Cumulative frequency analyses of channel vs. non-channel sample composites for the Paymaster and HRA zones are both similar in shape. The channel samples have roughly the same variability, but are on average higher in grade. This is to be expected as the channel samples were collected along the mineralized structures that were being mined by underground methods, whereas the drill hole samples were collected from zones that include the high grade mineralized structures but also cover surrounding zones which contain on average lower grades of mineralized material. Cumulative frequency plots are presented as **Figures 14.18** and **14.19**.

Figure 14.18: Channel vs. Non-Channel Cumulative Frequency at Paymaster



	NON_CHAN	CHANNEL
Number of Samples:	269	53
Number Missing:	15	2
Number Below Limits:	0	0
Number Above Limits:	0	0
Number in Range:	254	51
Minimum Value:	0.009	0.034
Maximum Value:	16.918	17.072
Mean Value:	0.696	1.654
Median Value:	0.237	0.479
Variance:	3.263	10.917
Standard Deviation:	1.806	3.304

Figure 14.19: Channel vs. Non-Channel Cumulative Frequency at HRA



	NONCHAN	CHANNEL
Number of Samples:	1481	100
Number Missing:	61	7
Number Below Limits:	2	0
Number Above Limits:	0	0
Number in Range:	1418	93
Minimum Value:	0.002	0.034
Maximum Value:	39.059	13.938
Mean Value:	0.564	1.465
Median Value:	0.211	0.651
Variance:	3.644	5.301
Standard Deviation:	1.909	2.302

Combined Cumulative Frequency Plots

In addition to the separate cumulative frequency curves, combined cumulative frequency curves which are color coded (red dots) for channel composites and (black dots) for drill hole composites were generated for both Paymaster and HRA. These more clearly show the makeup of the higher grade portion of the composite gold distribution.

Figures 14.20 and **14.21** show that HRA has proportionally more high grade zone drill hole composites compared to Paymaster. The six highest grade gold composites for HRA are in drill holes. For Paymaster, two of the eight highest gold composites are channel samples.

The earlier tables show that Paymaster relies more heavily on channel samples to inform block grades than does HRA. But, there is no clear evidence which would preclude the use of the channels in deter-mining the block grades.

Visual Inspection of Drill hole vs. Channel Sample Composites

WHA geologist Doug Willis, CPG, visually inspected four representative drill hole sections in each of the Paymaster and HRA zones. His findings were as follows:

Paymaster:

Row 45: No drilling to check UG grades, drilling missed high grade UG intercept

Row 50: Good low grade correlation, drilling is lower grade than UG toward the west

Row 55: Drilling correlates with UG, drilling grades compare with highest UG grades

Row 60: Drilling grades correlate with UG grades

HRA:

Row 40: Drilling surrounding UG generally lower in grade, but comparable to UG higher on section

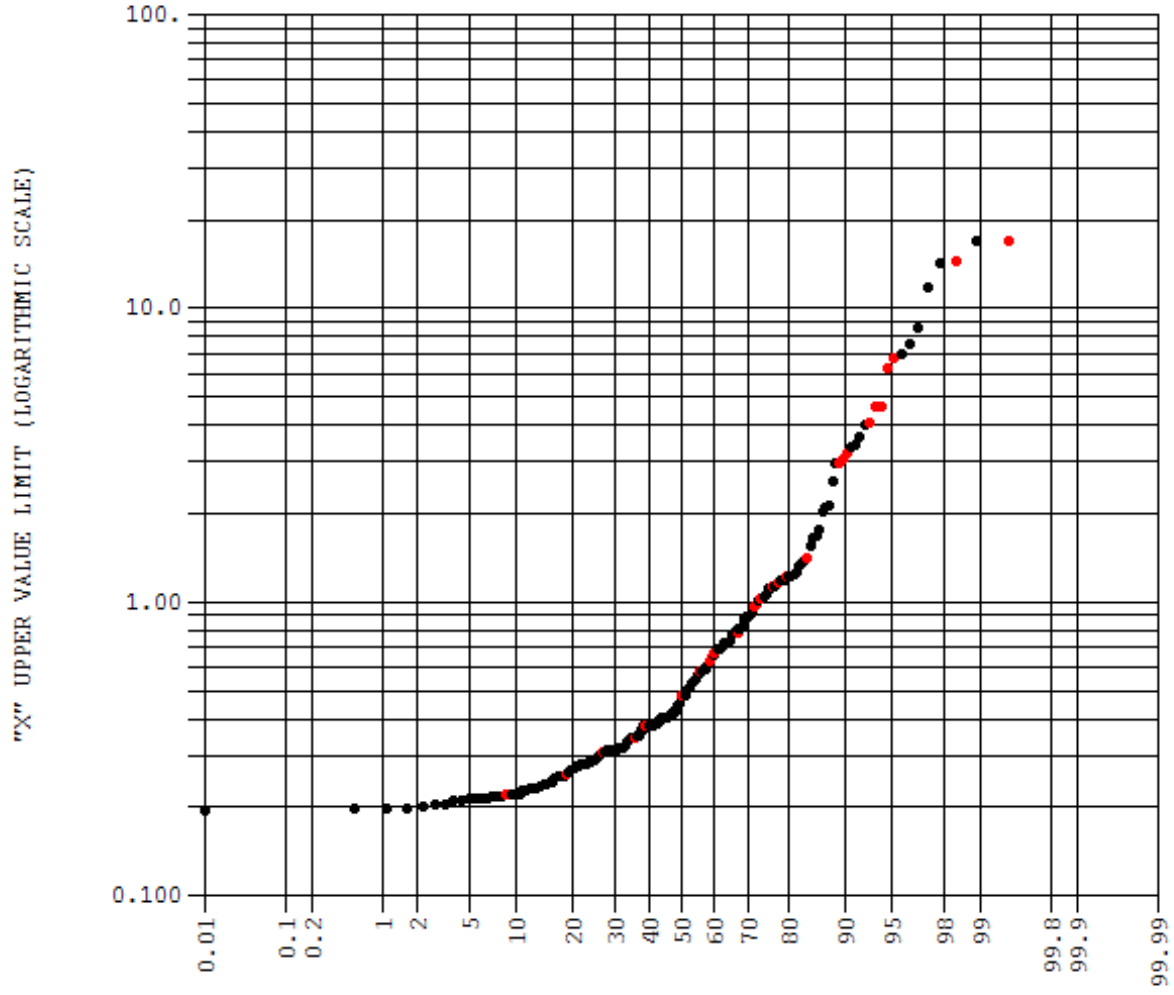
Row 45: Drilling grade exceed UG grades

Row 50: Drilling grades correlate well with UG

Row 55: Drilling grades correlate with UG except to the west, where some drilling is higher grade than UG

Generally, drilling on an empirical basis, correlates well with the UG sampling in both deposits. There does not appear to be any egregious bias.

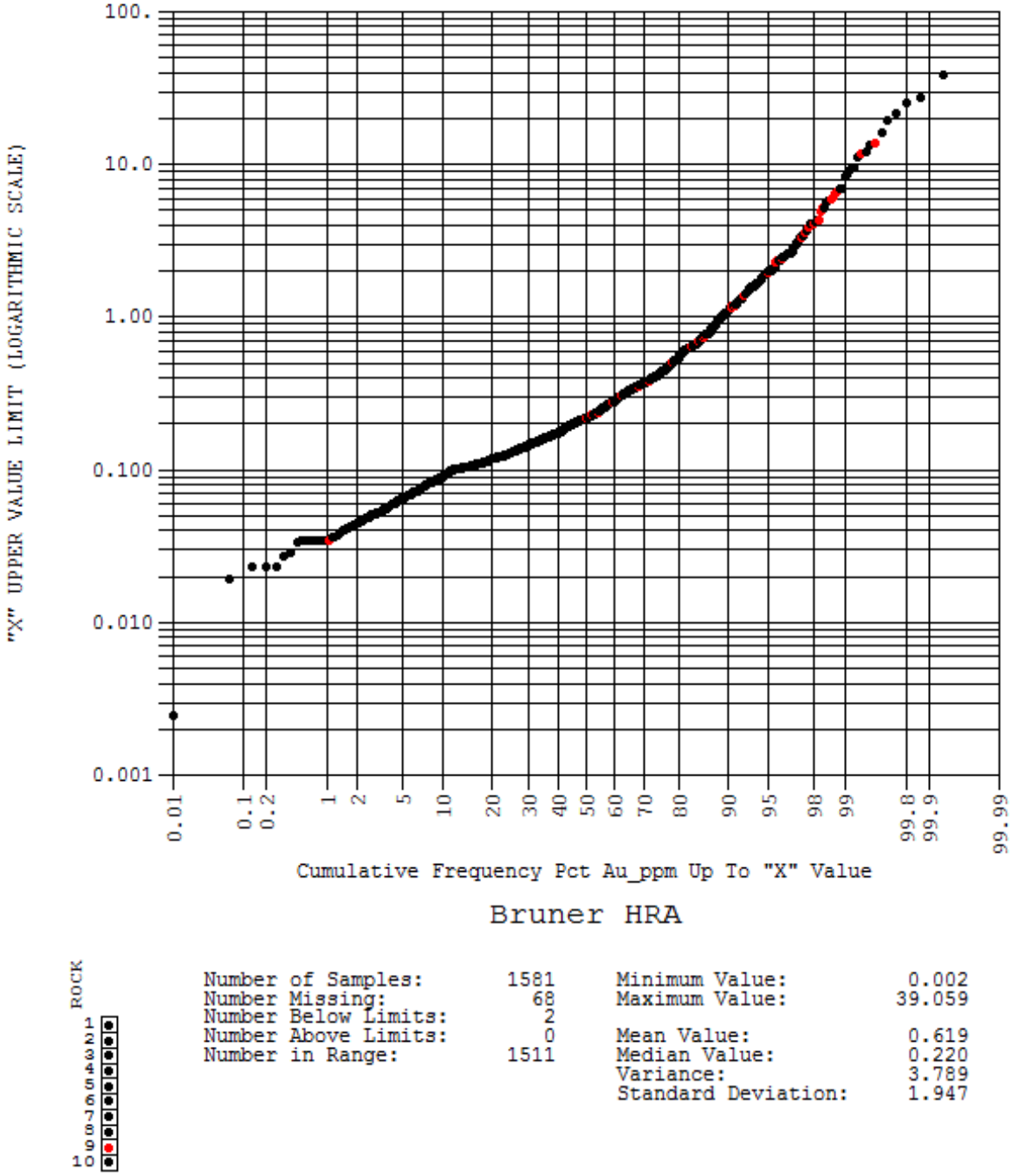
Figure 14.20: Combined Cumulative Frequency at Paymaster



ROCK
1
2
3
4
5
6

Number of Samples:	322	Minimum Value:	0.196
Number Missing:	17	Maximum Value:	17.072
Number Below Limits:	121		
Number Above Limits:	0	Mean Value:	1.345
Number in Range:	184	Median Value:	0.465
		Variance:	7.098
		Standard Deviation:	2.664

Figure 14.21: Combined Cumulative Frequency at HRA



Conclusions of Underground Channel Sample Validation

Results from the histogram analysis of model blocks influenced by underground channel composite as-says reveal that the Paymaster zone is significantly influenced by the channel sample assays. Influence of the channel composites at the HRA zone is much less significant due to the higher drilling density in the zone. The Penelas zone is insignificantly influenced by channel samples.

Cumulative frequency analyses for the Paymaster and HRA show that channel samples have same variability, but are, on average, higher in grade due to the channel samples locations being located along mineralized structures.

Additionally, the underground channel samples were collected by Newmont Exploration during their exploration activities at Bruner. Newmont is a highly respected mining company and it is assumed that they conducted the channel sampling program to the highest of standards. The qualified person has no reason to doubt that the underground channel samples were collected in a non-biased manner to ensure the samples were representative of the material along the sampling strings.

Based on the channel sample validation studies that were performed and the perceived integrity of the company collecting the samples, it is concluded that channel sample assay values are reasonably com-parable with the non-channel (drill hole) samples. Based on the results of the studies, no additional constraints on resource classification were applied to underground channel sample influence within the grade block models for all three resource zones.

The resource for Paymaster does remain heavily dependent on a small number of high grade gold composites. WHA recommends additional drilling in the vicinity immediately surrounding these high grade composites in order to confirm the existence of these zones.

Cutoff Values by Gold Price

The net value files (money matrices) that are required for pit shell generation are created based on a gold equivalent cutoff. Table 14.33 summarizes the gold equivalent factor and cutoff values for each gold price that was analyzed. Gold equivalent is calculated as the sum of gold grade plus silver grade/factor. Design and reporting cutoff was the External Au Cutoff Grade (ecog) in each case. The $1250/oz gold price results are presented as the base case for this mineral resource estimate. The economic calculations that were performed in subsequent chapters are based on using the $1250 gold equivalent cutoffs of 0.117 and 0.192 oz/tonne.

Bruner Cutoff Calculation

Bruner Cutoff Calculation							
Item	**Au 950**	**Au 1050**	**Au 1150**	**Au 1250**	**Au 1350**	**Au 1450**	**Au 1550**
Mining Cost	2.7	2.70	2.70	2.70	2.70	2.70	2.70
Milling Cost	4.23	4.23	4.23	4.23	4.23	4.23	4.23
Recovery	0.9	0.90	0.90	0.90	0.90	0.90	0.90
Gold Price (tr oz)	950	1050	1150	1250	1350	1450	1550
Silver Price (tr oz)	15	15	15	15	15	15	15
Silver Price (gm)	0.48	0.48	0.48	0.48	0.48	0.48	0.48
Gold Price (gm)	30.54	33.76	36.97	40.19	43.40	46.62	49.83
NSR+Royalty	0	0	0	0	0	0	0
Net Gold Pay	30.54	33.76	36.97	40.19	43.40	46.62	49.83
External Au Cutoff Grade g/t	0.252	0.228	0.208	0.192	0.177	0.165	0.155
Internal Au Cutoff Grade g/t	0.154	0.139	0.127	0.117	0.108	0.101	0.094
Au Equivalency Factor	570	630	690	750	810	870	930

Deduction for Known Underground Workings

There are known underground workings in the HRA, Penelas and Paymaster zones. WHA attempted to quantify the volume of underground workings, even though no wireframe models of these workings are available. For Penelas, there was so little information for underground workings that WHA opted to ignore them. The amount of underground working data at HRA and Paymaster was more pronounced, so WHA created a simple mined out model based on tagging the closest blocks to the surveyed projection lines of the known underground workings. Then, for each block, WHA deducted 25% of the block volume to ac-count for prior mining. The 25% figure is based on the ratio of approximate cross sectional area of the underground tunnels to the area of a model block face (5 x 5 meters).

For the Paymaster area, 253 blocks were tagged, for a total volume deduction of 7,900 cubic meters. For the HRA area, 108 blocks were tagged, for a total volume deduction of 3,375 cubic meters. These de-ductions have a slight impact on the resource totals. For example, the Paymaster $1350 shell reports 759 K-tonnes of indicated at a grade of 0.93Au. Without the underground deduction, the resource would be 767 K-tonnes at 0.93 Au. So, at Paymaster, the deduction removes 8 K-tonnes, or 1.0 percent of the re-source in the $1350 shell. The underground deduction does not affect the inferred portion of the resource.

The effect is less noticeable for HRA. The HRA $1350 shell contains 5,037 tonnes of indicated resource at 0.57 gpt Au. Without the underground deduction, the indicated resource would be 5,043 tonnes at 0.57 gpt Au. At HRA the deduction removes 6 K-tonnes, or just 0.12 percent of the indicated resource in the $1350 shell. The underground deduction does not affect the inferred portion of the resource.

Cone Shell Results

Paymaster Shell Results

The following tables summarize the Paymaster Shell Results for Indicated and Inferred material. Results for the $1350/oz Au shell from which the pit designs were based are highlighted. The values presented in the tables below are not to be misconstrued as a mineral resource as they are intended for the sole purpose of demonstrating the sensitivity of the resource estimate with respect to pit size.

Shell Results for the Paymaster Zone – Indicated Resource

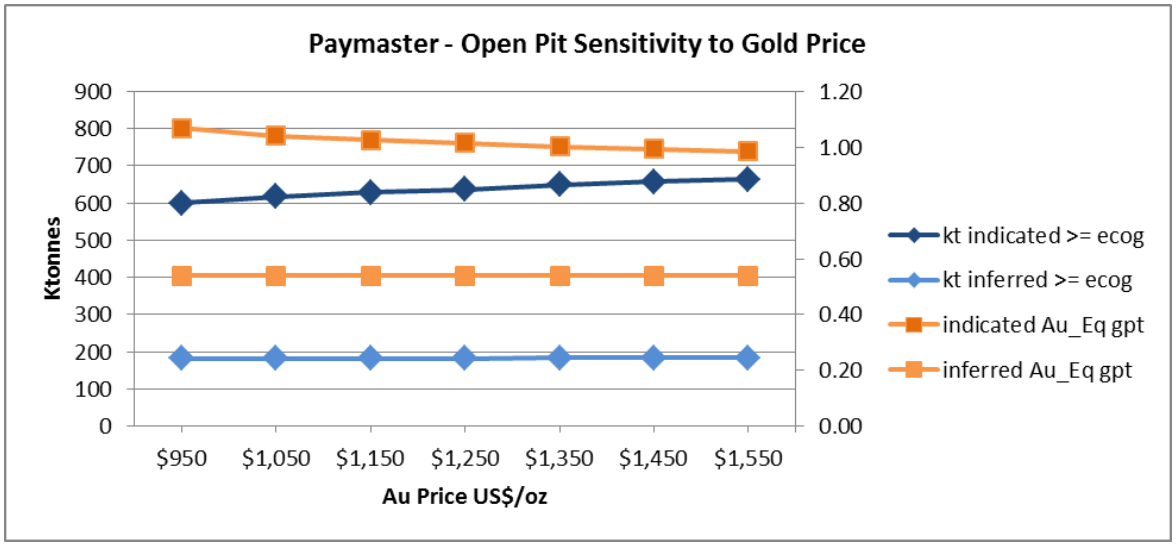
PAYMASTER INDICATED						
Gold Price US$/oz	Au_Eq cutoff grade	K-Tonnes	Au_Capped Grade gpt	Ag_Capped Grade gpt	Contained Au K-Ounces	Contained Ag K-Ounces
950	0.252	600	1.061	4.427	20	85
1050	0.228	618	1.033	4.405	21	88
1150	0.208	629	1.019	4.388	21	89
1250	0.192	637	1.009	4.366	21	89
1350	0.177	650	0.996	4.354	21	91
1450	0.165	657	0.988	4.360	21	92
1550	0.155	663	0.980	4.352	21	93

Shell Results for the Paymaster Zone – Inferred Resource

PAYMASTER INFERRED						
Gold Price US$/oz	**Au_Eq cutoff grade**	**K-Tonnes**	**Au_Capped Grade gpt**	**Ag_Capped Grade gpt**	**Contained Au K-Ounces**	**Contained Ag K-Ounces**
950	0.252	182	0.538	1.153	3	7
1050	0.228	182	0.538	1.155	3	7
1150	0.208	182	0.538	1.158	3	7
1250	0.192	182	0.538	1.158	3	7
1350	0.177	183	0.538	1.171	3	7
1450	0.165	183	0.538	1.171	3	7
1550	0.155	183	0.538	1.171	3	7

Figure 14.22 shows the Paymaster zone sensitivity to gold price.

Figure 14.22: Sensitivity to Gold Price for the Paymaster Zone



HRA Shell Results

The following tables summarize the HRA Shell Results for Indicated and Inferred material. Results for the $1350/oz Au shell upon which the pit designs were based are highlighted.

Shell Results for the HRA Zone – Indicated Resource

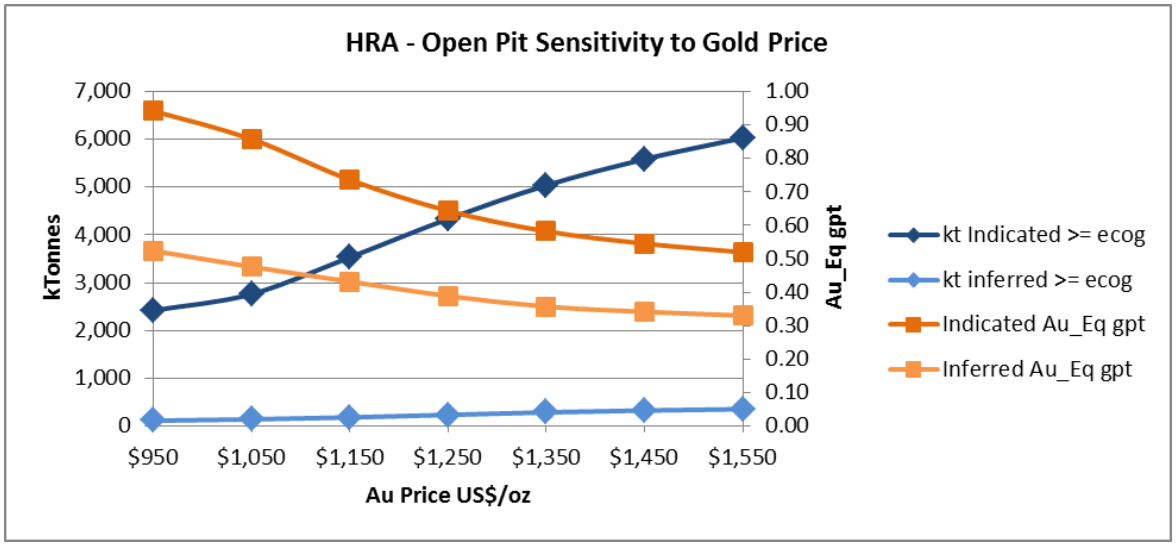
HRA INDICATED						
Gold Price US$/oz	Au_Eq cutoff grade	K-Tonnes	Au Grade gpt	Ag Grade gpt	Contained Au K-Ounces	Contained Ag K-Ounces
950	0.252	2,422	0.925	9.730	72	758
1050	0.228	2,763	0.843	9.232	75	820
1150	0.208	3,533	0.724	8.367	82	950
1250	0.192	4,335	0.633	7.906	88	1,102
1350	0.177	5,037	0.573	7.600	93	1,231
1450	0.165	5,585	0.537	7.329	96	1,316
1550	0.155	6,028	0.512	7.211	99	1,398

Shell Results for the HRA Zone – Inferred Resource

HRA INFERRED						
Gold Price US$/oz	Au_Eq cutoff grade	K-Tonnes	Au Grade gpt	Ag Grade gpt	Contained Au K-Ounces	Contained Ag K-Ounces
950	0.252	116	0.514	5.803	2	22
1050	0.228	144	0.468	5.198	2	24
1150	0.208	185	0.425	4.953	3	29
1250	0.192	238	0.382	5.210	3	40
1350	0.177	290	0.351	5.176	3	48
1450	0.165	329	0.336	5.024	4	53
1550	0.155	357	0.325	5.155	4	59

Figure 14.23 shows the HRA zone sensitivity to gold price.

Figure 14.23: Sensitivity to Gold Price for the HRA Zone



Penelas Shell Results

The following tables summarize the Penelas Shell Results for Indicated and Inferred material. Results for the $1350/oz Au shell upon which the pit designs were based are highlighted.

Shell Results for the Penelas Zone – Indicated Resource

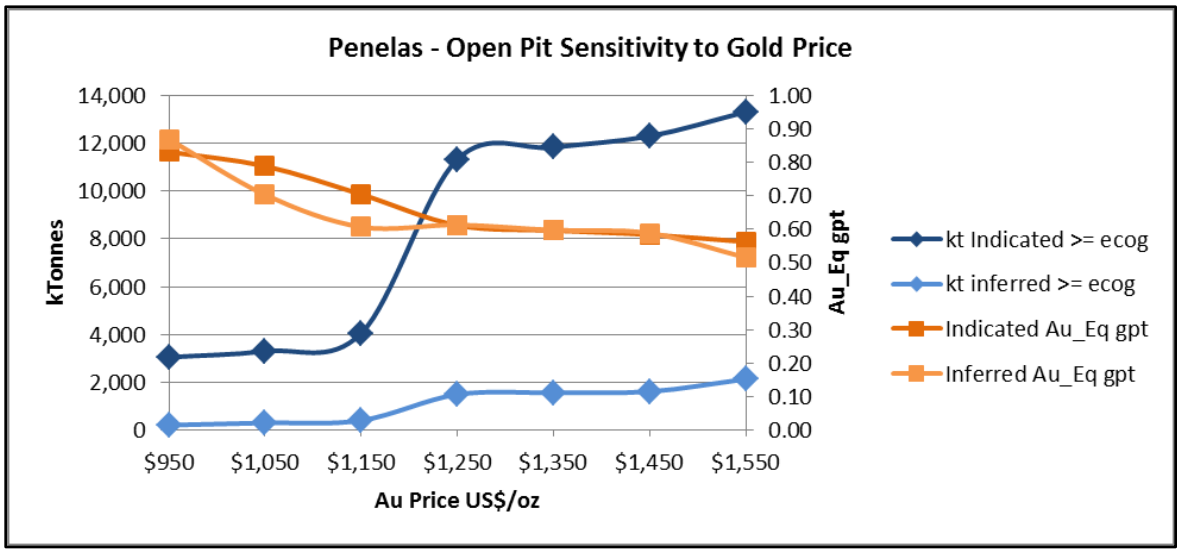
PENELAS INDICATED						
Gold Price US$/oz	Au_Eq cutoff grade	K-Tonnes	Au Grade gpt	Ag Grade gpt	Contained Au K-Ounces	Contained Ag K-Ounces
950	0.252	3,055	0.821	5.947	81	584
1050	0.228	3,307	0.780	5.720	83	608
1150	0.208	4,054	0.697	5.249	91	684
1250	0.192	11,328	0.606	4.645	221	1,692
1350	0.177	11,830	0.591	4.597	225	1,748
1450	0.165	12,298	0.579	4.581	229	1,811
1550	0.155	13,313	0.558	4.434	239	1,898

Shell Results for the Penelas Zone – Inferred Resource

PENELAS INFERRED						
Gold Price US$/oz	Au_Eq cutoff grade	K-Tonnes	Au Grade gpt	Ag Grade gpt	Contained Au K-Ounces	Contained Ag K-Ounces
950	0.252	214	0.862	4.395	6	30
1050	0.228	306	0.698	3.454	7	34
1150	0.208	409	0.603	3.023	8	40
1250	0.192	1,494	0.608	4.053	29	195
1350	0.177	1,570	0.593	3.969	30	200
1450	0.165	1,617	0.584	3.955	30	206
1550	0.155	2,140	0.512	3.372	35	232

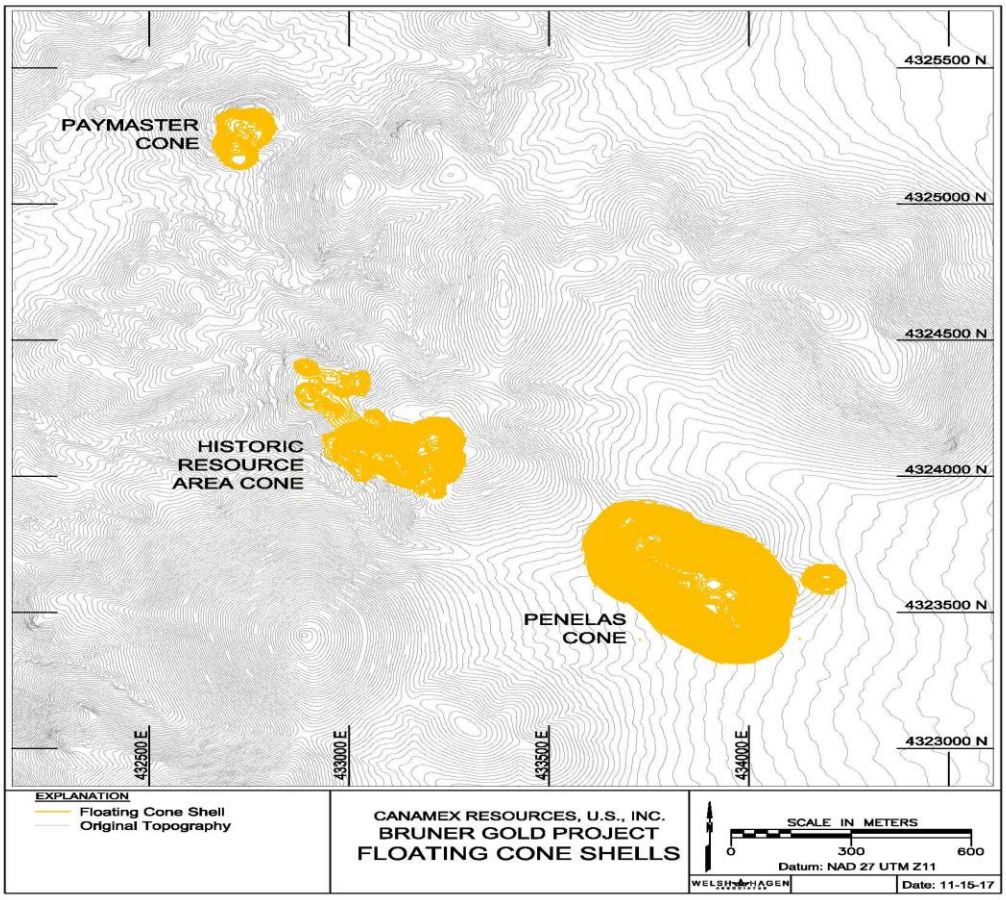
The following figure shows the Penelas area sensitivity to gold price.

Figure 14.24: Sensitivity to Gold Price for the Penelas Zone



Floating cone shells on plan view for the Bruner Gold Project are shown on **Figure 14.25**.

Figure 14.25: Bruner Floating Cone Shells at $1350/oz Gold



Conceptual Design Pits

At the request of Canamex, designed pits were constructed for all three resource zones. These designs were based on the $1350/oz Au floating cone shell limits.

Pit design parameters are as follows:

Pit Design Parameters

Parameter	Value
Bench Height	5 meters
Catch Bench Width	5.5 meters
Quadruple Benching. Catch Bench Every	20 meters
Highwall Face Angle	67 degrees
Average Slope (Excluding Ramps)	55 degrees
Ramp Width - Two Way Traffic	25 meters
Ramp Grade - Two Way Traffic	10 percent
Ramp Width - Single Lane Traffic	18 meters
Ramp Grade - Single Lane Traffic	12 percent

The ramp out of the bottom of the HRA pit is 18 meters wide (single lane traffic, 12 percent grade). It ascends seven benches vertically (35 meters) and is approximately 290 meters long.

The ramp out of the bottom of the Penelas pit is 18 meters wide for the first four benches (single lane traffic, 12 percent grade). It then widens to 25 meters for the remaining benches (two-way traffic, 10 per-cent grade). It is approximately 2,000 meters long and ascends 42 benches (210 meters). Conceptual design pits on plan view are presented as Figure 14.26. Grade model cross sections of the Paymaster, HRA and Penelas zones within $1350/oz Au conceptual design pits are presented as Figure 14.27, Figure 14.28 and Figure 14.29, respectively.

For additional details on these designs, refer to Section 16.

Figure 14.26: Bruner Conceptual Design Pits at $1350/oz Gold

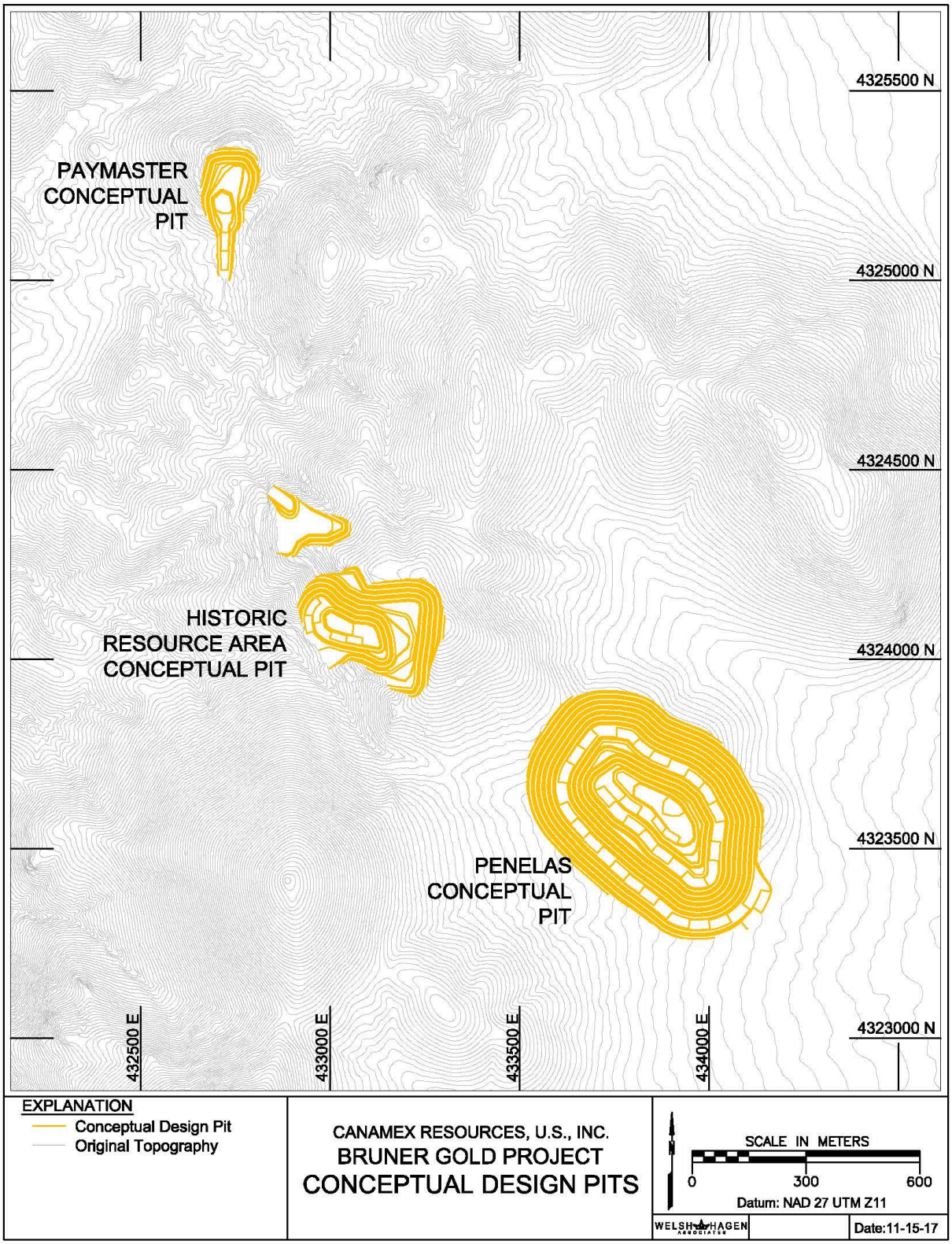


Figure 14.27: Grade Model Cross Section of the Paymaster Zone

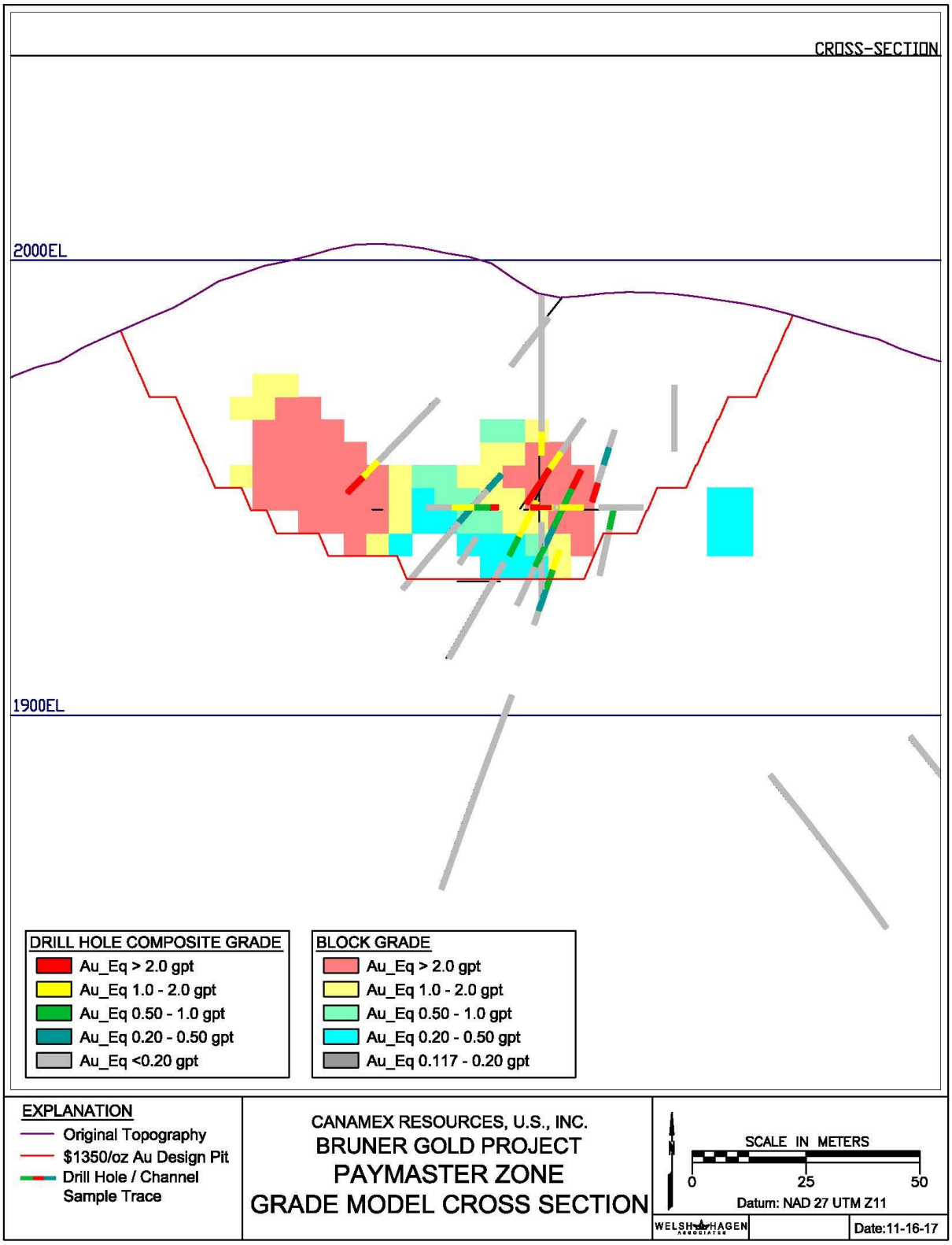


Figure 14.28: Grade Model Cross Section of the HRA

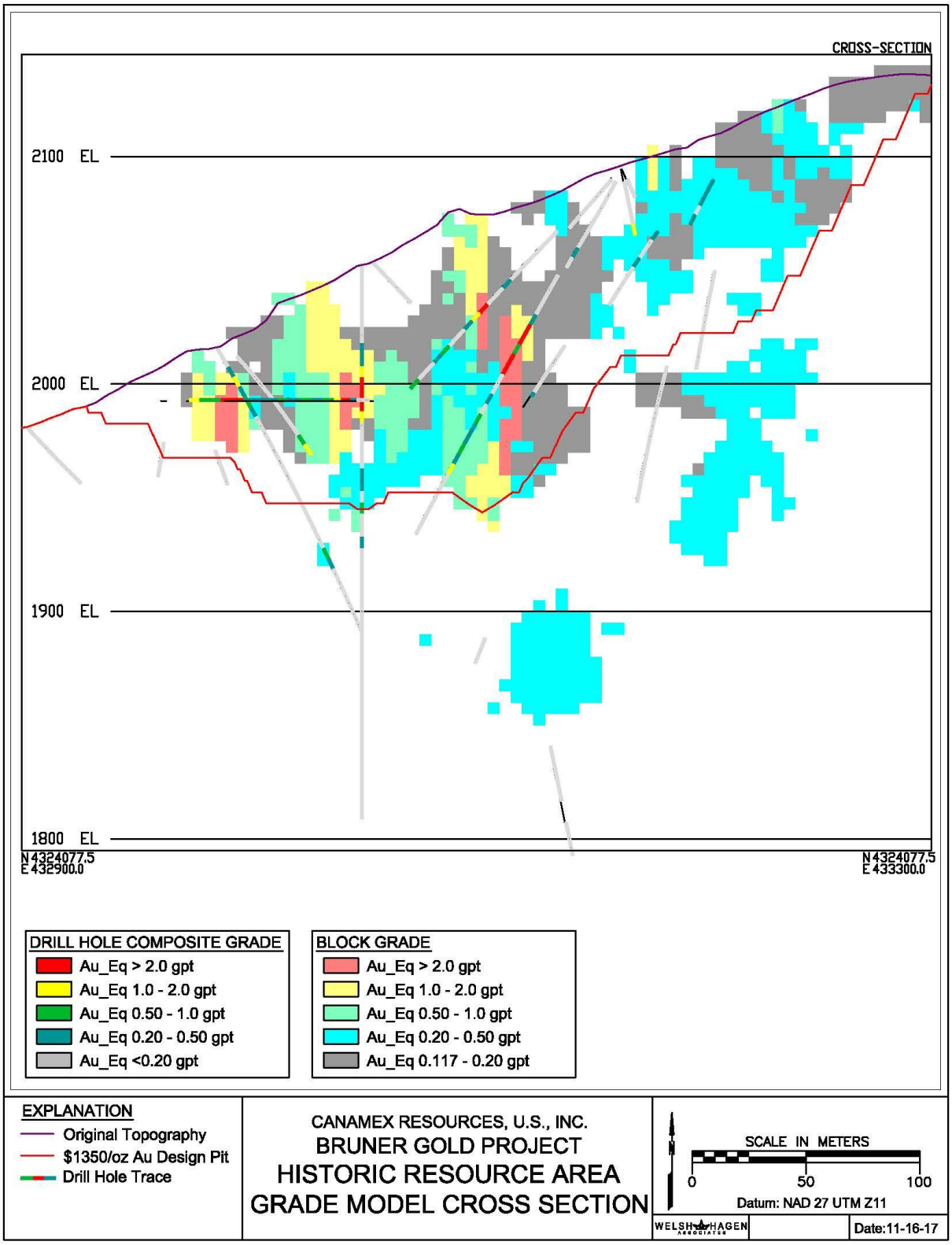
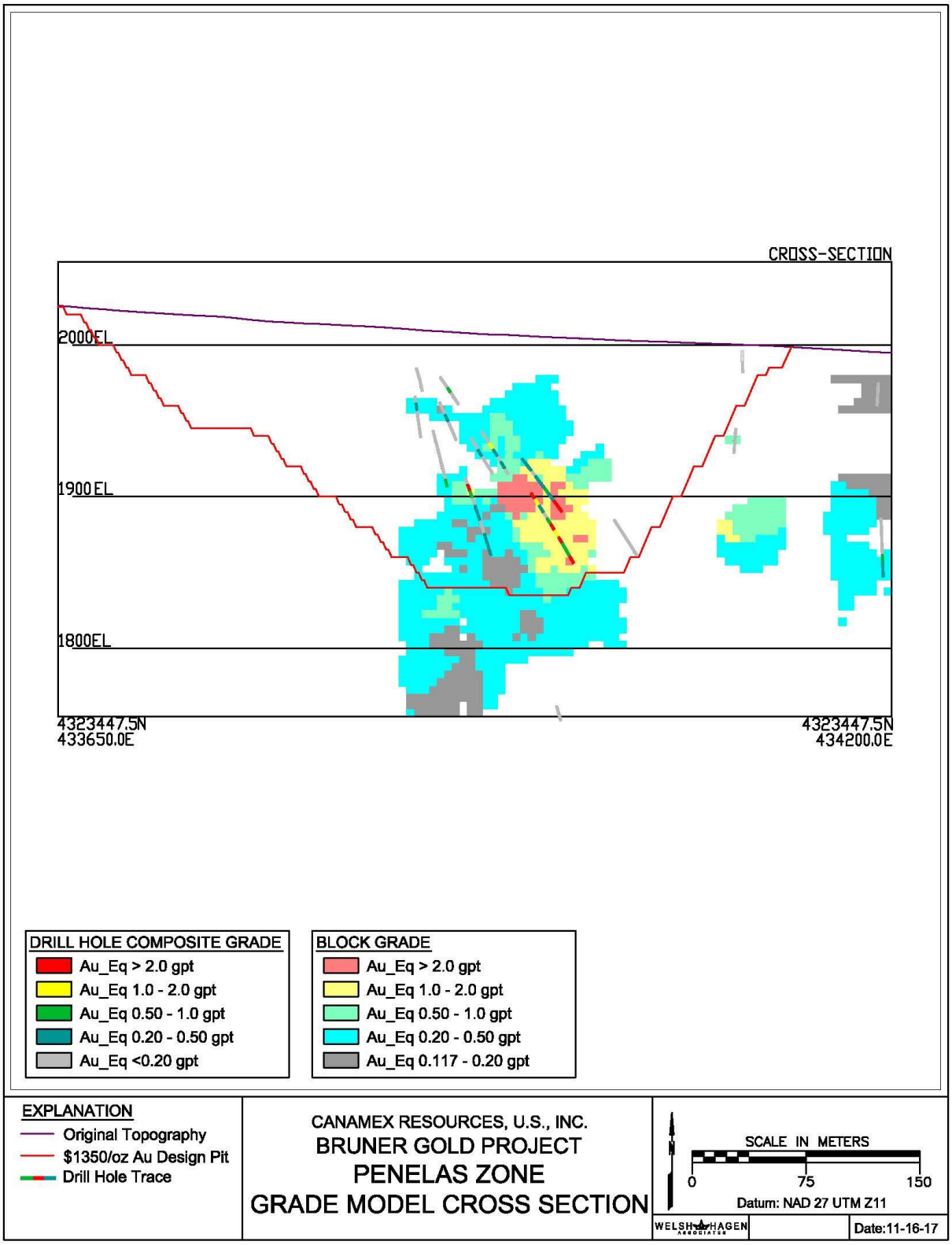


Figure 14.29: Grade Model Cross Section of the Penelas Zone



General Comments and Suggestions

The models that have been created for Bruner are mathematical in nature and as such, do not incorporate structural or geologic controls. The models use the PACK method (indicator kriging) to construct a + 0.1 g/tonne Au zone. Then, the composite values that are contained within the zone are used to model block grades within that zone. The grade modeling treats the zone as one homogenous unit, with preferential directions of continuity being taken into account. As such, the model is providing an unbiased picture of the overall average grade within the PACK defined grade zone. However, it may not be providing the best representation of gold grades on a more localized basis.

When additional infill drilling is available, an effort should be made to define structural and geologic do-mains within the deposit. This is especially important with respect to the high grade assays that exist. Based on the underground workings that were viewed in the HRA zone, it appears that there are narrow zones of more highly fractured material that carry the higher grade gold values. If possible, these zones should be identified and the influence of high grade composites within these structures should be limited to the structures themselves. Taking these steps should allow a better model of gold grade to be con-structed on a local basis.

WHA recommends additional infill holes be drilled in the Penelas zone to increase drill density throughout the deposit, including into the deeper Penelas zone, surrounding the two holes (B-1446C and B-1436) which currently define this zone. Additional drilling is also needed in the Paymaster zone, specifically near the current underground workings.

MINERAL RESERVE ESTIMATES

No mineral reserves are reported herein.

MINING METHODS

The mining operation is assumed to be a conventional open pit mine, with drill and blast rock breakage and truck and loader materials handling.

The global resource model described in Section 14 was the basis for developing three separate mined envelopes (pits) using the floating cone module in the MicroMODEL software package. The mine pro-duction schedule was based on an average of 7,500 tonnes/day delivered to the crusher and lower grade ores being placed directly on the heap leach pad as run of mine (ROM) ore. WHA opted to take the mineralized material between 0.117 and 0.192 gold equivalent and treat it as run of mine material, that is, not crush it prior to stacking on the pads. The pits will be mined sequentially beginning at the Paymaster pit and progressing southeasterly to the HRA and Penelas pits. The production schedule was constrained to produce a constant feed of mineralized material to the crusher and conveyor loading onto the heap leach pad. ROM ores will be stacked on the heap leach pad without crushing. The ratio of ROM ore to crushed ore may vary due to gold price, ore grade, crushing costs, and recovery projections. Based on the high leachability of the mineral deposits, it is probable that a high percentage of the ore will be placed as ROM ore. Some stockpiling of higher grade material may be required to balance the crusher feed rate.

The term “ore” generally implies that sufficient technical feasibility and economic viability studies have been completed to classify the material as mineral reserve. A Qualified Person has not done sufficient work to classify the mineral resource at the Bruner Gold Project as current mineral reserve and the issuer is not treating the mineral resource as mineral reserve. The term “ore” is used in this report section to de-scribe mining methods in standard mining terms.

Pit Design

No site specific geotechnical studies have been undertaken to date, other than the kinematic structural analysis completed by Dering (2014), and therefore pit slopes were based on reasonable assumptions and observation of nearby operating surface mines. An overall pit slope of 55° was used for pit optimization. This is typically an attainable pit slope in volcanic rocks for open pit mines in Nevada unless there are unfavorable faults, fracturing, or weak zones of alteration. Dering’s 2014 study supports a 55 degree pit slope for the Bruner property.

Pit Shape Determinations

Designed pits were generated for the Paymaster, HRA and Penelas resource zones. These designs were based on the $1350/oz Au floating cone shell limits. Pit design parameters are shown on **Table 14.40**.

The conceptual pit resources and schedule for Bruner are presented in **Table 16.1**. Mineral resources within the pit volume were evaluated and scheduled out using an Excel spreadsheet. The average cutoff grade for the mine life of the potential mining project was 0.192 Au g/t for crushed ore and 0.117 g/t for ROM ore.

Table 16.1: Conceptual Production Schedule

Year	1	2	3	4	5	6	7	8	Total
kTonnes Mined									
Crusher Material (Indicated)	2,320	2,565	1,918	2,362	2,398	2,412	2,340	1,189	**17,504**
gpt Au	0.59	0.71	0.47	0.50	0.59	0.50	0.66	0.99	0.61
cont oz Au	44,158	58,804	29,202	38,094	45,423	38,387	49,793	37,671	**341,532**
gpt Ag	5.71	8.85	3.73	4.06	5.29	6.02	4.65	4.39	5.48
cont oz Ag	425,683	729,472	230,052	308,179	407,882	466,790	349,743	167,996	**3,085,797**
ROM Material (Indicated)	527	595	222	188	163	163	152	24	**2,034**
gpt Au	0.16	0.16	0.16	0.17	0.17	0.16	0.17	0.18	**0.16**
cont oz Au	2,767	3,136	1,171	1,009	888	832	807	137	**10,747**
gpt Ag	2.96	5.61	2.53	2.37	3.52	4.16	3.82	4.96	**3.86**
cont oz Ag	50,180	107,347	18,082	14,340	18,460	21,821	18,686	3,831	**252,747**
Crusher Material (Inferred)	343	97	295	300	264	251	322	203	**2,075**
gpt Au	0.44	0.41	0.48	0.49	0.46	0.39	0.77	1.01	0.55
cont oz Au	4,821	1,285	4,527	4,703	3,881	3,183	7,920	6,603	**36,923**
gpt Ag	2.39	7.07	3.20	3.74	4.04	6.08	5.34	4.24	4.22
cont oz Ag	26,382	22,036	30,363	36,103	34,331	49,104	55,306	27,692	**281,317**
ROM Material (Inferred)	35	22	9	26	27	14	8	1	**142**
gpt Au	0.17	0.16	0.17	0.16	0.17	0.15	0.17	0.12	**0.17**
cont oz Au	191	116	48	137	146	69	44	4	**755**
gpt Ag	2.04	6.09	2.03	2.02	2.22	3.83	3.92	3.61	**2.99**
cont oz Ag	2,294	4,307	588	1,685	1,931	1,726	1,007	116	**13,654**
Total Leach Material Mined	3,250	3,300	2,450	2,900	2,850	2,850	2,800	1,400	**21,800**
gpt Au	0.50	0.60	0.44	0.47	0.55	0.46	0.65	0.99	**0.56**
cont oz Au	52,000	63,500	35,000	44,000	50,500	42,500	58,500	44,500	**391,000**
gpt Ag	4.84	8.15	3.55	3.88	5.06	5.90	4.73	4.47	**5.20**
cont oz Ag	506,000	865,000	280,000	362,000	464,000	541,000	426,000	201,000	**3,645,000**
Waste	3,650	2,350	23,950	14,550	13,000	4,950	2,100	650	**65,200**
Total Mined	6,900	5,650	26,400	17,450	15,850	7,800	4,900	2,050	**87,000**

The material conceptually considered for extraction in the PEA contains both indicated and inferred re-sources. The reader is cautioned that inferred mineral resources are considered too speculatively geologically to have technical and economic considerations applied to them and mineral resources that are not mineral reserves do not have demonstrated economic viability.

Mining Equipment

This PEA assumes that mining operations at Bruner will be performed by a contractor. There are several companies in Nevada that perform contract mining. Typically, a contract miner will provide drilling, blasting, loading, hauling and ancillary equipment to support the mining

operation. Capital to purchase the mining equipment is not included in the capital cost estimates in Section 21; however these costs are reflected in higher operating costs as the mining is performed. The relatively short mine makes contract mining an economic and lower risk choice.

The contract haulage fleet will need to move approximately 7,500 tonnes per day of ore and approximately 30,000 tonnes per day of waste. This will likely be done with trucks in the 80 to 90 tonne range and appropriately sized wheel loaders. Ancillary equipment will include water trucks, dozer(s), grader(s), blast hole drills, a service truck, and a fuel/lube truck.

At the crusher, the Owner will provide a front-end loader to feed the crusher from the coarse ore stock-pile when trucks are not direct dumping. A D-6 size dozer will also be needed on the heap leach pad to spread ROM ore and level the surface of the crushed ore for leaching.

Mining above Underground Workings

Historic underground mining has occurred in the mineralized areas considered in this PEA. This mining was generally performed manually by excavating drifts (tunnels) underneath the ore zones and selective-ly extracting the mineralized rock from underneath – creating an open man-made cave (stope). Some-times, mine timbers were used to brace the sides of the drifts and stopes, but after several decades the timbers are no longer effective support. The unsupported openings often have no surface expression and may cave in if mining equipment gets too close.

Experience at numerous open pit mines in Nevada has shown that mining over historic underground mines can be performed safely without significantly disrupting the mining schedule; however the presence of underground workings requires additional safety precautions to avoid ground collapse under men or equipment. Typically, a blast hole drill is used to advance probe holes to a depth of 20 meters below a mining level to determine the presence of a mining cavity. When a cavity is located, additional probe holes are drilled to determine the extent of the cavity. Then a blasting plan is developed to fill the void with blasted rock prior to mining over the area. Mining usually be performed with a track excavator loading the haul trucks. If additional voids are exposed during mining, additional probing, drilling and blasting will be performed until the previous cavities are mined out and normal mining sequences can be resumed.

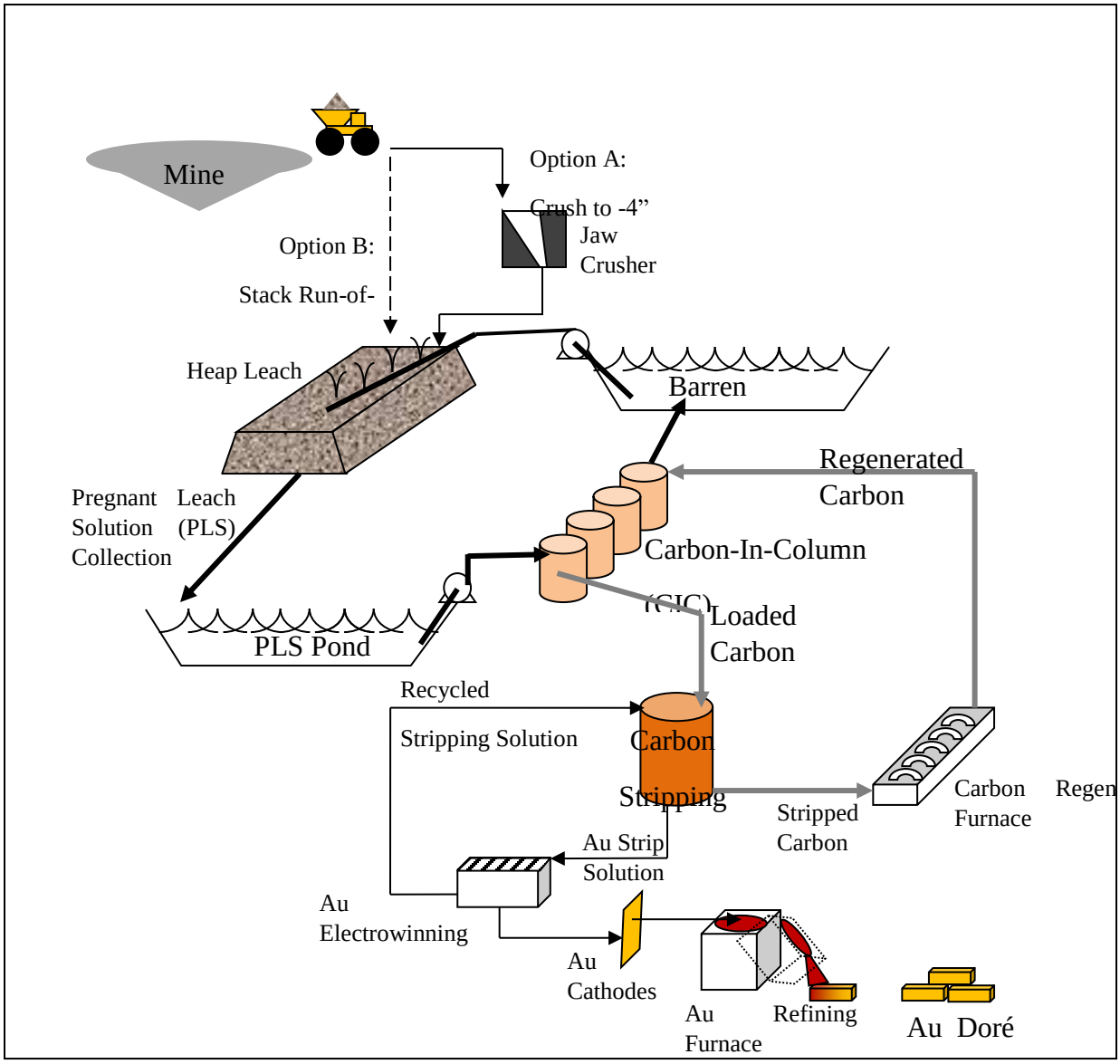
RECOVERY METHODS

Based on proximity to surface, average grade and the results from preliminary metallurgical test work, the recovery methods anticipated to be most appropriate for the Bruner Gold Project are cyanide heap leach with carbon adsorption. A zinc precipitation (Merrill-Crowe) recovery process was not deemed to be needed due to the low silver recovery observed in the metallurgical testing results.

The process flow being considered for the Bruner property has been sketched in Figure 17.1. The process will use heap leaching with a standard “adsorption-desorption-recovery” (ADR) process for recovering the solubilized gold (and silver) from the leach solutions. As shown in Figure 17.1, option A would be to install a jaw crusher to crush the ore to a nominal 4-inch size prior to loading it onto the heap pad; option B would be to haul “run-of-mine” ore directly to the heap. The cyanide solution from the Barren Pond is percolated through the heap to create the Pregnant Leach Solution

(PLS) that is collected at the bottom of the heap. The PLS is then pumped through activated carbon in a series of Carbon-in-Column (CIC) tanks to adsorb the cyanide soluble precious metal from the PLS. The solution from the CIC will report to the barren pond to be recycled back to the heap. The loaded carbon is sent to a Carbon Stripping Tank so that the gold (and silver) can be extracted from the carbon into the gold Strip Solution. The stripped carbon is regenerated in a furnace and recycled back to the CIC circuit; the Au Strip Solution is sent through an electrowinning cell to plate the precious metals on cathodes. These cathodes (typically made of steel wool) are then melted in a refining furnace, and the doré is cast into molds for shipping off-property.

Figure 17.1: Process Flow Sheet for the Recovery of Au and Ag



4.3 Companies with Oil and Gas Operations

Not applicable. The Issuer does not have oil and gas operations.

5. Selected Consolidated Financial Information

5.1 Annual Information

The following table summarizes financial information of the Issuer for the last three completed financial years ended December 2016, 2015 and 2014 and for the subsequent nine month period ended September 31, 2017. This summary financial information should only be read in conjunction with the Issuer's financial statements and the notes thereto. See "Financial Statements" in section 25.1 hereof.

	Nine months ended September 30, 2017	Year end December 31, 2016 (audited)	Year end December 31, 2015 (audited)	Year end December 31, 2014 (audited)
Total revenue	Nil	Nil	Nil	Nil
Income from Continuing Operations				
Net Income (loss) in total	$ (1,559,484)	$ (997,938)	$ (4,646,677)	$ (1,937,870)
Basic and Diluted Loss per Share	$ (0.03)	$ (0.03)	$ (0.14)	$ (0.02)
Total Assets	$ 11,807,001	$ 9,997,081	$ 7,869,155	$ 9,7302,039
Total Liabilities	$ 4,378,892	$ 3,832,076	$ 2,379,176	$ 321,963
Cash Dividends Declared per Share	Nil	Nil	Nil	Nil

5.2 Quarterly Information

The following tables summarize the financial results for each of the Issuer's eight most recent-ly completed quarters. This financial data has been prepared in accordance with IFRS and all figures are stated in Canadian dollars.

	Sept 30, 2017	June 30, 2017	Mar 31, 2017	Dec 31, 2016	Sept 30, 2016	June 30, 2016	Mar 31, 2016	Dec 31, 2015
Total Assets	11,807,001	12,099,597	9,743,700	9,997,081	8,026,706	7,949,133	7,922,030	7,869,155
Working Capital	1,068,828	1,670,394	1,069,517	1,333,586	(3,211,818)	(2,871,417)	(2,623,440)	(2,244,338)
Net Loss	$(375,626)	$(450,731)	$(733,127)	(283,625)	$(246,621)	$ (206,226)	$(261,466)	(3,862,021)
Basic and Diluted Loss per Share	$ (0.01)	$ (0.01	$ (0.02)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.03)

5.3 Dividends

Subject to the *British Columbia Securities Act*, the directors may in their discretion from time to time declare and pay dividends wholly or partly by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Issuer, or a combination of these. The Issuer paid no dividends during its three previously completed financial years. The Issuer intends to retain any earnings to finance growth and expand its operations, and does not anticipate paying any dividends on its common shares in the foreseeable future.

5.4 Foreign GAAP

Not applicable. The Issuer's financial statements are not prepared using foreign GAAP.

6. Management's Discussion and Analysis

The Issuer's Management's Discussion and Analysis ("**MD&A**") for its fiscal year ended December 31, 2016 is attached as Schedule B hereto, and for its nine-month period ended September 30, 2017 is attached as Schedule D hereto, and each form an integral part of this Listing Statement, and should be read in conjunction with the Issuer's financial statements and the notes thereto for the corresponding time periods.

7. Market for Securities

The Common Shares of the Company were listed on the TSX Venture Exchange under the symbol CSQ. The Company has applied to have its listing transferred to the Canadian Securities Exchange where it will keep its symbol. The Company is also posted on the grey board of the OTC Markets Group marketplace under the symbol CNMXF. The Company is also posted on the Börse Frankfurt under the symbol CX61.

8. Consolidated Capitalization

Subsequent to year end December 31, 2016, on May 12, 2017, the Company closed a non-brokered private placement for a gross proceeds of $2,488,962 at a price of $0.12 per unit. Each unit is comprised of one common share and one warrant exercisable into a common share for $0.20 per share for a period of five years. Finders' fees totaling an aggregate of 1,315,955 units were paid in connection with the financing.

9. Options to Purchase Securities

The Company has in place a 10% Rolling Stock Option Plan (the "**Plan**"), which was ratified and approved by shareholders at the Annual General Meeting held December 29, 2015 and approved by the TSX Venture Exchange on January 27, 2016. As at the date of this Listing Statement, the Company is authorized to grant up to 6,149,605 options, being 10% of the issued and outstanding common shares of the Company. Currently, there are 4,150,669 options granted under the Plan.

Under the Plan, options are exercisable over periods of up to 10 years as determined by the Board of Directors and are required to have an exercise price no less than the closing market price of the Company's shares on the trading day immediately preceding the day on which the Company announces the grant of options (or, if the grant is not announced, the closing market price prevailing on the day that the option is granted), less the applicable discount, if any, permitted by the policies of the Exchange and approved by the Board of Directors. Pursuant to the Plan, the Board of Directors may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The maximum number of common shares which may be issued pursuant to options previously granted and those granted under the Plan will be 10% of the issued and outstanding common shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed (without disinterested shareholder approval) 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant. The Plan contains no vesting requirements, but permits the Board of Directors to specify a vesting schedule in its discretion.

The Plan also contains the following provisions:

1. If a change of control (as defined in the Plan) occurs, or if the Company is subject to a take-over bid, all shares subject to stock options shall immediately become vested and may thereupon be exercised in whole or in part by the option holder. The Board may also accelerate the expiry date of outstanding stock options in connection with a take-over bid.

2. The Plan contains adjustment provisions with respect to outstanding options in cases of share reorganizations, special distributions and other corporation reorganizations including an arrangement or other transaction under which the business or assets of the Company become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Company's shareholders, or the exchange with the Company's shareholders, of securities of the Company or securities of another company.

3. On the death or disability of an option holder, all vested options will expire at the earlier of 365 days after the date of death or disability and the expiry date of such options. Where an optionee is terminated for cause, any outstanding options (whether vested or unvested) are cancelled as of the date of termination. If an optionee retires or voluntarily resigns or is otherwise terminated by the Company other than for cause, then all vested options held by such optionee will expire at the earlier of (i) the expiry date of such options and (ii) the date which is 90 days (30 days if the optionee was engaged in investor relations activities) after the optionee ceases its office, employment or engagement with the Company.

4. If pursuant to the operation of an adjustment provision of the Plan, an optionee receives options (the "New Options") to purchase securities of another company (the "New Company") in respect of the optionee's options under the Plan (the "Subject Options"), the New Options shall expire on the earlier of: (i) the expiry date of the Subject Options; (ii) if

the optionee does not become an eligible person in respect of the New Company, the date that the Subject Options expire pursuant to the applicable provisions of the Plan relating to expiration of options in cases of death, disability or termination of employment discussed in the preceding paragraph above (the "Termination Provisions"); (iii) if the optionee becomes an eligible person in respect of the New Company, the date that the New Options expire pursuant to the terms of the New Company's stock option plan that correspond to the Termination Provisions; and (iv) the date that is two (2) years after the optionee ceases to be an eligible person in respect of the New Company or such shorter period as determined by the Board of Directors.

5. In accordance with good corporate governance practices and as recommended by National Policy 51-201 Disclosure Standards, the Company imposes black-out periods restricting the trading of its securities by directors, officers, employees and consultants during periods surrounding the release of annual and interim financial statements and at other times when deemed necessary by management and the board of directors. In order to ensure that holders of outstanding stock options are not prejudiced by the imposition of such black-out periods, any outstanding stock options with an expiry date occurring during a management imposed black-out period or within five days thereafter will be automatically extended to a date that is 10 trading days following the end of the black-out period.

Stock Options				
Group	**Options to Purchase Common Shares**	**Exercise Price**	**Expiry Date**	**Closing Price on grant date**
Executive officers and past executive officers of the Company:	312,500	$0.52	Mar 13, 2019	$0.52
	250,000	$0.64	Jan 26, 2020	$0.64
	571,919	$0.20	Oct 21, 2020	$0.16
	350,000	$0.16	Feb 23, 2022	$0.11
	100,000	$0.16	Sep 5, 2022	$0.13
	500,000	$0.16	Nov 24, 2022	$0.11
	150,000	$0.215	Jan 5, 2023	$0.22
	150,000	$0.210	Jan 22, 2023	$0.19
Directors and past directors of the Company who are not noted in executive officers above:	175,000	$0.16	Feb 23, 2022	$0.11
	312,500	$0.20	Oct 21, 2020	$0.16
	93,750	0.52	Mar 13, 2019	$0.52

Executive officers and past executive officers of all subsidiaries:	0	N/A	N/A	N/A
Employees and past employees of the Company:	0	N/A	N/A	N/A
All consultants of the Company:	225,000	$0.52	Mar 13, 2019	$0.52
	600,000	$0.16	Feb 23, 2022	$0.11
	150,000	$0.16	Sep 5, 2022	$0.13
	50,000	$0.16	Nov 24, 2022	$0.11
	60,000	$0.25	Dec 8, 2022	$0.25
	100,000	$0.215	Jan 5, 2023	$0.22
Employees and past employees of all subsidiaries:	0	N/A	N/A	N/A
Directors and past directors of all subsidiaries who are not noted in executive officers above:	0	N/A	N/A	N/A
Total:	**4,150,669**			

10. Description of the Securities

10.1 Common Shares

The authorized share capital of Canamex consist of Common Shares without par value and without special rights or restrictions attached and Class A Preference Shares without par value and with special rights or restrictions attached. As of the date of this Listing Statement, 61,496,051 Common Shares were issued and outstanding and no Class A Preference Shares.

10.2 Stock Options

As of the date of this Listing Statement, there are 4,150,669 Stock Options granted and out-standing. The Stock Options were granted pursuant to Canamex's stock option plan, approved by the Canamex Board on December 29, 2015.

Date of Grant	Number of Options	Exercise Price	Expiry Date
March 14, 2014	631,250	$0.52	March 13, 2019

January 27, 2015	250,000	$0.64	January 26, 2020
October 22, 2015	884,419	$0.20	October 21, 2020
February 24, 2017	1,125,000	$0.16	February 23, 2022
September 5, 2017	250,000	$0.16	September 5, 2022
November 24, 2017	550,000	$0.16	November 24, 2022
December 8, 2017	60,000	$0.25	December 8, 2022
January 5, 2018	250,000	$0.215	January 5, 2023
January 22, 2018	150,000	$0.21	January 22, 2023
Total	**4,150,669**		

10.3 Debt securities

In 2015 and 2016 the Company closed a series of private placement of secured convertible debentures.

Issuance Date	Principal Amount	Conversion Price	Total Common Shares Issuable
October 23, 2015	$1,500,000	$0.20	7,500,000
November 6, 2015	$415,000	$0.20	2,075,000
October 2016	$4,239,000	$0.16	26,493,750
December 2016	$559,000	$0.16	3,493,750
Total	**$6,713,000.00**		**39,562,500**

A full discussion on the details of these convertible debentures can be found in Note 7 to the September 30, 2017 interim financial statements.

10.4 Other securities

The Company has issued warrants convertible into Common Shares in respect of its private placements. The table below details the warrants that are issued and outstanding:

	As at September 30, 2017	
	Number of Warrants	Weighted Average Exercise Price
Warrants outstanding, beginning of year[(1,2,3,4)]	37,549,988	$ 0.20
Warrants issued during the year[(5)]	22,057,305	$ 0.20
Warrants outstanding, end of period	59,607,293	$ 0.20

As at September 30, 2017

Number of Warrants Weighted Average Exercise Price

Warrants outstanding, beginning of year(1,2,3,4)	37,549,988	$	0.20
Warrants issued during the year(5)	22,057,305	$	0.20
Warrants outstanding, end of period	59,607,293	$	0.20

10.5 Prior Sales

The following table details all prior sales of securities of the issuer within the last year:

Date of Issue	Type of Security	Number of Securities	Issue or Exercise Price per Security	Reason for Issue
May 17, 2017	Units (Consisting of common shares and warrants)	20,741,350	$0.120	Private Placement
December 30, 2016	Units (Consisting of common shares and warrants)	6,008,438	$0.160	Private Placement

10.6 Stock Exchange Price:

Canamex Common Shares trade on the TSXV under the symbol "CSQ". The table be-low sets out the reported high and low prices for the Common Share on the TSX Venture Exchange along with a volume of Canamex Common Shares traded on a monthly basis for the past 12 months.

Date	High	Low	Volume
2016-12	0.14	0.95	1,682,135
2017-01	0.155	0.12	1,360,653
2017-02	0.125	0.10	1,524,740
2017-03	0.12	0.095	1,062,453
2017-04	0.165	0.105	7,274,890
2017-05	0.19	0.125	2,417,196
2017-06	0.175	0.145	1,408,349
2017-07	0.16	0.115	829,763
2017-08	0.16	0.135	961,888
2017-09	0.14	0.08	3,388,099
2017-10	0.15	0.085	3,144,591
2017-11	0.135	0.10	713,367
2017-12	0.275	0.12	15,648,199
2018-01	0.27	0.18	5,120,789
2018-02 (01 to 08)	0.215	0.165	1,418,588

11. Escrowed Securities

No securities of the Company are escrowed.

12. Principal Shareholders

The following table lists those persons who own 10% or more of the issued and outstanding Common Shares of the Issuer:

Name	*No. of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly*	*Percentage of Outstanding Shares*
Hecla Canada Ltd.	4,309,287[(1)]	11.1%
Concept Capital Management Ltd.	$3,400,000 Principal Amount Convertible Debenture[(2)]	52.1%[(2)]

Notes:

(1) Pursuant to an Ancillary Rights Agreement, for so long as Hecla Canada Ltd. (being a wholly owned Canadian subsidiary of Hecla Mining Company) ("Hecla") holds more than 10% of the Company's outstanding shares (on an undiluted basis), Hecla also has the right to participate in future equity offerings of the Company, including in respect of common shares of the Company issued on exercise of outstanding common share purchase warrants, in order to maintain Hecla's pro-rata equity interest in the Company.

(2) Pursuant to a private placement that closed on October 25, 2016, the Company issued a Convertible Debenture in the Principal Amount of $3,400,000 (the "Debenture") to Concept Capital Management Ltd. ("CCM"), which matures October 25, 2019. The Debenture is convertible into 21,250,000 common shares of the Company at a conversion price of $0.16 per share. CCM was also issued a warrant (the "Debenture Warrant") entitling it to acquire up to 21,250,000 additional common shares, exercisable at $0.20 per share on or before October 25 2019. Assuming conversion of the Debenture and full exercise of the Debenture Warrant, CCM would hold 42,500,000 common shares of the Company, representing 52.1% of the 81,808,371 then issued and outstanding shares of the Company. To date, CCM has not converted this Debenture. CCM has agreed in an Undertaking to the TSX Venture Exchange not to convert the Debenture if it would place it in a Control Position in the Company unless the Company has received shareholder approval to such change of control

13. Directors and Officers

13.1 Particulars of Directors and Officers

The following table sets out the names, municipalities of residence, the number of voting securities beneficially owned, directly or indirectly, or over which each exercises control or direction, and the offices held in the Issuer and the principal occupation of the directors and senior officers during the past five years.

Name and Municipality of Residence and Position	Present Occupation and Positions Held During the Last Five Years	Term of Office And When Term Will Expire	Number and Percentage of Common Shares[(1)] Beneficially Owned or Controlled Directly or Indirectly as of the Date of this
David Vincent Ajman, United Arab Emirates CEO and Director	Director of Canamex	Director since October 4, 2017	Common Shares: 1,706,205 Percentage: 2.78% Options (Common Shares): 500,000 Warrants (Common Shares): 1,026,205
Dong H. Shim Vancouver, BC, Canada CFO	CFO and Secretary of Canamex	Since August 25, 2017	Percentage: 0 Options (Common Shares): 100,000
Frank Högel Independencia, Paraguay Director	Asset Manager, involved in financial evaluation of companies and convertible debenture structuring; Member of Advisory Board for Concept Capital Management Ltd.; Director of four other public companies.	Director since October 20, 2015	Common Shares: 309,000 Percentage: 0.50% Options (Common Shares): 262,500 Warrants (Common Shares): 150,000
Greg Hahn Tuscon, Arizona U.S.A. President, COO, and Director	President and Chief Operating Officer of the Company since September 2012; Interim CEO since May 9, 2014; President, CEO and director of Arizona Silver Exploration Inc. since November 2016 to present; Director of eCobalt Solutions	Director since September 8, 2011	Common Shares: 581,919 Common Shares (Gregory A. Hahn Revocable Trust dated January 14, 1999, Gregory A. Hahn, Trustee): 1,369,307 Percentage: 3.18% Options (Common Shares): 1,021,919

	(formerly Formation Metals) since May 2013.		Warrants (Common Shares) (Gregory A. Hahn Revocable Trust dated January 14, 1999, Gregory A. Hahn, Trustee): 500,000
Guy Dancosse Montreal, QC, Canada Director		Director since January 22, 2018	0 Percentage: 0
Mike Stark Surrey, B.C. Canada Chairman of the Board	25 year member of the Fire Service International Association of Fire Fighters, currently Captain; Director of Arizona Silver Exploration Inc. since November 2016; Director of TransAmerican Energy Inc. since October 2008.	Director since February 25, 2009	Common Shares: 75,625 Common Shares (Stark Kollections): 835,434 Percentage: 1.48% Also: Options (Common Shares) (Stark Kollections): 256,250 Warrants (Common Shares) (Stark Kollections): 281,250

Notes

(1) Based upon 61,365,676 outstanding common shares.

13.2 Directors and Officers Common Share Ownership

The current directors and senior officers of the Issuer as a group, directly or indirectly, beneficially own or exercise control or director over an aggregate of 2,672,749 common shares of the Issuer, representing approximately 7.94% of the issued and outstanding common shares of the Issuer.

13.3 Board Committees of the Issuer

Audit Committee

The Company is required to have an audit committee. Members of this committee are as set out below. Greg Hahn, Mike Stark and Frank Högel.

Compensation Committee

The Board of Directors of the Company (the "Board") has established a Compensation Committee, which as at the year ended December 31, 2017 was comprised of David John Vincent (Chair), Mike Stark and Frank Hogel, all of whom were independent members of the Board.

The purpose of the Compensation Committee is to make recommendations to the Board regarding (a) executive compensation (including philosophy and programs); (b) management development and succession; (c) compensation of the members of the Board; and (d) broadly applicable compensation and benefit programs. However, it is the Board as a whole which is responsible for determining the final compensation (including long-term incentive in the form of stock options) to be granted to the Company's executive officers and directors to ensure that such arrangements reflect the responsibilities and risks associated with each position. Management directors are required to abstain from voting in respect of their own compensation, thereby providing the independent members of the Board with considerable input as to executive compensation.

13.4 Other Occupations

The following directors of the Company hold directorships in other reporting issuers as set out below:

Name	***Name and Jurisdiction of Reporting Issuer***
Greg Hahn	eCobalt Solutions (TSX) Arizona Silver Exploration Inc. (TSX-V)
Mike Stark	TransAmerican Energy Inc. (TSX-V) Arizona Silver Exploration Inc. (TSX-V)
Frank Högel	TemboGoldCorp.(TSX-V) NicolaMiningInc.(TSX-V) OremexSilverInc.(TSX-V) GoldenGoliathResources(TSX-V)
Guy Dancosse	Fronsac Real Estate Investment Trust (TSXV) AREV Nutrition Sciences Inc. (CSE)

13.5 Cease Trade Orders or Bankruptcies

Other than as disclosed below, to the knowledge of the Issuer, no current or proposed director, officer or promoter of the Issuer, or a security holder anticipated to hold sufficient securities of the Issuer to affect materially the control of the Issuer is, or within 10 years before the date hereof, has been, a director or officer of any other company that, while that person was acting in that capacity:

(a) was the subject of a CTO or similar order, or an order that denied the other company access to any exemptions under Ontario securities law, that was issued at the time such person was acting in the capacity as director or officer, for a period of more than 30 consecutive days;

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a CTO or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise 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 in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Other than as disclosed below, no proposed director of the Issuer has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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 proposed director.

(e) Mike Stark, who was a director of TransAmerican Energy Inc. ("**TAE**") while that company was subject to:

(i) a cease trade order issued on August 20, 2008 by the British Columbia Securities Commission (the "**TAE BC CTO**") against TAE for failure to file annual oil and gas disclosure prescribed by National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities, for the years ended April 30, 2006 and 2007. TAE subsequently brought all of its annual continuous disclosure filings up-to-date, and the TAE BC CTO was revoked on November 19, 2008;

(ii) a cease trade order issued on August 21, 2008 by the Alberta Securities Commission against TAE (the "**TAE Alberta CTO**") for failure to file annual oil and gas disclosure for the year ended April 30, 2007. TAE subsequently brought all of its annual continuous disclosure filings up-to-date, and the TAE Alberta CTO was revoked on November 25, 2008;

(iii) a management cease trade order issued on August 31, 2009 by the British Columbia Securities Commission (the "**TAE MCTO**") against TAE for failure to file annual financial statements for the year ended April 30, 2009. The financial statements were

subsequently filed and the TAE MCTO was revoked on October 2, 2009; and

(f) Frank Högel, who was a director of Oremex Silver Inc. ("**Oremex**") while that company was subject a cease trade order issued by the British Columbia Securities Commission on April 1, 2014 and June 3, 2014, and the Alberta Securities Commission on September 2, 2014 as a result of the failure of Oremex to file financial statements for the year ended November 30, 2013, interim financial statements for the period ended February 28, 2014, and a Form 51-102F1 Management's Discussion and Analysis for the periods ended November 30, 2013 and February 28, 2014. The cease trade orders remain in effect. Mr. Högel is still a director of Oremex; and

(g) Frank Högel, who was appointed to the Board of Directors of Huldra Silver Inc. ("**Huldra**") (now Nicola Mining Inc.) on November 21, 2014, after Huldra, on July 26, 2013, sought creditor protection under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**"). Huldra obtained a stay order (the "**Initial Order**") from the Supreme Court of British Columbia (the "Court"). The Initial Order provided for a stay of proceedings against the applicants and their property for an initial period ending Au-gust 26, 2013, which the Court extended to November 24, 2014. Huldra implemented the restructuring of its debts and obligations under a Plan of Compromise and Arrangement dated August 8, 2014 (the "**Plan**"). The Plan was prepared by Huldra in connection with CCAA Proceedings un-der the CCAA and was approved by the creditors of Huldra on September 23, 2014 and sanctioned by the Court on October 10, 2014. The certificate of Plan implementation was filed with the Court on November 21, 2014. The stay of proceedings granted to Huldra pursuant to the CCAA Proceedings has been terminated. As of the date of this Information Circular, Huldra continues the implementation of its restructuring plan in accordance with the terms and conditions of the Plan.

(h) Guy Dancosse who was a director of Abattis Bioceuticals Corp. ("**ATT**") while that company was subject to a cease trade order issued on February 3, 2017 by the British Columbia Securities Commission against ATT for failure to file annual financial statements for the year ended September 30, 2016 when they were due. The financial statements were subsequently filed and the cease trade order was revoked on March 2, 2017.

13.6 Penalties or Sanctions

To the knowledge of the Issuer, no director, officer or promoter of the Issuer, or a security holder anticipated to hold sufficient securities of the Issuer to affect materially the control of the Issuer is, or within 10 years before the date hereof, has been, a director or officer of any other Issuer that, while that person was acting in that capacity, has:

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

13.7 Personal Bankruptcies

No director or officer of the Issuer is, or has, within the 10 years prior to the date hereof, been declared bankrupt or made a voluntary assignment in bankruptcy, 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 that individual.

13.8 Conflicts of Interest

To the best of the Issuer's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Issuer, its promoters, directors and officers or other members of management of the Issuer or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Issuer and their duties as a director or officer of such other companies. However, the directors of the Issuer are bound by the provisions of the *Business Corporations Act* (British Columbia) to act honestly and in good faith with a view to the best interests of the Issuer and to disclose any interests which they may have in any project or opportunity of the Issuer. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and ab-stain from voting on such matter.

13.9 Management

David Vincent B.Eng, Dip. FP
Chief Executive Officer and Director, Age 62

David Vincent works full time for the Issuer as an independent contractor. David has entered into a non-disclosure agreement with the Issuer. In the last five years David has worked as a partner of Africa Gold FZC, a trade consulting business which is still active today.

David Vincent is a professional engineer and commercial pilot with post graduate academic qualifications in management and financial services. David was a consultant and investment banker providing corporate advisory, corporate public relations and capital raising services within the resources sector. David was a senior executive with BAE Systems, a global aerospace company, where he gained significant skills and experience in

international business development, feasibility studies, market analysis, business planning, project financing, project management and marketing within the United Kingdom, the Middle East and Europe. David was a senior commissioned officer (Engineer and Pilot) in the Royal Australian Air Force. David has worked throughout Europe, Middle East, Africa and Asia region for the last 20 years.

Greg Hahn, P. Geo, Geo. Engineer
President. Age 66

Greg Hahn works part-time as an independent contractor, devoting about 50% of his time to the Issuer. Mr. Hahn has entered into an non-disclosure agreement and a limited non-compete agreement with the Issuer. As part of his duties for the Issuer, Mr. Hahan manages US operations. In the last five years he has served as President of Greg Hahn Consulting LLC, geologic and mining consulting practice which is still active today.

Mr. Hahn is a Professional Geologist and Geological Engineer, who has over 35 years of extensive experience in exploration and mine development. Mr. Hahn has held senior level management positions with several public mining companies, where during his career, he has used his expertise to take projects from mine development through to production, these include; permitting, engineering, construction and operations for Constellation Copper Corporation, construction and operations for two open pit heap leach gold and silver mines with Coca Mines Inc, exploration for investment opportunities in Latin America for St. Mary Minerals Inc., as well as, exploration and pre-development for Noranda Inc. Additionally, Mr. Hahn has been instrumentally involved in financing and mergers for Metalline Mining Company, which resulted in significant market cap increase and Marathon PGM Corp, which sold in 2010 for $170 million. Mr. Hahn holds a B.A. in Earth Sciences and an M.S. in Geology and Geological Engineering.

Dong H. Shim
CFO and Secretary, Age 34

Dong H. Shim works part-time as contractor, devoting about 25% of his time to the Issuer. Dong has not entered into a non-disclosure or non-compete agreement with the Issuer. In the last five years Mr. Shim served as President of SHIM Accounting Corporation, which is still operational today.

Dong H. Shim is a member of the Chartered Professional Accountants of British Columbia and a Certified Public Accountant registered in the State of Illinois, United States.

Mr. Shim has served as an audit partner on numerous audit engagements with a mid-size firm located in Vancouver, British Columbia, where he audited various publicly traded companies, primarily focusing on junior mining, oil and gas, pharmaceutical, and high-tech industries. As an audit partner, Mr. Shim also assisted various start-up companies in achieving public listings on the TSX Venture Exchange, Canadian Securities Exchange and the OTC Market.

Mr. Shim is currently the President of Golden Tree Capital Corp. and SHIM Accounting Corporation with a primary focus on business advisory, corporate consulting and regulatory filings both in the United States and Canada. In addition, Mr. Shim teaches accounting as an instructor at a local college in Vancouver and acts as a facilitator at CPA Western School of Business mentoring CPA candidates enrolled in the CPA Professional Education Program.

Guy P. Dancosse Q.C., icd.D.
Director, Age 74

Guy P. Dancosse works part-time as an independent contractor, devoting about 30% of his time to the Issuer. Guy has not entered into a non-disclosure or non-compete agreement with the Issuer. In the last five years Guy has worked as a partner of the law firm Dunton Rainville, which is still operational today.

Guy P. Dancosse, Q.C. was a member of the Board of Directors and Chair of the Hu-man Resources Committee at the Royal Canadian Mint. He was legal counsel for the Royal Canadian Mint for a long period of time. As such he has acquired a deep knowledge of the international currency systems and of Global Mint activity. He also sits on the board of many public and private companies. Guy has extensive experience in arbitration, negotiation and mediation, nationally and internationally, in many areas of business and the public sector. He has pleaded in all levels of the provincial and federal courts in Canada, including the Supreme Court of Canada. He acted as counsel in commercial arbitration, both nationally and internationally. He has undergone post-graduate training in mediation and arbitration at Harvard University, and completed the Director's Education Program at the Rotman School of Business University to Toronto. Guy is a certified member of the Institute of Corporate Directors and is accredited as an international commercial arbitrator by the ICC (International Chamber of Commerce). He is also a member of the Canadian Bar Association, the International Bar Association and the International Institute for Conflict Prevention & Resolution (New York).

Mike Stark
Director and Chairman, Age 56

Mike Stark is a graduate of Centennial High School and various management and scene command courses. Mr. Stark has not entered into a non-disclosure or non-compete agreement with the Issuer. In the last five years Mr. Stark has worked as an owner/operator of Stark Kollections Ltd. (from 1991) and Host Homes Ltd. (from 1987). Both businesses are still operational today. Mr. Stark retired as Captain of White Rock Fire Rescue on September 15, 2017, where he served from May 28, 1991.

Mr. Stark has over 32 years of business experience in the private sector as an owner and operator of two successful companies, and 27 years in the public sector. Mr. Stark's background includes corporate financing, investor relations, market support and corporate strategic development. Companies he has worked with in the past include; Exeter

Resources and Extorre Resources. Mr. Stark is currently chairman of Ari-zona Silver Exploration Inc.

Frank Hoegel, MBA
Director, Age 45

Frank Hoegel works part-time for the Issuer. Frank has not entered into a non-disclosure or non-compete agreement with the Issuer.

Frank has served as CEO at Peter Beck Performance Fonds GbR, bringing with him over 15 years of experience in the financial sector. He is an Asset Manager actively involved in the financial evaluation of companies and convertible debenture structuring. Mr. Högel has international financing experience, the ability to analyze expansion and acquisition opportunities, and expertise with Canadian resource companies. He has a broad base of involvement in global investments, primarily focused on the structuring, initiation, and completion of international convertible debenture financings. His background includes more than 13 years of direct experience in the mining industry, expertise as an international financier / investor and a successful track record as a consultant and stock broker in London, England. He serves on the Board of Directors of numerous public companies and is a Member of the Advisory Board of Concept Capital Management Ltd.

Frank Hoegel began his career with a London interdealer broker institute GFI Group involved in various forms of stocks, warrants and bonds. Mr. Hoegel currently serves as Chief Executive Officer of Peter Beck Performance Fonds GbR, and sits on the advisory board of Concept Capital Management, which is an asset management company, focused on evaluating and investing in Canadian resource companies, through equity investments, convertible bonds and gold, silver, and copper off-take agreements. Mr. Hoegel completed his degree in Master of Business Administration (FH) with a focus on Financial Management, Banking and International Business & Management from the University of Nürtingen, Germany. Mr. Hoegel has broad base of experience in global investments, where his expertise has been primarily focused on the structuring, initiation, and completion of international convertible debenture financings.

14. Capitalization

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)	61,365,676	163,919,888	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)	9,186,777	55,784,901	14.97%	34.03%
Total Public Float (A-B)	52,178,899	108,134,987	85.03%	65.97%
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)	0	0	0%	0%
Total Tradeable Float (A-C)	61,365,676	163,919,888	100%	100%

Public Securityholders (Registered)

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0

1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	59	58,503,620[(1)]
	59	58,503,620

Notes:
(1) Includes 51,085,581 share registered to CDS and CEDE.

Public Securityholders (Beneficial)

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	10	474
100 – 499 securities	53	11,298
500 – 999 securities	39	24,825
1,000 – 1,999 securities	42	55,475
2,000 – 2,999 securities	43	108,875
3,000 – 3,999 securities	16	55,942
4,000 – 4,999 securities	14	61,225
5,000 or more securities	221	9,535,604
Unable to confirm		41,235,863
	438	51,085,581

Non-Public Securityholders (Registered)

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	8	4,877,490
	8	4,877,490

14.1 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
Options (See Item 10.2 for a full description)	4,150,669	4,150,669
Convertible Debentures (See Item 10.3 for a full description)	$6,713,000	39,562,500
Warrants (See Item 10.4 for a full description)	59,607,293	59,607,293
Total		**103,320,462**

15. Executive Compensation

Compensation Discussion and Analysis

The main objective of the Company's executive compensation program is to attract, retain, and engage high-quality, high-performance executives who have the experience and ability to successfully execute the Company's strategy and deliver value to our shareholders.

The objectives of the Company's executive compensation program are as follows:

(i) compensate executives competitively for the leadership, skills, knowledge, and experience necessary to perform their duties;

(ii) align the actions and economic interests of executives with the interests of share-holders; and

(iii) encourage retention of executives.

The Board of Directors of the Company (the "Board") has established a Compensation Committee, which as at the year ended December 31, 2016 was comprised of Mike Stark and Dean McDonald, both being independent members of the Board.

The purpose of the Compensation Committee is to make recommendations to the Board regarding (a) executive compensation (including philosophy and programs); (b) management development and succession; (c) compensation of the members of the Board; and (d) broadly applicable compensation and benefit programs. However, it is the Board as a whole which is responsible for determining the final compensation (including long-term incentive in the form of stock options) to be granted to the Company's executive officers and directors to ensure that such arrangements reflect the responsibilities and risks associated with each position. Management directors are required to abstain from voting in respect of their own compensation, thereby providing the independent members of the Board with considerable input as to executive compensation.

Process for Determining Executive Compensation

As a junior natural resource issuer, the Company's executive compensation program focuses primarily on rewarding the efforts of its executives in increasing shareholder value and meeting the goals and objectives established by the Board for the Company as a whole and each executive on an individual basis. The Compensation Committee is responsible for reviewing executive compensation with respect to the achievement of these goals on an annual basis and making recommendations to the Board with input from the Company's Chief Executive Officer. In doing so, the Compensation Committee recognizes the importance of ensuring that overall compensation for Named Executive Officers is not only internally equitable, but also competitive within the market segment for junior natural resource issuers. Specifically, the Compensation Committee's review and evaluation includes measurement of, among others, the following areas: (a) the achievement of corporate objectives, such as financings, exploration programs and successes, acquisitions, joint ventures and other business development, in particular having regard to the budgetary constraints and other challenges facing the Company; (b) the Company's financial condition; and (c) the Company's share price, market capitalization and shareholder returns. The

Compensation Committee also takes into consideration the value of similar incentive awards to executive officers at comparable companies and the awards given to executive officers in the past.

The goal of the Compensation Committee is to meet at least once a year to assess, evaluate, monitor and make recommendations to the Board regarding appropriate executive compensation policies as well as succession planning, and will meet more frequently if required.

The Compensation Committee has recommended to the Board that the executive compensation program should be comprised of the following elements:

- Management Fee – to compensate executives for the leadership, skills, knowledge and experience required to perform their duties; and
- Long-term Incentive Plan – to retain talented executives, reward them for their anticipated contribution to the long-term successful performance of the Company and align them with the interests of shareholders. The plan currently consists only of incentive stock options and performance milestone payments which are fully described under "Termination and Change of Control Benefits" on page 12 herein.

Compensation Policies and Risk Management

The Board has not proceeded to an evaluation of the implications of the risks associated with the Company's compensation policies and practices.

The Company has not retained a compensation consultant during or subsequent to the most recently completed financial year.

The Company does not use a specific "benchmark group" to determine executive compensation levels.

Total compensation for executive officers includes consulting fees, long-term incentive stock options and performance milestone payments.

Hedging of Economic Risks in the Company's Securities

The Company has not adopted a policy forbidding directors and officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Company's securities granted as compensation or held, directly or indirectly, by directors or officers. The Company is not, however, aware of any directors of officers having entered into this type of transaction.

Option-based awards

The Company's stock option plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In deter-mining the number of options to be granted to the executive officers, the Board takes into ac-count the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange, and closely align the interests of the executive officers with the interests

of shareholders. The Directors of the Company are also eligible to receive stock option grants under the Company's stock option plan, and the Company applies the same process for determining such awards to Directors as with NEOs.

Summary Compensation Table

The following table (presented in accordance with National Instrument Form 51-102F6 *Statement of Executive Compensation* which came into force on October 31, 2011 (the "Form 51-102F6")) sets forth all annual and long term compensation for services in all capacities to the Company for the three most recently completed financial years of the Company ending on December 31, 2016 (to the extent required by Form 51-102F6) in respect of each of the individuals comprised of each Chief Executive Officer and the Chief Financial Officer who acted in such capacity for all or any portion of the most recently completed financial year, and each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, (other than the Chief Executive Officer and the Chief Financial Officer), as at December 31, 2016 whose total compensation was, individually, more than $150,000 for the financial year and any individual who would have satisfied these criteria but for the fact that individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year (collectively the "**Named Executive Officers**" or "**NEOs**").

NEO Name and Principal	*Year*	*Salary ($)*	*Share-Based Awards*	*Option-Based Awards ($)*	*Non-Equity Incentive Plan Compensation ($)*		*Pension Value*	*All Other Compensation ($)*	*Total Compensation ($)*
					Annual Incentive	*Long-term Incentive*			
Greg Hahn(3)(5)(6	201	Nil	Nil	Nil	Nil	Nil	Nil	118,922[1]	118,922
President COO;	201	Nil	Nil	76,733(7)	Nil	Nil	Nil	106,269[1]	183,002
CEO, Vice-Chair and	201	Nil	Nil	109,305(	Nil	Nil	Nil	180,497[1]	289,802
Robert (3) (5) former CEO CFO and	201	Nil	Nil	109,305[9]	Nil	Nil	Nil	424,355[2]	533,600
Richard CFO and	201	Nil	Nil	Nil	Nil	Nil	Nil	24,000[4]	24,000
	201	Nil	Nil	Nil	Nil	Nil	Nil	24,000[4]	24,000
	201	Nil	Nil	9,849(7)(	Nil	Nil	Nil	24,000[4]	33,849
Mark CEO and	201	Nil	Nil	Nil	Nil	Nil	Nil	98,978(11)	98,978
	201	Nil	Nil	173,246(	Nil	Nil	Nil	98,978(11)	272,224
	201	Nil	Nil	(9) (10) 27,326(7)	Nil	Nil	Nil	41,790(11)	69,116

1. During the year ended December 31, 2016, $118,922 was paid or accrued (2015 - $106,269; 2014 - $180,497) as consulting fees to a private company controlled by Mr. Hahn. In November 2014, Mr. Hahn agreed to a reduction in his consulting fee to US$7,500 per month for an indefinite period.
2. Robert Kramer was appointed Secretary and CFO of the Company on August 31, 2011, when Richard Barnett, who was Secretary and CFO from February 26, 2009, resigned. Subsequently on September 11, 2012, Richard Barnett was reappointed as CFO and Secretary, taking the place of Robert Kramer who resigned from those positions. Mr. Kramer subsequently passed away in May 2014. During the year ended 2014 - $424,355 was paid (2013 - $180,000) as consulting fees to a private company controlled by Robert Kramer. Of the 424,355 paid or accrued in fiscal 2014, $360,000 was to his Estate as set out in his Consulting Agreement that was SEDAR filed on November 21, 2012.
3. On September 11, 2012, Robert Kramer resigned as CFO and Secretary and was appointed as CEO and Chair; Greg Hahn resigned as CEO and was appointed as COO and Vice-Chair; and Richard Barnett was re-appointed as CFO and Secretary.

4. During the year ended December 31, 2016, $24,000 was paid or accrued (2015 - $24,000; 2014 - $24,000) as consulting fees to a private company controlled by Mr. Barnett.
5. On May 9, 2014 Greg Hahn was appointed interim CEO, due to the unfortunate passing away of Robert Kramer, and accordingly Mr. Kramer's positions as CEO, Chair and a director terminated on that date. Mr. Hahn further resigned as Vice-Chair on May 9, 2014.
6. Mark Billings was appointed CEO on November 13, 2014, taking the place of Greg Hahn who resigned from that position on that date.
7. During the year ended December 31, 2016, effective October 20, 2016 the Company consolidated its share capital on a 4 old shares for one new share basis.
8. Options to purchase 2,187,675 pre-consolidated (***546,919 post-consolidated***) shares (to **Greg Hahn**) and 100,000 pre-consolidated (25,000 post-consolidated) shares (to **Mark Billings**) were granted on October 22, 2015 (no vesting), exercisable at $0.05 pre-consolidated ($0.20 post-consolidated) per share on or before October 21, 2020. The weighted average grant date fair values of the options granted during the year were estimated based on the following weighted average assumptions: share price at grant date of $0.04; exercise price of $0.05; expected life of 5.0 years; expected volatility of 142%; risk free interest rate of 0.82%? and expected dividend yield rate of 0%.
9. Options to purchase 1,000,000 pre-consolidated (***250,000 post-consolidated***) shares each were granted on March 14, 2014 to each of **Greg Hahn** and **Robert Kramer** (no vesting), 250,000 pre-consolidated (62,500 post-consolidated) to **Mark Billings** (no vesting), and 100,000 pre-consolidated (25,000 post-consolidated) to Richard Barnett (vesting 50% on the date of grant and 50% on March 14, 2015), all being exercisable at $0.13 pre-consolidated **($0.52 post-consolidated**) per share on or before March 13, 2019. The weighted average grant date fair values of the options granted during the year were estimated based on the following weighted average assumptions: share price at grant date of $0.12; exercise price of $0.13; expected life of 5.05 years; expected volatility of 152%; risk free interest rate of 1.59% and expected dividend yield rate of 0%.
10. Options to purchase 1,000,000 pre-consolidated (250,000 post-consolidated) shares were granted on January 27, 2015 to **Mark Billings** (no vesting), exercisable at $0.16 pre-consolidated ($0.64 post-consolidated) per share on or before January 26, 2020. The estimated grant date fair value of these options was $173,246 based on the following assumptions: share price at grant date of $0.64; exercise price of $0.64; expected life of 5 years; expected volatility of 154%; risk free interest rate of 0.78%; expected dividend yield rate of 0%; and forfeiture rate of 0%.
11. During the year ended December 31, 2016, $98,978 (December 31, 2015 - $98,978; December 31, 2014 - $41,790) was paid or accrued as a consulting fee to a private company controlled by **Mark Billings**. Subsequent to his Consulting Contract dated November 13, 2014, Mr. Billings agreed to a consulting fee rate of $7,500 per month from November 2014 for an indefinite period.

Narrative Discussion

Please refer to the heading "Termination and Change of Control Benefits" herein for a discussion of the NEO's consulting agreements.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Named Executive Officers***. Note that during the year ended December 31, 2016, the Company consolidated its share capital effective October 20, 2016. The figures in this table are, accordingly, on a post-consolidated basis.***

Name	Option-Based Awards				Share-Based Awards	
	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 ($)*
Greg Hahn President and COO	87,500 125,000 250,000 546,919	0.42 1.08 0.52 0.20	Jan.5/17 Sept.24/17 Mar.13/19 Oct.21/20	Nil Nil Nil Nil	N/A	N/A
Richard Barnett CFO and Secretary	250,000 25,000	1.08 0.52	Sept.24/17 Mar.13/19	Nil Nil	N/A	N/A
Mark Billings, CEO and Chair	25,000 37,500 62,500 25,000	0.42 1.08 0.52	Jan. 5/17 Sept. 24/17 Mar. 13/19 Oct.21/20	Nil Nil Nil Nil	N/A	N/A

(1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year ended December 31, 2016, which was $0.13, and the exercise or base price of the option.

Value Vested or Earned During the Year

The value vested or earned during the most recently completed financial year of incentive plan awards granted to Named Executive Officers are as follows:

NEO Name	*Option-Based Awards - Value Vested During The Year (1) ($)*	*Share-Based Awards - Value Vested During The Year (2) ($)*	*Non-Equity Incentive Plan Compensation - Value Earned During The Year ($)*
Greg Hahn	Nil	N/A	N/A
Richard Barnett, CFO and Secretary	Nil	N/A	N/A
Mark Billings CEO and Chair	Nil	N/A	N/A

(1) This amount is the dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date, computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

(2) This amount is the dollar value realized upon vesting of share-based awards, computed by multiplying the number of shares or units by the market value of the underlying shares on the vesting date.

Pension Plan Benefits

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

Termination and Change of Control Benefits

On October 30, 2012, the Company entered into consulting agreements ("Consulting Agreements") with Harrison Kramer Corporation (for the services of Robert Kramer, the CEO and Chair) and Greg Hahn Consulting LLC (for the services of Greg Hahn, the President, COO and vice-Chair) (together, the "Consultants"). The agreements each have the following material terms: effective date October 1, 2012; fees for services $15,000 per month; performance milestone payments ("PMP") representing one-half of one percent of the proceeds of disposition ("Disposition") of the Company or its assets in excess of $25 million; termination ("Termination") by the Company at any time upon payment of 24 months' fees plus any PMP which would have been payable had the Consultant not been terminated for a period of 12 months after the date of such termination (the "Termination Fee"); termination by the Consultant at any time by providing three months' notice; if either Kramer or Hahn die during the term of the Agreement, the Company will pay the surviving spouse or the estate of the deceased, as the case may be, an amount equal to the Termination Fee; and in the event of a change of control ("Change of Control"), the Company will pay the Termination Fee plus 12 months' fees.

Effective November 13, 2014, the Company entered into a consulting agreement incorporating similar terms with Gestion Marengo Management Inc. (for the services of Mark Billings, the new CEO).

Under the Consulting Agreements, a Disposition means (i) a sale of the majority of the issued and outstanding voting securities of the Company; or (ii) a sale of all or substantially all of the assets of the Company; or (iii) a merger or other business combination which results in a Change of Control.

Change of Control means the occurrence of any of the following events:

(i) if any individual, partnership, company, corporation, society or other legal entity, alone or together with any other person with whom it is acting jointly or in concert, becomes the beneficial owner of, or acquires the power to exercise control or direction over, directly or indirectly, the majority of the issued and outstanding voting securities of the Company, and such persons did not at the date hereof own or otherwise exercise control over fifty percent (50%) or more of the votes exercisable by holders of voting stock, nor have the rights of conversion which, if exercised, would permit such persons to own or control such a percentage of votes;

(ii) the Company sells or otherwise transfers all or substantially all of its assets; or

(iii) during any period of two consecutive years, individuals who at the beginning of any such period constitute the directors of the Company cease for any reason to constitute at least a majority thereof; and

(iv) references to the Company shall include successors to the Company as a result of any amalgamation, merger, consolidation or reorganization of the Company into or with another body corporate or other legal person.

The Consulting Agreements may be terminated as follows, which is the definition of Termination herein:

(i) by the Company immediately by providing to the Consultant written notice of immediate termination if the Consultant fails to remedy any deficiency or default in providing the services under the Consulting Agreements after having been given notice of the deficiency or default and a reasonable opportunity to remedy the deficiency or default; or

(ii) by the Company at any time, without further obligation, by providing the Consultant with payments equal to (a) the value of 24 months' fees, and (b) any PMP which would have been payable had the Consultant not been terminated for a period of 12 months after the date of such termination; or

(iii) by the Consultant, at any time, by providing the Company with three months' written notice.

During the last completed financial year, the sum of $98,978 was paid to a private company controlled by Greg Hahn for performing management functions on behalf of the Company.

At current consulting fee levels, if a change of control occurred followed by a trigger event, and all Named Executive Officers exercised their rights under the Consulting Agreements, they would be entitled to Change of Control payments aggregating up to $485,000 per Named Executive Officer.

Other than pursuant to the Consulting Agreements, there is no compensatory plan, contract or arrangement where a Named Executive Officer is entitled to receive any payment from the Company or its subsidiaries in the event of (a) the resignation, retirement or any other termination of the officer's consulting services to the Company or its subsidiaries; (b) a change of control of the Company or any of its subsidiaries; or (c) a change in the officer's responsibilities following a Change of Control.

The following table sets out estimates of the incremental amounts payable to each Named Executive Officer upon identified termination events, assuming each such event took place on the last business day of fiscal year 2016. The table below assumes the exercise of all unexercised options (both vested and unvested) on December 31, 2016.

		Mark Billings	Greg Hahn
Termination Without Cause / Constructive Dismissal			
Base Fee / Termination Payment		360,000	360,000
Benefits and Perks		Nil	Nil
Long-Term Incentives (1)		Nil	Nil
Pension Benefits		Nil	Nil
Performance Milestone Payments		125,000	125,000
Triggering Event Following a Change of Control			
Base Fee / Termination Payment		360,000	360,000
Benefits and Perks		Nil	Nil
Long-Term Incentives (1)		Nil	Nil
Pension Benefits		Nil	Nil
Performance Milestone Payments		125,000	125,000

Notes

(1) Assumes the exercise of all vested "in-the-money" options on December 31, 2016. The closing price of the Company's shares on the Exchange on December 31, 2016 was $0.13 per share.

(2) Assumes proceeds on disposition of $50,000,000 on December 31, 2016 ($50,000,000 - $25,000,000 = $25,000,000 x 0.005 = $125,000).

Director Compensation

The following table sets forth all amounts of compensation provided to the directors, who are each not also a Named Executive Officer, for the Company's most recently completed financial year:

Director Name (1)	*Fees Earned*	*Share-Based Awards*	*Option-Based Awards*	*Non-Equity Incentive Plan Compensation ($)*	*Pension Value*	*All Other Compensation*	*Total*
Mike Stark(2)	60,000	N/A	Nil	N/A	N/A	Nil	60,000
Michael Pesner (3)	Nil	N/A	Nil	N/A	N/A	Nil	Nil
Frank Hogel (4)	24,000	N/A	Nil	N/A	N/A	Nil	24,000
Jeb Handwerger (5)	Nil	N/A	Nil	N/A	N/A	Nil	Nil

Notes:

(1) Relevant disclosure has been provided in the Summary Compensation Table above, for directors who receive compensation for their services as a director who is also Named Executive Officers (if any).

(2) Paid during year ended December 31, 2016 for consulting fees relating to fund raising and investor communications.

(3) Michael Pesner resigned as a director of the Company on January 22, 2016, and his options were terminated April 22, 2016.

(4) Paid during year ended December 31, 2016 for consulting fees relating to financing.

(5) Subsequent to the year ended December 31, 2016, Jeb Handwerger resigned as a director of the Company on June 5, 2017.

The Company has a stock option plan for the granting of incentive stock options to the officers, employees and Directors. The purpose of granting such options is to assist the Company in

compensating, attracting, retaining and motivating the Directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

Other than as aforesaid and the reimbursement of expenses incurred as Directors, there were no other arrangements, standard or otherwise, pursuant to which directors of the Company were compensated by the Company for their services in their capacity as directors or for committee participation, involvement in special assignments or for services as consultants or experts during the financial year ended December 31, 2016.

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Directors who are not Named Executive Officers. ***Note that during the year ended December 31, 2016, the Company consolidated its share capital effective October 20, 2016. The figures in this table are, accordingly, on a post-consolidated basis.***

	Option-Based Awards				***Share-Based Awards***	
Director 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 ($)***
Mike Stark	62,500 93,750	1.08 0.52	Sept.24/17 Mar.13/19	Nil Nil	N/A	N/A
Jeb Handwerger[(2)]	25,000	$0.52	Mar.13/19	Nil	N/A	N/A
Frank Hogel	312,500	$0.20	Oct.21/20	Nil	N/A	N/A

Notes:

(1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year, which was $0.13, and the exercise or base price of the option.

(2) Subsequent to the year ended December 31, 2016, Jeb Handwerger resigned as a director of the Company.

Incentive Plan Awards - Value Vested or Earned During the Year

The value vested or earned during the most recently completed financial year of incentive plan awards granted to Directors who are not Named Executive Officers are as follows:

Director Name	*Option-Based Awards - Value Vested During The Year (1)*	*Share-Based Awards - Value Vested During The Year (2)*	*Non-Equity Incentive Plan Compensation - Value Earned*
Mike Stark	Nil	N/A	N/A
Jeb Handwerger	Nil	N/A	N/A
Frank Hogel(3)	Nil	N/A	N/A

Notes:

(1) This amount is the dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date, computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

(2) This amount is the dollar value realized upon vesting of share-based awards, computed by multiplying the number of shares or units by the market value of the underlying shares on the vesting date.

(3) Subsequent to the year ended December 31, 2016, Jeb Handwerger resigned as a director of the Company.

16. Indebtedness of Directors and Executive Officers

16.1 Aggregate Indebtedness

No existing or proposed director, executive officer or senior officer of the Issuer or any associate of any of them, was indebted to the Issuer as at the financial year ended December 31, 2017, or is currently indebted to the Issuer.

16.2 Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

Not applicable.

17. Risk Factors

The Company has identified the following risks relevant to its business and operations, which could materially affect the Company's operating results, financial performance and the value of the Shares. Prospective investors should carefully consider their personal circumstances and consult their broker, lawyer, accountant or other professional adviser before making an investment decision. The information below does not purport to be an exhaustive summary of the risks affecting the Company and additional risks and uncertainties not currently known to the officers or directors of the Company or not currently perceived as being material may have an adverse effect on the business of the Company.

Risks Relating to the Business and Operations of the Company

Obtaining and Renewing Licenses and Permits

In the ordinary course of business, the Company will be required to obtain and renew governmental licenses or permits for exploration, development, construction and commencement of mining at the Bruner Gold Project and/or Silverton Gold Project. Obtaining or renewing the

necessary governmental licenses or permits is a complex and time consuming process involving public hearings and costly undertakings on the part of the Company. The duration and success of the Company's efforts to obtain and renew licenses or permits are contingent upon many variables not within the Company's control, including the interpretation of applicable requirements implemented by the licensing authority. The Company may not be able to obtain or renew licenses or permits that are necessary to its operations, including, without limitation, an exploitation license, or the cost to obtain or renew licenses or permits may exceed what the Company believes they can recover from the Bruner Gold Project and/or Silverton Gold Project. Any un-expected delays or costs associated with the licensing or permitting process could delay the development or impede the operation of a mine, which could adversely impact the Company's operations and profitability.

The Company's Mining Activities Are Situated in a Foreign Country

The Company is conducting its mining activities principally in the United States of America; therefore, its operations are subject to the risks normally associated with conducting business in a foreign country. While the Company believes that the government of the U.S. supports the development of natural resources, there is no guarantee that future political and economic conditions in the U.S. will not result in the creation of different policies and attitudes respecting the development and ownership of mineral resources. Therefore, changes in policies and attitudes may result in changes in laws and regulations affecting environmental requirements, prices, foreign investment, ownership of assets, land tenure and mineral concessions, taxation, royalties, currency exchange and inflation rates, labour relations, expropriation of property interests, licensing and permitting, income repatriation and capital recovery, which may have a material adverse effect on the Company.

Risks in the Mining Sector

The Company's business operations are exposed to a high degree of risk inherent in the mining sector. Risks which may occur during the development of mineral deposits include environmental hazards, industrial accidents, equipment failure, import/customs delays, shortage or delays in installing and commissioning plant and equipment, metallurgical and other processing problems, seismic activity, unusual or unexpected formations, formation pressures, rock bursts, wall failure, cave ins or slides, burst dam banks, flooding, fires, explosions, power outages, opposition with respect to mining activities from individuals, communities, governmental agencies and non-governmental organizations, interruption to or the increase in costs of services, cave-ins and interruption due to inclement or hazardous weather conditions. Such occurrences could cause damage to, or destruction of properties, personal injury or death, environmental damage, pollution, delays, increased production costs, monetary losses and potential legal liabilities. Moreover, these factors may result in a mineral deposit, which has been mined profitably in the past to be-come unprofitable, causing the termination of production. They are also applicable to sites not yet in production and to expanded operations. Successful mining operations will be reliant upon the availability of processing and refining facilities and secure transportation infrastructure at the rate of duty over which the Company may have limited or no control.

Risk of Incurring Operating Losses in the Future

The Company has incurred operating losses in the past and may incur operating losses in the future. In the past, the Company has experienced net losses and negative cash flows from operations. As of September 30, 2017, the Company had an accumulated deficit of $15,290,312. It is expected that operating expenses will increase in the future as the Company expand its operations. Furthermore, as a public company, the Company will incur legal, accounting and other expenses that it did not incur as a private company. If revenue does not grow to offset these increased expenses, the Company will not be profitable. The Company cannot assure investors that it will be able to achieve or maintain profitability. Investors should not consider recent revenue growth as indicative of future performance.

Fluctuations in Gold Prices

The Company's operations may be significantly impacted by changes in the price of gold. The price of gold has historically fluctuated widely, and is dependent upon various factors beyond the Company's control, including without limitation, exchange rates, inflation rates, sales and purchases of gold, price and availability of substitutes, forward sales of gold by producers and speculators, expectations with respect to the rate of inflation, world supply of gold, stability of exchange rates (the strength of the U.S. dollar and other currencies), global and regional political and economic conditions or events, industrial and retail demand, sales by central banks and other holders, interest rates, production, and cost levels in major gold-producing regions, and speculator as well as producer responses to any of the foregoing factors.

Price declines in the market value of gold could cause the Bruner Gold Project and/or Silverton Gold Project to be rendered uneconomic, thereby forcing the Company to discontinue production, development or exploration or to lose its interest in or sell the operations. There is no assurance that the market price of gold will remain at current levels or that such price will improve and there is no assurance that even as commercial quantities of gold are produced that a profitable market exists for them.

Title to Properties

The Company has taken all reasonable steps to ensure it has proper title to its properties. However, there can be no guarantee that the interest of the Company in its properties is free from title defects, as title to mineral rights involves certain intrinsic risks due to the potential problems arising from the unclear conveyance history characteristic of many mining projects. There is also the risk that material contracts between the Company and the relevant governments will be substantially modified to the detriment of the Company or revoked. There can be no assurance that the Company's rights and title interests will not be challenged or impugned by third parties.

Government Regulation

The Company's mining operations are subject to various laws and regulations governing development, production, taxes, labour standards and occupational health, mine safety, protection of endangered and protected species, toxic substances and explosives use, reclamation, exports, price controls, waste disposal and use, water use, forestry, land claims of local people, and other

matters. This includes periodic review and inspection of the Bruner Gold Project and/or Silverton Gold Project that may be conducted by applicable regulatory authorities.

Although the Bruner Gold Project and/or Silverton Gold Project mining activities are currently carried out in accordance with all applicable laws and regulations, there is no guarantee that new laws and regulations will not be enacted or that existing laws and regulations will not be applied in a way which could limit or curtail production. New laws and regulations or amendments to current laws and regulations governing the operations and activities of mining or more stringent implementation of existing laws and regulations could have a material adverse effect on the Company and cause increases in capital expenditures or production costs, or reduction in levels of production.

Failure to comply with applicable laws and regulations, even if inadvertent, 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. The Company may also be required to reimburse any parties affected by loss or damage caused by the Company's mining activities and may have civil or criminal fines and/or penalties imposed against the Company for infringement of applicable laws or regulations.

Critical Supplies

The Company's mining operations are dependent on the adequate and timely supply of water, electricity or other power supply, chemicals and other critical supplies. If the Company is unable to obtain the requisite critical supplies in time and at commercially acceptable prices or if there are significant disruptions in the supply of electricity, water or other inputs to the mine site, the performance of the Company's business and results from operations may experience material adverse effects.

Financing Risks

Mining operations involve significant financial risk and capital investment. The Company may require additional funding to expand its business. The Company may need to seek funding from third parties if internally generated cash resources and available credit facilities are insufficient to finance these activities. There can be no assurance that the Company will be able to obtain the necessary financing in a timely manner, on acceptable terms or at all.

The success and the pricing of any such capital raising and/or debt financing will be dependent upon the current market conditions at that time, the availability of funds from lenders and other factors. If additional capital is raised by an issue of securities, this may have the effect of diluting shareholders' interests in the Company. Debt financing, if available, may involve financial covenants and the granting of further security over the Company's assets, which may restrict the Company's operations. The principal amounts under any debt financing arrangements entered into by the Company may become immediately due and payable if the Company fails to meet certain restrictive covenants. If the Company cannot obtain such additional capital, it may not be able to complete the expansion of the resource base of the Bruner Gold Project and/or Silverton Gold

Project, which may adversely affect its business, operating results and financial condition. There can be no assurance that funding will be available to the Company or available on terms that do not adversely affect the projected economic return from the expansion of the Bruner Gold Project and/or Silverton Gold Project.

Risks Inherent in Acquisitions

The Company may actively pursue the acquisition of exploration, development and production assets consistent with its acquisition and growth strategy. From time to time, the Company may also acquire securities of or other interests in companies with respect to which the Company may enter into acquisitions or other transactions. Acquisition transactions involve inherent risks, including but not limited to:

- accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates;
- ability to achieve identified and anticipated operating and financial synergies;
- unanticipated costs;
- diversion of management attention from existing business;
- potential loss of its key employees or key employees of any business acquired;
- unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and
- decline in the value of acquired properties, companies or securities.

Any one or more of these factors or other risks could cause us not to realize the anticipated benefits of an acquisition of properties or companies, and could have a material adverse effect on its financial condition.

Dilution

Shares, including rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into Shares, may be created, issued, sold and delivered on such terms and conditions and at such times as the Board may determine. In addition, the Company may issue additional Shares from time to time pursuant to Share purchase warrants and the options to purchase Shares issued from time to time by the Board. The issuance of these Shares could result in dilution to holders of Shares.

Future Sales by Existing Shareholders Could Cause Share Price to Fall

Future sales of Shares by the Company or other shareholders could decrease the value of the Shares. The Company cannot predict the size of future sales by the Company or other shareholders, or the effect, if any, that such sales will have on the market price of the Shares. Sales of a substantial number of Shares, or the perception that such sales could occur, may adversely affect prevailing market prices for the Shares.

Loss of Entire Investment

A positive return on an investment in the Shares is not guaranteed. An investment in the Shares is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Shares. An investment in the Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment.

Profitability of the Company

There can be no assurance that the Company's business and strategy will enable it to become profitable or sustain profitability in future periods. The Company's future operating results will de-pend on various factors, many of which are beyond the Company's direct control, including the Company's ability to develop its mining projects and commercialize Mineral Reserves, its ability to control its costs, the demand and price for gold and general economic conditions. If the Company is unable to generate profits in the future, the market price of the Shares could decline.

Reliability of Resource Estimates

Mineral resources that are not mineral reserves do not have demonstrated economic viability. The Company's mineral resources described in the Technical Report are only estimates and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized. The process of estimating mineral resources is a subjective process with numerous inherent uncertainties including many factors beyond the Company's control. There is no assurance that any of the mineral resources described in the Technical Report will be attained.

There are numerous uncertainties inherent in estimating mineral resources, including many factors beyond the Company's control. The accuracy of any Mineral Resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation.

Mineral Resource estimates may require downward adjustments or revisions based on gold price fluctuations, grades, further development activity, increased production costs or reduced recovery rates, new information or modelling adjustments, changes to laws and regulations affecting operating costs and the fiscal environment. Additionally, the quantity and/or economic viability of mineral resources may differ depending on, among other things, Permit regulations and requirements, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions.

A reduction in estimated mineral resources as a result could require material write downs in the investment in the Bruner Gold Project and/or Silverton Gold Project and increased depreciation and amortization, as well as reclamation and closure costs. If the Company's actual mineral re-sources are less than current estimates, its results of operations or financial condition may be materially and adversely affected.

The Company May Not Meet Cost Estimates

A reduction in the amount of or a change in the timing of the gold production estimate for the Company may have a material adverse impact on the Company's future cash flows. The actual effect of such a reduction of the Company's cash flow from operations would depend on the timing of any changes in production and on actual prices and costs. A change in the timing of these projected cash flows due to production shortfalls or labour disruptions would result in delays in receipt of such cash flows and in using such cash to fund operating activities and, as applicable, reduce debt levels. This could result in additional loans to finance capital expenditures in the future.

The level of production and capital and operating cost estimates which are used for determining and obtaining financing and other purposes are based on certain assumptions and are fundamentally subject to considerable uncertainties. It is very likely that actual results for the Bruner Gold Project and/or Silverton Gold Project will differ from its current estimates and assumptions, and these differences may be significant. Moreover, experience from actual mining or processing operations may identify new or unexpected conditions that could decrease production below, and/or increase capital and/or operating costs above, the current estimates. If actual results are less favourable than the Company currently estimates, the Company's business, results from operations, financial condition and liquidity could be materially adversely affected.

Availability and Costs of Key Inputs

The Company's competitive position is reliant on its ability to control operating costs. Input costs can be impacted by changes in factors including market conditions, government policies, exchange rates and inflation rates, which are unpredictable and outside the control of the Company. Any increase in the price of production inputs, including labour, power, mine consumables or other inputs could materially and adversely affect the Company's business, financial condition and results from operations. Shortages in these inputs may also cause unanticipated cost in-creases and delays in delivery times, thus impacting operating costs, capital expenditures and production schedules.

Risks Related to Market Demands

The markets that the Company participates in may not grow as expected or at all. While the Company's goal is to increase its revenues or the revenues of its portfolio companies in by expanding their customer base or revenues, there can be no assurance that it will succeed in doing so. As a result, revenues may stagnate or decline, which may increase the Company's losses.

Insurance and Uninsured Risks

The Company is exposed to risks inherent in the mining industry, including adverse environmental conditions and pollution, personal injury or death, labour disputes, unusual or unexpected geological conditions, legal liability, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena, property damage, floods, earthquakes, delays in mining and monetary losses and dust storms.

While the Company has obtained insurance to address certain risks in such amounts as it considers being reasonable, such insurance has limitations on liability that may not be able to cover all the potential liabilities and the insurance may not continue to be available or may not be adequate to cover any resulting liability. Moreover, such risks may not be insurable in all instances or, in certain instances, the Company may elect not to insure against certain risks because of high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Company and the occurrence of an event in which the Company is not fully insured against, could have a material adverse effect upon its business, operating results and financial condition.

Indigenous Land Claims

The Bruner Gold Project and/or Silverton Gold Project may now or in the future be the subject of Indigenous land claims. The legal nature of Aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the Bruner Gold Project and/or Silverton Gold Project cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of Aboriginal rights in the area in which the Bruner Gold Project and/or Silverton Gold Project is located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with and seek the approval of holders of Aboriginal interests in order to facilitate exploration and development work on the Bruner Gold Project and/or Silverton Gold Project, there is no assurance that the Company will be able to establish a practical working relationship with the Indigenous in the area which would allow it to ultimately develop the Bruner Gold Project and/or Silver-ton Gold Project.

Environmental Risks

All phases of the Company's operations with respect to the Bruner Gold Project and/or Silverton Gold Project will be subject to environmental regulation. Environmental legislation involves strict standards and may entail increased scrutiny, fines and penalties for non-compliance, stringent environmental assessments of proposed projects and a high degree of responsibility for companies and their officers, directors and employees. Changes in environmental regulation, if any, may adversely impact the Company's operations and future potential profitability. In addition, environmental hazards may exist on the Bruner Gold Project and/or Silverton Gold Project that are currently unknown. The Company may be liable for losses associated with such hazards or may be forced to undertake extensive remedial cleanup action or to pay for governmental re-medial cleanup actions, even in cases where such hazards have been caused by previous or existing owners or operators of the properties, or by the past or present owners of adjacent properties or by natural conditions. The costs of such cleanup actions may have a material adverse impact on the Company's operations and future potential profitability.

Failure to comply with applicable laws, regulations, and permitting 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.

The Company is Dependent on Information Technology Systems

The Company's operations depend, in part, upon information technology systems. The Company's information technology systems are subject to disruption, damage or failure from a number of sources, including, but not limited to, computer viruses, security breaches, natural disasters, power loss and defects in design. Although to date the Company has not experienced any material losses relating to information technology system disruptions, damage or failure, there can be no assurance that it will not incur such losses in future. Any of these and other events could result in information technology systems failures, operational delays, production downtimes, destruction or corruption of data, security breaches or other manipulation or improper use of the Company's systems and networks, any of which may result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Litigation

All industries, including the mining industry, are subject to legal claims, with and without merit. Legal proceedings may arise from time to time in the course of the Company's business. Such litigation may be brought from time to time in the future against the Company. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Other than as disclosed elsewhere in this Prospectus, the Company is not currently subject to material litigation nor has the Company received an indication that any material claims are forth-coming. However, due to the inherent uncertainty of the litigation process, the Company could become involved in material legal claims or other proceedings with other parties in the future. The results of litigation or any other proceedings cannot be predicted with certainty. The cost of defending such claims may take away from management's time and effort and if the Company is incapable of resolving such disputes favourably, the resultant litigation could have a material adverse impact on the Company's financial condition, cash flow and results from operation.

Dependence on Key Personnel

The Company's success depends to a large degree upon its ability to attract, retain and train key management personnel, as well as other technical personnel. If the Company is not successful in retaining or attracting such personnel, the Company's business may be adversely affected. Furthermore, the loss of the Company's key management personnel could materially and adversely affect the Company's business and operations.

As the Company's business becomes more established, it will also be required to recruit additional qualified key financial, administrative, operations and marketing personnel. There will be no guarantee that the Company will be able to attract and keep such qualified personnel and if the Company is not successful, it could have a material and adverse effect on the Company's business and results from operations.

Dependence on Outside Parties

The Company has relied upon consultants, engineers, contractors and other parties and intends to rely on these parties for exploration, development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish Mineral Reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract metal from ore and, in the case of new properties, to develop the exploration and mineral processing infrastructure at any particular site. Deficient or negligent work or work not completed in a timely manner could have a material adverse effect on the Company.

Foreign Currency Fluctuations

Foreign currency fluctuations may have a material adverse effect on the Company's financial position and net income. The price of gold is denominated in U.S. dollars and therefore, the Company's expected future revenue, if any, will be realized and reported in U.S. dollars. Also, future capital raised by the Company from public offerings of securities may be in Canadian or U.S. dollars. The use of these different currencies exposes the Company to the risk of foreign currency fluctuations, which are affected by a number of factors that are beyond the control of the Company. These factors include economic conditions in the relevant country and elsewhere and the outlook for interest rates, inflation and other economic factors. The Company has not hedged against fluctuations in exchange rates; however, it may do so at a later date.

Risks related to Possible Fluctuations in Revenues and Results

The Company may experience significant fluctuations in its quarterly and annual results of operations for a variety of reasons, many of which are outside of the Company's control. Any fluctuations may cause the Company's results of operations to fall below the expectations of securities analysts and investors. This would likely affect the ability of a purchaser to dispose of the Company's shares or the market price of the shares if trading of them is possible in a market-place.

Stock Exchange Prices

The market price of a publicly traded stock is affected by many variables, including the availability and attractiveness of alternative investments and the breadth of public market for the stock. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such variations will not affect the price of the Company's securities in the future and that the price of the Shares will not decrease after the Offering.

Market for the Company's Securities

There has been no public trading market for the Shares in Canada. There can be no guarantee that an active and liquid trading market will develop or be maintained, the failure of which may have a material adverse effect on the value of the Shares and the ability of a purchaser to dis-pose of the

Shares in a timely manner, or at all. In addition, the market price of the securities of the Company at any given point in time may not accurately reflect the long-term value of the Company.

Furthermore, responding to any events or circumstances resulting from the risk factors de-scribed herein could result in substantial costs as well as divert management's attention and re-sources. Other factors unrelated to the performance of the Company that may have an effect on the price and liquidity of the Company's securities include, among other things: the extent of analyst coverage of the Company's securities, the trading volume and general market interest in the Company's securities, the size of the Company's public float and/or any event resulting in a de-listing of the Company's securities.

Risks related to world-wide economic, market, and geopolitical uncertainty

Economic and geopolitical uncertainty may negatively affect the business of the Company or its portfolio companies. Economic conditions globally are beyond the Company's control. In addition, acts of terrorism and the outbreak of hostilities and armed conflicts between countries can create geopolitical uncertainties that may affect both local and global economies. Downturns in the economy or geopolitical uncertainties may cause customers to delay or cancel projects, re-duce their overall capital or operating budgets or reduce or cancel orders which could have a material adverse effect on the Company's business, results of operations and financial condition.

In addition, the financial markets can experience significant price and value fluctuations that can affect the market prices of equity securities of technology and other companies in ways that are unrelated to the operating performance of these companies. Broad market fluctuations, as well as economic conditions generally, may adversely affect the market price of the shares of the Company.

Potential Conflicts of Interest

The Company may be subject to potential conflicts of interests, as certain directors of the Company are, and may continue to be, engaged in the mining industry through their participation in corporations, partnerships or joint ventures, which are potential competitors of the Company. Situations may occur in relation to potential transactions or investments where the other interests of these directors may conflict with the interests of the Company.

Reporting Issuer Status

As a reporting issuer, the Company will be subject to reporting requirements under applicable securities law and stock exchange policies. Compliance with these requirements will increase legal and financial compliance costs, make some activities more difficult, time consuming or costly, and increase demand on existing systems and resources. Among other things, the Company will be required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. In order to maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and results

of operations. The Company may need to hire additional employees to comply with these requirements in the future, which would increase its costs and expenses.

Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including the price of gold on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Risks Related to the Industry

Exploration, Development and Operating Risks

Mining operations generally involve a degree of risk. The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of precious metals, including, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, personal injury or loss of life and damage to property and environmental damage, all of which may result in possible legal liability. Although the Company expects that adequate precautions to minimize risk will be taken, mining operations are subject to hazards such as fire, rock falls, geo-mechanical issues, equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability. The occurrence of any of these events could result in a prolonged interruption of the Company's operations that would have a material adverse effect on its business, financial condition, results of operations and prospects.

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish Mineral Reserves, to develop metallurgical processes and to construct mining and processing facilities and infrastructure at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices that are highly cyclical, and 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. There is no certainty that the expenditures made towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Development projects have no operating history upon which to base estimates of future capital and operating costs. For development projects, such as Hermes, Mineral Resource estimates and estimates of operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of capital and operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from ore, estimated operating costs, and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated.

Land Reclamation Requirements May Be Burdensome

Land reclamation requirements are generally imposed on companies with mining operations or mineral exploration companies in order to minimize long term effects of land disturbance. Reclamation may include requirements to:

- control dispersion of potentially deleterious effluents; and
- reasonably re-establish pre-disturbance land forms and vegetation.

In order to carry out reclamation obligations imposed on the Company in connection with exploration, potential development and production activities, the Company must allocate financial re-sources that might otherwise be spent on exploration and development programs. If the Company is required to carry out unanticipated reclamation work, its financial position could be adversely affected.

Health & Safety

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death. The impact of such accidents could affect the profitability of the operations, cause an interruption to operations, lead to a loss of licenses, affect the reputation of the Company and its ability to obtain further licenses, damage community relations and reduce the perceived appeal of the Company as an employer.

There is no assurance that the Company has been or will at all times be in full compliance with all laws and regulations or hold, and be in full compliance with, all required health and safety Permits. The potential costs and delays associated with compliance with such laws, regulations and Permits could prevent the Company from proceeding with the development of a project or the operation or further development of a project, and any noncompliance therewith may adversely affect the Company's business, financial condition and results of operations. 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 exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

Competition

The mining industry is extremely competitive. The Company competes with other companies, some which have greater financial, operational expertise, technical capabilities and other re-sources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company will be able to compete effectively with these companies.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges and power sources are important determinants that affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Other Risks

Trends, Risks and Uncertainties

The Company has sought to identify what its believes to be the most significant risks to its business, but it cannot predict whether, or to what extent, any of such risks may be realized nor can the Company guarantee that it has identified all possible risks that might arise. Investors should carefully consider all of such risk factors before making an investment decision with respect to the Company's common shares.

18. Promoters

There are no promoters of the Company.

19. Legal Proceedings

There are no legal proceeds by or against the Company as of the date of this Listing Statement.

There are no regulatory actions against the Company as of the date of this Listing Statement.

20. Interest of Management and Others in Material Transactions

No director or executive officer of the Issuer or any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 percent of any class of the Issuer's outstanding voting securities, or an associate or affiliate of any such persons or companies, has any material interest, direct or indirect, in any transaction within the three years preceding the date of this document, or any pro-posed transaction, that has materially affected or will materially affect the Issuer or a subsidiary of the Issuer.

21. Auditors, Transfer Agents and Registrars

The Issuer's auditor is Manning Elliott LLP, 11th Floor 1050 West Pender St., Vancouver, BC V6E 3S7, Canada. The Issuer's transfer agent and registrar is Computershare Investor Services Inc., 3rd Floor 510 Burrard Street, Vancouver, BC, V6C 3B9.

22. Material Contracts

Silverton Gold Property, Nye County, Nevada

In October 2017 the Company announced the acquisition of a new Carlin-type gold exploration property located in Nye County, Nevada. The property is near the old Silverton Mine property located about 100 kilometres northeast of Tonopah, Nevada, immediately north of US Highway 6, and consists of 70 unpatented lode mining claims totaling approximately 1400 acres.

Exploration History

The Silverton property has been explored intermittently since the early 1980s. Extensive grid rock chip sampling by previous exploration companies identifies a large gold anomaly containing greater than 100 ppb Au covering an area approximately 2.5 x 3.0 kilometres across the property. A total of 66 reverse circulation ("RC") drill holes have been drilled to date on the property. Most of the drilling has been focused on a kilometre-long +0.5 ppm gold anomaly within a silicified zone at the contact between volcanic rocks and underlying dolomitized rocks, and containing silver and gold-antimony veins. While some of these holes intersected good gold values over modest intervals (examples being S-3a: 7.62 metres at 2.29 gpt Au; S-8: 9.15 metres at 0.746 gpt Au; S-11: 6.1 metres at 2.01 gpt Au), the veins within the volcanic rocks overlying the dolo-mitized limestone are not what Canamex sees as the primary exploration opportunity at the Silverton property. Canamex believes the dolomite breccias are the primary exploration opportunity.

Exploration Targets at Silverton

Only about 20% of the historic holes were drilled to test gold in the brecciated dolo-mitized limestones, and mostly only with shallow vertical holes. These vertical holes were drilled to test a stratabound gold target concept and not steeply dipping structural targets beneath the surface expressions of mineralized and altered dolomite breccias. Canamex sees strong similarities between the gold-rich zones at the Long Canyon gold deposit, which occur primarily in dolomite breccias within steeply dipping structures between unbrecciated dolomite, and similar features at the Silverton property, which for the most part remain undrilled across a large portion of the property.

At the Silverton Property, a few holes were drilled in 1988 peripheral to the gold anomalies in brecciated dolomites and intersected 40-100 feet (12-30 metres) carrying 300-1000 ppb Au (0.3-1 gpt Au) in almost every hole. Most of these holes are located 50 metres or (much) more away from the outcrops of brecciated dolomite, suggesting the holes were drilled into the periphery of a dolomite-hosted gold mineral system.

Lease with Option to Purchase Arrangement

Canamex is leasing the Silverton property on an annual basis, with low up-front lease payments and modest annual increases, with an option to buy the property outright for US$1.25 million with a retained 2% net sales royalty to the underlying owner of the claims. The Company further has the right to buy out the royalty interest for US$1.25 million. There is no annual work commitment.

23. Interest of Experts

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Listing Statement or as having prepared or certified a report or valuation described or included in this Listing Statement holds any beneficial interest, direct or indirect, in any securities or property of the Issuer or of an Associate or Affiliate of the Issuer and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Issuer or of an Associate or Affiliate of the Issuer and no such person is a promoter of the Issuer or an Associate or Affiliate of the Issuer. The Auditor is independent of the Issuer in accordance with the rules of professional con-duct of the Institute of Chartered Accountants of British Columbia. John D. Welsh, PE, Douglas W. Willis, CPG, Randall K. Martin, SME-RM, Carl C. Nesbitt, ME-RM, Russel D. Hufford, PE are independent consulting geologists and "qualified persons" as de-fined in NI 43-101 and are the authors responsible for the preparation of the Technical Report.

24. Other Material Facts

There are no other material facts that are not elsewhere disclosed herein and which are necessary in order for this document to contain full, true and plain disclosure of all material facts relating to the Issuer.

25. Financial Statements

Attached as Schedules to this Listing Statement are each of the following financial statements:

Schedule "A" - Audited annual financial statements of the Issuer for the years ended December, 2016 and 2015;

Schedule "B" – Management's Discussion and Analysis of the Issuer for the years ended December, 2016 and 2015;

Schedule "C" - Unaudited interim financial statements of the Issuer for the nine-month period ended September 30, 2017; and

Schedule "D" – Management's Discussion and Analysis of the Issuer for the nine-month period ended September 30, 2017.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, (full legal name of the Issuer), hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to (full legal name of the Issuer). 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 9th day of February, 2018.

"David Vincent"

David Vincent
Chief Executive Officer

"Dong H. Shim"

Dong H. Shim
Chief Financial Officer

"Mike Stark"

Mike Stark
Director

"Guy Dancosse"

Guy Dancosse
Director

Canamex Resources Corp.

Consolidated Financial Statements

For the Years Ended December 31, 2016 and 2015

Expressed in Canadian Dollars

MANNING ELLIOTT
ACCOUNTANTS & BUSINESS ADVISORS

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Canamex Resources Corp.

We have audited the accompanying consolidated financial statements of Canamex Resources Corp. which comprise the consolidated statements of financial position as at December 31, 2016 and 2015, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Canamex Resources Corp. as at December 31, 2016 and 2015, and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
April 28, 2017

Canamex Resources Corp.
Consolidated Statements of Financial Position
As at December 31, 2016 and 2015
(Expressed in Canadian dollars)

	Note	December 31, 2016	December 31, 2015
ASSETS			
Current assets			
Cash and cash equivalents		$ 1,449,508	$ 109,900
Amounts receivable	4	92,465	10,330
Prepaid expenses		147,188	14,608
		1,689,161	134,838
Non-current assets			
Exploration and evaluation assets	5	8,302,131	7,713,813
Reclamation bond		5,789	20,504
		8,307,920	7,734,317
TOTAL ASSETS		**$ 9,997,081**	**$ 7,869,155**
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	6	$ 355,575	$ 620,639
Secured convertible debentures	7	-	1,758,537
		355,575	2,379,176
Non-current liabilities			
Secured convertible debentures	7	3,476,501	-
TOTAL LIABILITIES		3,832,076	2,379,176
SHAREHOLDERS' EQUITY			
Share capital	8	16,811,353	16,113,601
Subscriptions receivable		(241,000)	-
Reserves	7,8	3,325,480	2,109,268
Deficit		(13,730,828)	(12,732,890)
TOTAL SHAREHOLDERS' EQUITY		6,165,005	5,489,979
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 9,997,081**	**$ 7,869,155**

Subsequent Events (Note 13)

Approved on behalf of the Board:

"Mark Billings"

"Michael Stark"

The accompanying notes form an integral part of the consolidated financial statements

Canamex Resources Corp.
Consolidated Statements of Comprehensive Loss
For the years ended December 31, 2016 and 2015
(Expressed in Canadian dollars)

	Note	Years ended December 31, 2016	2015
Expenses			
Consulting	9	$ 252,594	$ 214,521
Interest and accretion expense	7	562,402	72,443
Management fees	9	206,977	226,767
Office and administrative		126,560	215,625
Professional fees		42,188	71,768
Share-based payments	8,9	-	357,484
Shareholder communications		86,829	150,995
Transfer agent and filing fees		58,319	48,067
Travel		20,356	33,515
Loss before other items and taxes		1,356,225	1,391,185
Other Items			
Loss on settlement of debt	8	-	40,111
Impairment of exploration and evaluation assets	5	-	3,229,209
Loss before taxes		(1,356,225)	(4,660,505)
Deferred income tax recovery	7	358,287	13,828
Net loss and comprehensive loss		**$ (997,938)**	**$ (4,646,677)**
Loss per share – basic and diluted		**$ (0.03)**	**$ (0.14)**
Weighted average number of common shares outstanding		**38,051,371**	**32,632,094**

The accompanying notes form an integral part of the consolidated financial statements

Canamex Resources Corp.
Consolidated Statements of Changes in Equity
For the years ended December 31, 2016 and 2015
(Expressed in Canadian dollars)

	Share capital					
	Number of shares	Amount	Subscriptions receivable	Reserves	Deficit	Total Shareholders' Equity
		$	$	$	$	$
Balance at December 31, 2014	**32,328,776**	**15,966,039**	**-**	**1,528,250**	**(8,086,213)**	**9,408,076**
Share-based payment-options	-	-	-	357,484	-	357,484
Shares issued for debt payment	971,157	155,385	-	-	-	155,385
Finder's warrants	-	-	-	60,374	-	60,374
Equity component of convertible debentures	-	-	-	105,222	-	105,222
Deferred income tax recovery on convertible debentures	-	-	-	(13,828)	-	(13,828)
Gain on settlement of debt with controlling directors	-	-	-	22,876	-	22,876
Fair value of warrants issued to settle debt	-	-	-	56,081	-	56,081
Issuance costs	-	(7,823)	-	(7,191)	-	(15,014)
Net loss for the year	-	-	-	-	(4,646,677)	(4,646,677)
Balance at December 31, 2015	**33,299,933**	**16,113,601**	**-**	**2,109,268**	**(12,732,890)**	**5,489,979**
Share issued for cash and subscriptions receivable	6,008,438	736,325	(241,000)	225,025	-	720,350
Finder's warrants	-	-	-	54,892	-	54,892
Equity component of convertible debentures	-	-	-	1,334,959	-	1,334,959
Deferred income tax recovery on convertible debentures	-	-	-	(358,287)	-	(358,287)
Issuance costs	-	(38,573)	-	(40,377)	-	(78,950)
Net loss for the year	-	-	-	-	(997,938)	(997,938)
Balance at December 31, 2016	**39,308,371**	**16,811,353**	**(241,000)**	**3,325,480**	**(13,730,828)**	**6,165,005**

The number of shares reflect a share consolidation on a four old shares for one new share basis on October 20, 2016, and all share figures and references are retroactively adjusted and restated.

The accompanying notes form an integral part of the consolidated financial statements

Canamex Resources Corp.
Consolidated Statements of Cash Flows
For the years ended December 31, 2016 and 2015
(Expressed in Canadian dollars)

	Years ended December 31, 2016	2015
Operating activities		
Net Loss	$ (997,938)	$ (4,646,677)
Adjustments for non-cash items:		
Impairment on exploration and evaluation assets (Note 5)	-	3,229,209
Accretion and interest expense (Note 7)	542,766	72,443
Deferred income tax recovery (Note 7)	(358,287)	(13,828)
Loss on settlement of debt (Note 8)	-	40,111
Share-based payments (Note 8)	-	357,484
	(813,459)	(961,258)
Changes in non-cash working capital items:		
Amounts receivable	(82,135)	13,640
Prepaid expenses	(132,580)	-
Trade payables and accrued liabilities	(265,063)	356,742
Net cash flows used in operating activities	**(1,293,237)**	**(590,876)**
Investing activities		
Expenditures on exploration and evaluation assets	(588,318)	(1,655,802)
Reclamation bond	14,715	(3,092)
Net cash flows used in investing activities	**(573,603)**	**(1,658,894)**
Financing activities		
Proceeds on issuance of common shares	720,350	-
Share issuance costs	(26,750)	-
Proceeds on issuance of convertible debt	2,614,900	1,915,000
Convertible debt issue costs	(102,052)	(70,501)
Net cash flows from financing activities	**3,206,448**	**1,844,499**
Change in cash and cash equivalents	1,339,608	(405,271)
Cash and cash equivalents, beginning	109,900	515,171
Cash and cash equivalents, ending	**$ 1,449,508**	**$ 109,900**
Non-cash transactions		
Shares issued for debt settlement (Net)	$ -	$ 155,385
Fair value of warrants issued to settle debt	-	56,601
Gain on settlement of debt with related parties recognized In equity	-	(22,876)
Fair value of finders warrants issued	54,892	60,374
Shares issued for exploration and evaluation assets	-	-
Supplemental cash flow information		
Cash paid for interest	$ -	$ -
Cash paid for income taxes	-	-

The accompanying notes form an integral part of the consolidated financial statements

1. Nature of operations

Canamex Resources Corp.'s (the "Company") head office and primary place of business is located at 595 Howe Street, Suite 303, Vancouver, British Columbia, Canada, V6C 2T5. The Company is a Tier 2 mining issuer on the TSX Venture Exchange.

The Company was incorporated under the laws of Alberta on May 26, 1987. On August 18, 2009, the shareholders approved both the continuation of the Company from the Business Corporations Act (Alberta) to the Business Corporations Act (British Columbia) and the new articles of the Company.

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time. The Company is in the process of exploring mineral resource properties and has not yet determined whether the properties contain reserves that are economically recoverable. The Company has a history of losses with no operating revenue, an accumulated deficit at December 31, 2016 of $13,730,828 and working capital at December 31, 2016 of $1,333,586. The Company will need to seek additional financing to meet its exploration and development objectives. The Company believes that its liquid assets at December 31, 2016, are sufficient to meet its known obligations and to maintain its exploration and evaluation assets in good standing for at least the next twelve months. However, there can be no assurance that the Company will continue to be able to obtain additional financing or will achieve profitability or positive cash flows. If the Company is unable to obtain adequate additional financing, the Company will need to curtail its activities until additional funds can be raised.

2. Significant accounting policies and basis of preparation

The Company's consolidated financial statements were authorized for issuance on April 28, 2017 by the Board of Directors.

Statement of compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis of preparation

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified for specific financial instruments carried at fair value where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted. Certain comparative figures may have been reclassified to conform to the current year's presentation.

Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Canamex Resources US Inc. ("Canamex US") and Canamex Guyana Inc. ("Canamex Guyana"). Canamex US was incorporated in the State of Nevada, USA and Canamex Guyana was incorporated in Guyana. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Cash and cash equivalents

The Company considers deposits with banks or highly liquid short-term interest bearing securities that are readily convertible to known amounts of cash and those that have maturities of 90 days or less when acquired to be cash equivalents.

2. Significant accounting policies and basis of preparation (cont'd)

Equipment

Equipment is recorded at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful life of geological equipment at 20% per annum.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from those estimates.

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

a) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

b) Impairment

The carrying value of non-financial assets is reviewed each reporting period upon the occurrence of events or changes in circumstances indicating that the carrying value of assets may not be recoverable and when criteria of assets held for sale are met to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in the consolidated statement of comprehensive loss. The assessment of fair values, including those of the cash generating units (the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflow from other assets or groups of assets) ("CGUs") for purposes of testing goodwill, require the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, foreign exchange rates, future capital requirements and operating performance. Changes in any of the assumptions or estimates used in determining the fair value of goodwill or other assets could impact the impairment analysis.

2. Significant accounting policies and basis of preparation (cont'd)

Significant accounting judgments, estimates and assumptions *(cont'd)*

c) Site Closure and Reclamation Provisions

The Company assesses its mineral properties' rehabilitation provision at each reporting date or when new material information becomes available. Exploration, development and mining activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation obligations requires management to make estimates of the future costs that the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each location. Actual costs incurred may differ from those amounts estimated.

Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

d) Title to Mineral Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

e) Share-Based Payments and warrants granted to finders and holders of convertible debentures

Management uses valuation techniques in measuring the fair value of share options and warrants granted to finders and holders of convertible debentures. The fair value is determined using the Black Scholes option pricing model which requires management to make certain estimates, judgements, and assumptions in relation to the expected life, expected volatility, expected risk-free rate, and expected forfeiture rate (Note 8). Changes to these assumptions could have a material impact on the Company's consolidated financial statements.

f) Deferred Income Taxes

Judgement is required to determine which types of arrangements are considered to be a tax on income in contrast to an operating cost. Judgement is also required in determining whether deferred tax liabilities are recognised in the consolidated statement of financial position. Deferred tax assets, including those potentially arising from un-utilised tax losses, require management to assess the likelihood that the Company will generate sufficient taxable income in future periods, in order to recognise deferred tax assets. Assumptions about the generation of future taxable income depend on management's estimates of future operations and cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, commodity prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure, and other capital management transactions) and judgement about the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize deferred tax assets or offset these against any deferred tax liabilities recorded at the reporting date could be impacted.

2. Significant accounting policies and basis of preparation (cont'd)

Significant accounting judgments, estimates and assumptions *(cont'd)*

g) Discount rate used for convertible debentures

The carrying value of the convertible debt is subject to management's estimates in determining an appropriate discount rate based on similar instruments with no conversion features.

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

Issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred issuance costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. The Company charges share issue costs to share capital when the related shares are issued and debt issuance costs are charged as a reduction of the liability portion when the related debt is issued. Deferred issuance costs related to financing transactions that are not completed are charged to expenses.

Foreign currency translation

These consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency. The functional currency of Canamex US and Canamex Guyana is also the Canadian dollar.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the consolidated statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the consolidated statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

2. Significant accounting policies and basis of preparation (cont'd)

Exploration and evaluation expenditures

Amounts reported in exploration and evaluation expenditures include the costs of acquiring licenses, and costs associated with exploration and evaluation activity. Exploration and evaluation expenditures are capitalized and are classified as intangible assets. Costs incurred before the Company has obtained the legal rights to explore an area are expensed.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to the mineral resource property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Share-based payments

The Company has adopted a 10% rolling stock option plan whereby it can grant options to directors, officers, employees, and consultants of the Company up to maximum of 10% of the issued and outstanding common shares at the time of grant. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Financial instruments

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

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 evaluation where a group of financial assets is managed by key management personnel on a fair 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.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets.

2. Significant accounting policies and basis of preparation (cont'd)

***Financial instruments** (cont'd)*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, 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 twelve months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

Non-derivative financial liabilities (excluding financial guarantees) are initially measured at fair value and are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the group commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not currently have any derivative financial assets and liabilities.

Impairment of assets

The carrying amounts of the Company's assets (which include exploration and evaluation assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

2. Significant accounting policies and basis of preparation (cont'd)

Income taxes

a) Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred income tax

Deferred income taxes are recorded using the asset and liability method of tax allocation. Under this method, deferred income tax assets and liabilities are determined based on temporary differences at the reporting date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. At each financial position reporting date presented the Company has not incurred any decommissioning costs related to the exploration and evaluation of its mineral properties and accordingly no provision has been recorded for such site reclamation or abandonment.

Convertible debentures

Convertible debentures, where applicable, are separated into their liability and equity components and accounted for using the effective interest rate method. The fair value of the liability component at the time of issue was determined based on an estimated interest rate of the debentures without the conversion feature. The fair value of the equity component was determined as the difference between the face value and the fair value of the liability component. Issuance costs of the convertible debentures are applied as a reduction of proceeds and split pro-rata between the liability and equity components. The issuance costs applied to the liability component are recognized as accretion expense over the term of the debenture.

3. New accounting standards

Accounting standards adopted during the year

The mandatory adoption of the following new and revised accounting standards on January 1, 2016 had no significant impact on the Company's consolidated financial statements for the years presented.

IFRS 10 – Consolidated Financial Statements - The amendments to IFRS 10 require a full gain or loss to be recognized when a transaction involves a business (whether it is housed in a subsidiary or not), while a partial gain or loss would be recognized when a transaction involves assets that do not constitute a business, even if the assets are housed in a subsidiary. The amendments are effective for transactions occurring in annual periods beginning on or after January 1, 2016.

New accounting standards effective for annual periods on or after January 1, 2018:

IFRS 2 Shared-Based Payments - In June 2016 the Board issued the final amendments to IFRS 2 which amended (a) the effects that vesting conditions have on the measurement of a cash-settled share-based payment; (b) the accounting for modification to the terms of a share-based payment that changes the classification of the transaction from cash-settled to equity settled; and (c) classification of share-based payment transactions with net settlement features.

IFRS 9 Financial Instruments- IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 is effective for annual periods beginning on or after January 2018 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements.

IFRS 15 Revenue from Contracts with Customers – In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

New accounting standards effective for annual periods on or after January 1, 2019:

IFRS 16 – Leases - The standard is effective for annual periods beginning on or after January 1, 2019. Early adoption will be permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting.

3. New accounting standards (cont'd)

The extent of the impact of adoption of these future standards and interpretations on the consolidated financial statements of the Company has not been determined.

4. Amounts receivable

	December 31, 2016	December 31, 2015
Government sales tax recoverable	$ 18,465	$ 10,330
Other receivables (Note 7(b))	74,000	-
	$ 92,465	$ 10,330

5. Exploration and evaluation assets

Nye County, Nevada USA ("Bruner Property")

On May 28, 2010, the Company entered into a property option agreement ("Option Agreement") with Provex Resources Inc. ("Provex"), a company with a director in common with the Company at the time, granting an exclusive right and option to acquire up to a 75% interest in certain mineral claims in Bruner Property.

During the year ended December 31, 2015, the Company earned 70% interest in the property by completing a total of US$6,000,000 in expenditures in stages over a seven year period, US$200,000 of which was completed within the first year. The Company passed on its option to acquire a further 5% undivided interest in the property by producing a bankable feasibility study.

The agreement is subject to a 3.5% net smelter return royalty on the production of certain claims.

A core group of 26 patented mining claims are controlled under an option to purchase agreement dated April 2009 between Patriot Gold Corporation and American International Ventures, Inc. ("AIVN"). In November 2015 the Company purchased the underlying 26 patented claims from AIVN.

Aranka North, Guyana ("Aranka North Property")

During 2014 the Company acquired a 100% interest in the Aranka North Property by fulfilling the terms of an Option Agreement (the "Agreement") that was entered into with GMV Minerals Inc. ("GMV") in 2011. The Aranka North Property encompassed a large area containing nominally 98,000 acres in a region in Guyana, South America.

As at December 31, 2015, the Company decided not to continue exploring the Aranka North Property as they plan to focus their efforts on the Bruner Property. As a result, the Company wrote down the exploration and evaluation assets relating to the property to $1 and recorded an impairment loss of $3,229,209.

5. Exploration and evaluation assets (cont'd)

For the years ended December 31, 2016 and 2015, the Company incurred the following expenditures on the properties:

Bruner Property	For the years ended December 31, 2016	2015
Property acquisition costs		
Balance, beginning of the year	$ 1,040,698	$ 61,735
Additions during the year	-	978,963
	1,040,698	1,040,698
Exploration and evaluation costs		
Balance, beginning of the year	6,673,114	6,041,517
Costs incurred during the year:		
Drilling and related costs	208,470	170,406
Field work	74,037	34,956
Geological	302,077	289,236
Mineral rights maintenance	-	122,315
Travel and accommodation	3,734	14,684
	7,261,432	6,673,114
Total - Bruner Property	$ 8,302,130	$ 7,713,812
Aranka North Property		
Property acquisition costs		
Balance, beginning of the year	$ 1	$ 1,046,442
Common shares issued	-	-
	1	1,046,442
Exploration and evaluation costs		
Balance, beginning of the year	-	2,009,184
Costs incurred during the year:		
Exploration and related costs	-	35,489
Field work	-	9,730
Office	-	25
Property taxes	-	128,340
	-	2,182,768
Impairment on exploration and evaluation assets	-	(3,229,209)
Total - Aranka North Property	$ 1	$ 1
Total exploration and evaluation assets	$ 8,302,131	$ 7,713,813

6. Trade payables and accrued liabilities

	December 31, 2016	December 31, 2015
Trade payables	$ 200,991	$ 220,733
Amount due to related parties (Note 9)	56,166	241,610
Accrued liabilities	98,418	158,296
	$ 355,575	$ 620,639

7. Secured convertible debentures

During 2016 the Company completed a non-brokered private placement of secured convertible debentures ("2016 Convertible Debentures") that were issued in two tranches. These 2016 Convertible Debentures have a first ranking security over the Company's interest in its 70/30 arrangement with Provex in respect of the Bruner Gold Property (see Note 5) and by the general assets of the Company.

a) In October 2016, the Company closed the first tranche of a non-brokered private placement for gross proceeds of $4,239,000; under which the Company issued an aggregate principal amount of $4,239,000 of secured convertible debentures (the "Debentures"), maturing in three years on October 25, 2019. The Debentures are convertible into common shares at the option of the holder at a conversion price of $0.16 per Share (the "Conversion Price") until October 25, 2019.

In addition, the holders of the Debentures received a total of 26,493,750 warrants ("Debenture Warrant"). Each Debenture Warrant is exercisable into a common share on or before October 25, 2019 at an exercise price of $0.20 per share. Interest on the Debentures shall be paid annually in arrears, at an annual rate of interest of 7% per annum or alternatively, if paid in shares the rate would be 10%.

A finder was issued 307,125 compensation warrants and each warrant is exercisable at $0.20 per common share until expiry on October 25, 2019.

b) In December 2016, the Company closed the second tranche of a non-brokered private placement for gross proceeds of $559,000; under which the Company issued an aggregate principal amount of $559,000 of secured convertible debentures (the "Debentures"), maturing in three years on December 23, 2019. The Debentures are convertible into common shares at the option of the holder at a conversion price of $0.16 per share until December 23, 2019. As at December 31, 2016, $74,000 of the proceeds from the second tranche are recoded in amounts receivable and were received after year-end.

In addition, the holders of Debentures received a total of 3,493,750 warrants ("Debenture Warrant"). Each Debenture Warrant will be exercisable into a common share on or before December 23, 2019 at an exercise price of $0.20 per share. Interest on the Debentures shall be paid annually in arrears, at an annual rate of interest of 7% per annum or alternatively, if paid in shares the rate would be 10%.

A finder was issued 209,625 compensation warrants and each warrant is exercisable at $0.20 per common share until expiry on December 23, 2019.

7. Secured convertible debentures (cont'd)

During 2015, the Company completed a non-brokered private placement of secured convertible debentures in two tranches (the "2015 Convertible Debentures"). These 2015 Convertible Debentures had a one year maturity and after maturity in 2016, the total $1,915,000 principal and accrued 10% interest plus a 4% penalty were settled by the issuance of the new 2016 Convertible Debentures. The 2015 Convertible Debentures had a first ranking security over the Company's interest in its 70/30 arrangement with Provex in respect of the Bruner Gold Property and by the general assets of the Company. The following summarizes the historical details of the 2015 Convertible Debentures:

a) On October 23, 2015, the Company closed the first tranche of a non-brokered private placement for gross proceeds of $1,500,000 (the "Offering"); under which the Company issued an aggregate principal amount of $1,500,000 of secured convertible debentures (the "Debentures"), maturing in one year after closing of the Offering (the "Maturity Date"). From and after the date of issue until the Maturity Date, the Debentures will be convertible into units ("Units") at the option of the holder at a conversion price of $0.20 per Unit (the "Conversion Price").

Each Unit was comprised of one common share of the Company ("Common Share") and one-half of one warrant ("Warrant"). Each whole Warrant was exercisable into one Common Share on or before April 20, 2017 at an exercise price of $0.20 per share. Interest on the Debentures was due quarterly in arrears, at an annual rate of interest of 10% per annum.

525,000 compensation warrants ("Compensation Warrants") were issued to a finder. Each Compensation Warrant will be exercisable at $0.20 per Common Share for two (2) years from closing of the Offering (Note 8).

b) On November 6, 2015, the Company closed the second tranche of a non-brokered private placement for gross proceeds of $415,000 (the "Offering"); under which the Company issued an aggregate principal amount of $415,000 of secured convertible debentures (the "Debentures"), maturing in one year after closing of the Offering (the "Maturity Date"). From and after the date of issue until the Maturity Date, the Debentures will be convertible into units ("Units") at the option of the holder at a conversion price of $0.20 per Unit (the "Conversion Price").

Each Unit was comprised of one common share of the Company ("Common Share") and one-half of one warrant ("Warrant"). Each whole Warrant was exercisable into one Common Share on or before May 6, 2017 at an exercise price of $0.20 per share. Interest on the Debentures was due quarterly in arrears, at an annual rate of interest of 10% per annum.

110,250 compensation warrants ("Compensation Warrants") were issued to a finder. Each Compensation Warrant will be exercisable at $0.20 per Common Share for two (2) years from closing of the Offering (Note 8).

7. Secured convertible debentures (cont'd)

The following table summarizes accounting for the convertible debentures and the amounts recognized in the liability and equity components during the years ended December 31, 2016 and 2015:

		2016 Convertible Debenture		2015 Convertible Debenture
Principal				
Issued	$	4,798,000	$	1,915,000
Liability				
Gross proceeds received	$	4,798,000	$	1,915,000
Issuance costs		(104,743)		(123,683)
Equity component less issue costs allocated		(1,334,959)		(105,222)
Liability component initially recognized		3,358,298		1,686,095
Accretion and interest expense recognized during 2015		-		398,430
Accretion and interest expense recognized during 2016		118,203		424,563
Settlement of convertible debenture		-		(2,509,088)
Balance at December 31, 2016	$	3,476,501	$	-
Equity				
Equity component initially recognized in reserves	$	1,334,959	$	105,222
Issuance costs		(40,377)		(7,191)
Deferred income tax recovery		(358,287)		(13,828)
Settlement of convertible debenture		-		(84,203)
Balance at December 31, 2016	$	936,295	$	-

For accounting purposes, the Debentures are separated into their liability and equity components using the residual method. The fair value of the liability component at the time of issue is determined based on an estimated rate of 20% (2015: 17%) for Debentures without the conversion feature. The fair value of the equity component is determined as the difference between the face value of the Debentures and the fair value of the liability component. After initial recognition the liability component is carried on an amortized cost basis and will be accreted to its face value over the term to maturity of the convertible debenture at an effective interest rate of approximately 21% (2015: 21%). The Company also recorded a recovery of a deferred income tax liability of $358,287 (2015: $13,828) that was recognized in equity relating to the difference between the Company's accounting and tax basis.

8. Share capital and reserves

Authorized share capital

The Company has authorized an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. On October 20, 2016, the Company consolidated its issued and outstanding shares totaling 133,199,721 on a 4:1 basis. Upon completion of the consolidation the Company had 33,299,930 post-consolidation common shares issued and outstanding. The share consolidation has been retroactively presented in the consolidated financial statements and accompanying notes and all share amounts including per share amounts reflect the consolidation.

8. Share capital and reserves (cont'd)

Shares issued during 2016

On October 25, 2016, the Company closed the first tranche of a non-brokered private placement for gross proceeds of $716,350 at a price of $0.16 per unit. Each unit is comprised of one common share and one warrant exercisable into a common share at $0.20 per share for a period of five years.

On December 30, 2016, the Company closed the second tranche of a non-brokered private placement for gross proceeds of $245,000 at a price of $0.16 per unit. Each unit is comprised of one common share and one warrant exercisable into a common share at $0.20 per share for a period of five years. At December 31, 2016, $241,000 of the gross proceeds have been recorded as subscriptions receivable. These funds were received in January, 2017.

Shares and units issued to settlement accounts payable

On September 22, 2015 the Company issued 571,919 common shares to non arms'-length creditors at a fair value of $91,507 to settle $114,384 outstanding accounts payable resulting in a gain of $22,876 recorded to reserves on the consolidated statement of changes in equity.

On September 22, 2015, the Company issued 399,238 Units to an arms'-length creditor at a fair value of $119,959 ($63,878 fair value of shares and $56,081 fair value of warrants) to settle $79,847 in accounts payable resulting in a loss of $40,111 recorded to the consolidated statement of comprehensive loss. Each unit is comprised of one common share and one warrant, each warrant being exercisable at $0.07 per share on or before September 21, 2020.

All of these shares, together with any shares that may be issued on exercise of the warrants, were subject to a hold period under applicable Canadian securities laws expiring on January 23, 2016, and were subject to such further restrictions on resale as may apply under applicable foreign securities laws.

Stock options

The Company has adopted a 10% rolling stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant options to directors, officers, employees, and consultants of the Company, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Options granted vest at the discretion of the Board of Directors.

The Company uses the Black-Scholes option pricing model to value the stock options granted during the year. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

Stock option transactions during 2016

During the year ended December 31, 2016, 143,750 fully vested options expired.

Stock option transactions during 2015

On January 27, 2015, the Company granted 312,500 stock options to directors and 100,000 to consultant. The options to directors vested immediately and the consultant options vested over a 12 month period. The options have an exercise price of $0.64 per share and expire on January 26, 2020. The estimated grant date fair value of these options was $212,173.

8. Share capital and reserves (cont'd)

Stock options (cont'd)

The grant date fair values of the options granted above were estimates based on the following assumptions: share price at grant date of $0.64; exercise price of $0.64; expected life of 5 years; expected volatility of 154%; risk free interest rate of 0.78%; expected dividend yield rate of 0%; and forfeiture rate of 0%.

On October 22, 2015, the Company granted 884,419 stock options to directors. The options vested immediately. The options have an exercise price of $0.20 per share and expire on October 21, 2020. The estimated grant date fair value of these options was $124,085.

The grant date fair values of the options granted above were estimates based on the following assumptions: share price at grant date of $0.16; exercise price of $0.20; expected life of 5 years, expected volatility of 142%; risk free interest rate of 0.82%; expected dividend yield rate of 0%; and forfeiture rate of 0%. During the year ended December 31, 2015, 575,000 fully vested options expired.

Stock option summary

The changes in options during the years ended December 31, 2016 and 2015 are summarized as follows:

	December 31, 2016		December 31, 2015	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of year	2,953,169	$ 0.52	2,231,250	$ 0.68
Options granted	-	-	1,296,919	0.32
Options expired	(143,750)	0.75	(575,000)	0.64
Options outstanding, end of the year	2,809,419	$ 0.52	2,953,169	$ 0.52
Options exercisable, end of the year	2,809,419	$ 0.52	2,953,169	$ 0.52

The weighted average fair value for options granted during year ended December 31, 2016 was $Nil (2015: $0.28).

8. Share capital and reserves (cont'd)

Details of options outstanding and exercisable at December 31, 2016 are as follows:

		Outstanding			Exercisable	
Date of expiry	Exercise price	Number of options	Weighted Average Remaining Contractual life, years	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
January 5, 2017	0.42	218,750	0.01	0.42	218,750	0.42
September 24, 2017	1.08	443,750	0.73	1.08	443,750	1.08
March 13, 2019	0.52	850,000	2.20	0.52	850,000	0.52
January 26, 2020	0.64	412,500	3.07	0.64	412,500	0.64
October 21, 2020	0.20	884,419	3.81	0.20	884,419	0.20
		2,809,419	2.43	$ 0.52	2,809,419	$ 0.52

Warrants

	December 31, 2016		December 31, 2015	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning of year	1,941,768	$ 0.68	907,280	$ 1.20
Warrants expired[1,2]	(1,432,280)	0.68	-	-
Warrants issued[3]	6,111,300	0.20	-	-
Warrants issued[4]	30,504,250	0.20	1,034,488	0.24
Warrants outstanding, end of year	37,125,038	$ 0.20	1,941,768	$ 0.68

The weighted average fair value for warrants granted during year ended December 31, 2016 was $0.20 (2015: $0.08).

(1) 399,238 warrants were issued in conjunction with a debt settlement completed on September 22, 2015. Each warrant grants the holder the right to purchase one common share of the Company for $0.28 per share until September 21, 2020.

(2) 525,000 and 110,250 warrants were issued in conjunction with a convertible debenture issuance completed on October 23, 2015 and November 6, 2015, respectively (Note 7). Each warrant grants the holder the right to purchase one common share of the Company for $0.20 per share until October 20, 2017 and November 6, 2017, respectively. The Company recognized $60,374 on the grant of these options which has been allocated proportionately between the debt and equity component on the convertible debt, 525,000 warrants expired when the convertible debt was paid.

(3) 4,492,500 and 1,618,800 warrants were issued in conjunction with a private placement financing completed on October 23, 2016 and December 29, 2016, respectively (Note 7). Each warrant grants the holder the right to purchase one common share of the Company for $0.20 per share until October 24, 2021 and December 29, 2021, respectively.

(4) 26,800,875 and 3,703,375 warrants were issued in conjunction with a convertible debenture issuance completed on October 25, 2016 and December 23, 2016, respectively (Note 7). Each warrant grants the holder the right to purchase one common share of the Company for $0.20 per share until October 25, 2019 and December 23, 2019, respectively.

8. Share capital and reserves (cont'd)

***Warrants** (cont'd)*

The fair value of the finders warrants and warrants issued as part of units to settle accounts payable were calculated using the Black-Scholes option pricing model with following weighted average assumptions:

	2016	2015
Weighted average assumptions:		
Risk-free interest rate	0.68%	0.62%
Expected dividend yield	0.00	0.00
Expected option life (years)	3.18	3.16
Expected stock price volatility	145%	131%

Details of warrants outstanding and exercisable at December 31, 2016 are as follows:

	Outstanding				Exercisable	
Date of expiry	Exercise price	Number of warrants	Weighted Average Remaining Contractual life, years	Weighted Average Exercise Price	Number of warrants	Weighted Average Exercise Price
November 6, 2017	$ 0.20	110,250	0.85	$ 0.20	110,250	$ 0.20
October 25, 2019	0.20	26,800,875	2.82	0.20	26,800,875	0.20
December 23, 2019	0.20	3,703,375	2.98	0.20	3,703,375	0.20
September 21, 2020	0.28	399,238	3.73	0.28	399,238	0.28
October 24, 2021	0.20	4,492,500	4.82	0.20	4,492,500	0.20
December 29, 2021	0.20	1,618,800	5.00	0.20	1,618,800	0.20
		37,125,038	3.18	$ 0.20	37,125,038	$ 0.20

9. Related party transactions and balances

Related party balances

Amounts due to related parties consist of charges accrued for office administration and management fees. These amounts are due to directors, officers, or companies controlled by directors or officers.

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

The following amounts due to related parties are included in trade payables and accrued liabilities:

	December 31, 2016	December 31, 2015
Directors and corporations controlled by directors of the Company	$ 7,166	$ 63,611
Survivor benefit[(1)]	49,000	178,000
	$ 56,166	$ 241,611

The Company incurred the following transactions with directors/officers of the Company and corporations that are controlled by directors/officers of the Company. The Company has identified these directors/officers as its key management personnel.

	For the years ended December 31,	
Key Management Compensation	**2016**	**2015**
Fees for outside/independent directors	$ 84,000	$ 66,000
Management and administrative fees	241,900	229,247
Share-based payments	-	307,707
	$ 325,900	$ 602,954

(1) Pursuant to a management services agreement, the Company has accrued a payable to the estate of the late CEO of the Company.

10. Financial risk and capital management

The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions, as determined by rating agencies.

10. Financial risk and capital management (cont'd)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company's trade payables are generally due in terms ranging from 30 to 90 days.

Foreign exchange risk

Foreign exchange risk is the risk that the future fair value of cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Company's financial results are reported in Canadian dollars while it conducts a significant portion of its business activities in US dollars. The assets, liabilities and expenses that are denominated in US Dollars will be affected by changes in the exchange rate between the Canadian dollar and the US Dollar. If the Canadian dollar changes by one percent against the US dollar, with all other variables held constant, the impact on the Company's foreign denominated financial instruments would result in a reduction or increase of after tax net loss of less than $1,000 for the year ended December 31, 2016.

The Company also conducts business in Guyanese Dollars. The assets, liabilities and expenses that are denominated in Guyanese Dollars will be affected by changes in the exchange rate between the Canadian dollar and the Guyanese Dollar. If the Canadian dollar changes by one percent against the Guyanese dollar, with all other variables held constant, the impact on the Company's foreign denominated financial instruments would result in a reduction or increase of after tax net loss of less than $1,000 for the year ended December 31, 2016.

Interest rate risk

The Company is not currently exposed to significant interest rate risk.

Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements.

10. Financial risk and capital management (cont'd)

Classification of financial instruments

Financial instruments classified as fair value through profit or loss:

	December 31, 2016	December 31, 2015
Cash and cash equivalents	$ 1,449,508	$ 109,900

Financial instruments classified as other financial liabilities:

	December 31, 2016	December 31, 2015
Trade payables	$ 355,575	$ 492,299
Secured convertible debentures	3,476,501	1,758,537

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial assets measured at fair value on a recurring basis consist of cash and cash equivalents which are classified as level 1. There are no financial liabilities measured at fair value on a recurring basis.

11. Segmented information

Operating segments

The Company operates in a single reportable operating segment – the acquisition and exploration of mining properties.

Geographic segments

The Company's non-current assets are located in the following countries:

	As at December 31, 2016		
	Guyana	US	Total
Exploration and evaluation assets	$ 1	$ 8,302,130	$ 8,302,131
	As at December 31, 2015		
	Guyana	**US**	**Total**
Exploration and evaluation assets	$ 1	$ 7,713,812	$ 7,713,813

12. Income taxes

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

		2016		2015
Canadian statutory income tax rate		26.00%		26.00%
Expected income tax recovery based on statutory rate	$	355,664	$	1,211,732
Non-deductible expenses and others		(74,026)		(51,171)
Other		(30,351)		76,417
Change in unrecognized deferred income tax assets		107,000		(1,223,149)
Income tax recovery	$	358,287	$	13,831

Significant components of the Company's deferred income tax assets (liabilities) are as follows:

		2016		2015
Non-capital losses	$	5,287,000	$	4,952,000
Share issuance costs and others		42,000		31,000
Cumulative eligible expenditures		41,000		41,000
Mineral properties		(2,289,000)		(2,139,000)
Convertible debentures		(344,000)		(41,000)
		2,737,000		2,844,000
Unrecognized deferred income tax assets		(2,737,000)		(2,844,000)
Net deferred income tax assets	$	–	$	–

The Company has available for deduction against future taxable income Canadian non-capital losses of approximately $8,868,000. These losses will begin to expire starting in 2027. The Company also has non capital losses of $1,815,000 available for deduction against future taxable income in Guyana which have no expiry date. Additionally, the Company has net operating losses of $6,769,000 which can be applied against future operating income in the United States, which will begin to expire starting 2030.

In assessing the realizability of deferred income tax assets, management considers whether it is more likely than not that some portion of all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of deferred income tax assets considered realizable could change materially in the near term based on future taxable income during the carry forward period.

13. Subsequent events

Subsequent to year end:

a) On April 26, 2017, the Company signed an agreement with Patriot Gold Corp. ("Patriot") to purchase the remaining 30% interest in the Bruner Property for US$1,000,000.

b) On April 19, 2017, the Company announced a private placement for gross proceeds of up to $2,500,000. These funds will be raised by the Company issuing up to 16,666,667 units (the "Units"), at a price of $0.12 per Unit, each Unit consisting of one common share and one share purchase warrant, each warrant entitling the holder thereof to purchase one additional common share, exercisable for a period of five years from the date of issuance at a price of $0.20 per share.

c) On February 24, 2017, the Company granted 1,275,000 stock options to certain directors, members of management and consultants of the Company. Each option is exercisable at a price of $0.16 per share for a period of five years.

OVERVIEW

This management discussion and analysis ("MDA"), prepared on April 28, 2017, covers the operations of Canamex Resources Corp. ("Canamex" or the "Company") for the year ended December 31, 2016. All monetary amounts referred to herein are in Canadian dollars unless otherwise stated. The MDA should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2016. The accompanying consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com or the Company website at www.canamex.us.

FORWARD LOOKING INFORMATION

This MDA includes certain forward-looking statements or information. All statements other than statements of historical fact included in this MDA are forward-looking statements that involve various risks and uncertainties. Forward-looking statements in this MDA include statements with respect to completion of a preliminary economic assessment on the Bruner property, the potential mineralization and geological merits of the Bruner property and other future plans, objectives or expectations of the Company. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's plans or expectations include the risk that actual results of current and planned exploration activities, including the results of the Company's planned drilling program on the Bruner property, will not be consistent with the Company's expectations; the geology, grade and continuity of any mineral deposits and the risk of unexpected variations in mineral resources, grade and/or recovery rates; fluctuating metals prices; possibility of accidents, equipment breakdowns and delays during exploration; exploration cost overruns or unanticipated costs and expenses; uncertainties involved in the interpretation of drilling results and geological tests; availability of capital and financing required to continue the Company's future exploration programs and preparation of geological reports and studies; delays in the preparation of geological reports and studies; the metallurgical characteristics of mineralization contained within the Bruner property are yet to be fully determined; general economic, market or business conditions; competition and loss of key employees; regulatory changes and restrictions including in relation to required permits for exploration activities (including drilling permits) and environmental liability; timeliness of government or regulatory approvals; and other risks detailed herein and from time to time in the filings made by the Company with securities regulators. In connection with the forward-looking information contained in this MDA, the Company has made numerous assumptions, including that the Company's 2015 exploration program will proceed as planned and within budget. Canamex expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as otherwise required by applicable securities legislation.

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of Alberta on May 26, 1987. On August 18, 2009, the shareholders approved the continuation of the Company from the Business Corporations Act (Alberta) to the Business Corporations Act (British Columbia), approved the new articles of the Company, and approved a name change of the Company to Canamex Silver Corp. On October 6, 2009 the name change and continuation were completed.

On May 28, 2010, the Company entered into a property option agreement with Provex Resources Inc., in which the Company was granted, subject to acceptance by the TSX Venture Exchange ("TSX-V"), an exclusive right and option to acquire up to a 75% interest in certain mineral claims in Nye County, Nevada (the *"Bruner Property"*).

On October 18, 2010, the Company received TSX-V approval for all matters in connection with the Bruner Property option agreement, the Company was reinstated as a Tier 2 mining issuer on the TSX-V and changed its name to Canamex Resources Corp. (TSX-V "CSQ").

EXPLORATION AND EVALUATION ASSETS

Bruner Property, Nye County, Nevada, United States

Option and Joint Venture Agreement

On May 28, 2010, the Company entered into a property option agreement with Provex Resources Inc., granting an exclusive right and option to acquire up to a 75% interest in the Bruner Property.

During the year ended December 31, 2015, the Company earned 70% interest in the property by completing a total of US$6,000,000 in expenditures in stages. The Company passed on its option to acquire a further 5% undivided interest in the property by producing a bankable feasibility study.

The agreement is subject to an aggregate 3.5% net smelter return royalty on the production from certain claims.

Property Description

Comprised of 179 unpatented and 27 patented mining claims covering a total of approximately 3,520 acres, the Bruner Property is located in central Nevada, about 45 miles northwest of the Round Mountain Mine which has produced over 10 million ounces of gold over a thirty year period. Historic production at Bruner includes approximately 100,000 ounces at an average grade of 0.56 ounces per ton.

Property Exploration

Historic work by Morrison-Knudsen, Miramar, Glamis, Newmont, Kennecott and others identified a low-grade resource near the southwest portion of the property. The work by Newmont, Kennecott and Miramar was summarized in a report by John Schilling in 1991. Since that time an additional 75 holes have been drilled within and along strike of the historical resource area.

The historic resource area refers to an area on the Bruner property that was the subject of an historical resource estimate reported on the property not in compliance with NI 43-101 standards. A qualified person (within the meaning of NI 43-101) has not done sufficient work to classify the historical estimate as current mineral resource or mineral reserves, and the Company is not treating the historical estimate as current mineral resources or mineral reserves. The historical estimate is relevant solely for purposes of directing target areas for the Company's current exploration programs.

A bulk sample from the historic resource area was taken in April 2012 and delivered to Kappes Cassidy & Associates in Reno, Nevada for column leach test work. Final cyanide column leach results were reported in August and demonstrated +85% gold extraction in 83 days on -3 inch and -3/4 inch crush material sampled from underground within the historic resource area at the Bruner gold project. The very positive metallurgical results support moving the Bruner project forward towards establishing a maiden NI 43-101 mineral resource and formulating preliminary concepts regarding site layout for a preliminary economic assessment in 2015.

Canamex has drilled a total of 26,077 meters in 149 core and reverse circulation ("RC") holes (3,335 meters core and 22,741 meters RC) since it entered into its option on the property in 2010. Assay results have been received and reported for all 149 holes.

On November 2, 2015, the Company completed the purchase of the 26 lode patented mining claims, representing approximately 500 acres, and an associated water right for 6.690202 acre feet per annum that comprise the core of the Bruner gold project, Nye County, Nevada for a total price of US $760,000. The Company has completed the US $6,000,000 in qualified expenditures required to earn a 70% interest in the property well in advance of the seven years deadline. The Company has also commissioned a Preliminary Economic Assessment and the joint venture between the Company and Provex Resources Inc has been initiated. To date the Company has spent in excess of US$1 million above its initial earn-in requirement, which will result in either Provex contributing to the project its 30% share of total expenditures above the earn-in amount, or a pro-rata reduction in their percentage interest.

The Company commissioned a Preliminary Economic Assessment (PEA) in October, 2015, announced the results of the PEA on March 3, 2016, and announced the release of the PEA technical report on April 06, 2016. The results of the PEA are discussed below.

The Company maintained the property and field office, core and sample storage, and field equipment in good standing during the 2015 calendar year at an average annual cost of US $60,000. Project management expenses are US $90,000 annually, not including field expenses. In the fourth quarter of 2015 the Company completed a VLF-EM geophysical survey over the Paymaster resource area at a cost of US $10,000 that suggested the anomaly associated with the resource area continued to the north of the area previously drilled. The Company completed bottle-roll cyanidation tests on drill cuttings from the Paymaster resource area at the Bruner Property at a cost of US $10,000 and announced those results on November 10, 2015. The Company initiated and completed a short exploration drilling program north of the Paymaster resource area in November at a cost of US $125,000, and announced the results from that program on November 18, 2015. Invoiced amounts on the PEA amount to roughly US $98,330. The Company staked an additional 12 unpatented lode mining claims covering potential development sites at a cost of approximately US $5,000. During the course of the 2016 calendar year the Company maintained the Bruner property claims, field office, field trailer, and core and sample storage facilities in good order.

Preliminary Economic Assessment

On March 3, 2016 the Company announced the results of the Preliminary Economic Assessment on a 100% ownership basis for the Bruner Gold Project in Nevada. The PEA was prepared by Welsh-Hagen Associates of Reno, Nevada in accordance with the requirements of Canadian National Instrument 43-101 "Standards of Disclosure for Mineral Projects" ("NI 43-101"). The contained NI43-101 resources are reported below and remain open in multiple directions and are amenable to expansion with additional drilling.

RESOURCE ABOVE EXTERNAL BREAKEVEN CUTOFF											
	Indicated > 0.192 gpt Au Equiv						**Inferred > 0.192 gpt Au Equiv**				
Zone	K-tonnes	Au grade gpt	Ag grade gpt	Cont'd Au k oz	Cont'd Ag k oz		K-tonnes	Au grade gpt	Ag grade gpt	Cont'd Au k oz	Cont'd Ag k oz
HRA	4050	0.67	7.81	87	1017		400	0.34	3.57	4	46
Penelas	7850	0.64	4.94	162	1247		1550	0.68	2.76	34	138
Paymaster	-	-	-	-	-		650	1.08	3.11	23	65
Sub Total	11900	0.65	5.92	249	2264		2600	0.73	2.97	61	249
RESOURCE ABOVE INTERNAL BREAKEVEN CUTOFF AND BELOW EXTERNAL CUTOFF											
	Indicated between 0.117 and .192 gpt Au Equiv						**Inferred between 0.117 and 0.192 gpt Au Equiv**				
Zone	K-tonnes	Au grade gpt	Ag grade gpt	Cont'd Au k oz	Cont'd Ag k oz		K-tonnes	Au grade gpt	Ag grade gpt	Cont'd Au k oz	Cont'd Ag k oz
HRA	1450	0.16	3.91	7	182		200	0.17	2.12	1	14
Penelas	700	0.16	3.09	4	70		150	0.16	2.00	1	10
Paymaster	-	-	-	-	-		0	0	0	0	0
Sub Total	2150	0.16	3.64	11	252		350	0.17	2.07	2	24
TOTAL RESOURCE ABOVE INTERNAL BREAKEVEN CUTOFF											
	Indicated > 0.117 gpt Au Equiv						**Inferred > 0.117 gpt Au Equiv**				
	K-tonnes	Au grade gpt	Ag grade gpt	Cont'd Au k oz	Cont'd Ag k oz		K-tonnes	Au grade gpt	Ag grade gpt	Cont'd Au k oz	Cont'd Ag k oz
Total	14050	0.58	5.57	260	2516		2950	0.66	2.86	63	273

Mineral resources are not mineral reserves and do not have demonstrated economic viability.

The Preliminary Economics Assessment is preliminary in nature, and includes inferred resources that are considered too speculative geologically to have economics consideration applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized.

The key outcomes of the PEA study include:

-Pre-tax net present value at 5% discount rate (NPV5) of $61 million at $1250 gold price;

-Low initial capital of $33.4 million;

-Pre-tax IRR of 42.1% at $1250 gold price;

-Attractive after-tax IRR of 39.0% and NPV5% of $54.9 million at $1250 gold price;

-Average annual gold production of 46,500 ounces and 44,600 ounces of silver**;**

- -Average cash cost of $550/oz. of gold produced for the first two years of operation and $818/oz. thereafter, over a 6-year mine life with a two-year tail of gold and silver recovery after mining.
- Pay-back period of nominally 1.3 years on an after tax basis.

-Contract mining with room for significant improvement on mining costs with owner operated mining

-Facility siting and first two years of production entirely on patented claims to allow for a streamlined permitting process

-Oxide heap leach processing with 90% recovery of gold on single stage crushed material and 75% recovery of gold on run of mine (ROM) material

-Life-of-mine (LOM) production of crushed material of 14.5 million tonnes at a gold grade of 0.66 gpt (0.020 opt) and 2.5 million tonnes of ROM material at a gold grade of 0.16 gpt (0.005 opt) resulting in 288,100 ounces of payable gold and 278,100 ounces of payable silver.

The authors of the PEA recommended additional drilling to convert the inferred resources to indicated resources, commencement of work to support a feasibility study, and to commence the permitting towards development of the resources on patented claims.

The Company maintained the property in good standing through 2016. The Company completed a fall drilling campaign in November 2016 to increase the data density at the Paymaster resource area in order to be able to upgrade the resource there from inferred to indicated the next time the Company updates is resources. Results were reported in January 2017.

On April 26, 2017 the Company announced that it had closed on the purchase of Patriot Gold's 30% working interest in the Bruner project for US$1.0 million. In addition, the Company announced it has the option for a 5-year period from closing to reduce the 2% NSR retained by Patriot to 1% NSR for a payment of US$5 million. Exercising this option would reduce the total ramaining royalty burden on the Bruner property to 2.5% NSR.

Aranka North Property, Guyana, South America

Option and Joint Venture Agreement

On August 2, 2011, the TSX Venture Exchange (TSX-V) accepted for filing documentation in connection with an option and joint venture agreement dated June 30, 2011, among the Company, Canamex Guyana Inc. (the Company's wholly owned subsidiary), GMV Minerals Inc. and GMV Guyana Resources Inc. (GMV's wholly owned subsidiary), under which Canamex has an option to acquire a 100 percent interest in the Aranka North Property.

Canamex acquired the interest in the Aranka North Property by making cash payments to GMV totaling $520,627 (U.S.) (the cash payment obligation has been met), expending $1-million (U.S.) in exploration work before

December 31, 2013 (the exploration expenditure obligation has been met), and issuing a total of 3.75 million shares to GMV in stages as follows: 1.5 million shares upon approval of the transaction by the TSX-V (issued August 3, 2011); 1.25 million shares within 18 months of the approval date (issued February 2013); and 1.0 million shares were issued in June 2014. The option has been exercised by issuance of all the required share tranches to GMV Minerals, Inc. In addition, the Company has agreed to pay GMV $500,000 (U.S.) cash and issue 500,000 shares in the capital stock of the Company to GMV for every 500,000 ounces of gold contained in measured and indicated resources as referenced in a National Instrument 43-101 qualifying report, up to a maximum of $2-million (U.S.) and two million shares of Canamex. The agreement is subject to an underlying 2% net smelter return royalty.

Property Description

Located approximately 140 kilometers northwest of Guyana's capital, Georgetown, the Aranka North Property consists of 98,057 acres (approximately 400 square kilometers) in a region on trend with major gold discoveries by Guyana Goldfields at Aurora and Sulphur Rose/ Aranka and Sandspring Resources at Toroparu. There are recently active alluvial gold mining operations within Canamex's land package.

Property Exploration

Canamex purchased airborne geophysical data over the entire Aranka North Property when the property was acquired from GMV Minerals. Initial interpretive work (announced September 13, 2011) on the data identified 15 large, discrete anomalies, all of which have dimensions of two to four kilometers long and one to three kilometers wide, within large shear zones which bear similarities to the shear zones that host some of the major multi-million ounce gold deposits in Guyana (Toroparu, Aurora, Omai) and adjacent Suriname (Rosebel). These identified areas of interest cover 200-225 square kilometers of the 400 square kilometer property, thus reducing the size of the initial area of interest by approximately fifty percent.

Having completed the airborne interpretation, the next step in the exploration process was to design an initial stream sediment sampling program from a total of 85 sample sites to evaluate the gold signatures of the 15 airborne geophysical anomalies. This step was also a high level approach, with a density of roughly one sample per 2.5 square kilometers, covering the entire 200-225 square kilometer areas of interest. On January 17, 2012 the Company reported that four discrete anomalous areas, ranging in size from 10 to 25 square kilometers, were identified by the initial stream sediment sampling program. Gold values ranged up to 647 ppb (0.647 gpt). These results set the stage for a more intense stream sediment sampling program focused on the newly identified 25 square kilometer priority target, based on a sample density of one per 0.3 square kilometers. Results from this program were released on March 22 and April 10, 2012, which included anomalous gold with values ranging up to 12,234 ppb gold (12.234 gpt Au).

After interpretation of the stream sediment sampling program, which identified seven distinct anomalies, the next step was the design of a grid soil sampling program based on 100 meter centers, focused on two key targets: the Camp Anomaly (1.75 square kilometers) and the Ridge Anomaly (14 square kilometers). Eighteen streams drain the Ridge Anomaly, and all of them contain anomalous gold. Importantly, the visible gold from this area is fine-grained and needle-shaped with very sharp edges, suggesting it has not been transported very far.

At the Camp Anomaly a total of 181 soil samples were collected on 100 meter centers, and were assayed by Acme Analytical Laboratories. The Camp soil anomaly is approximately 1 kilometer long and 200 meters wide was identified at the north end of the grid, trending off the grid to the northeast. This anomaly reflects gold in soil values that exceed the mean plus three standard deviations, and appears to coincide with the sheared contact between metavolcanic rocks and meta-sedimentary rocks. Geologic mapping of the soil sample spoil piles followed in June 2012 to place the anomaly in a geologic context based upon the 100 meter by 100 meter sample density.

The field crew then relocated their base camp to the base of the Ridge Anomaly, which is the Company's clear focus in Guyana at this stage, and where the stream sediment anomaly identified at the Ridge Anomaly is 10 times larger and up to 40 times stronger than that which identified the Camp Anomaly. The grid soil sampling programs on the Camp and Ridge Anomalies should define the bedrock source locations of the gold. A total of 737 soil samples have been collected on a 100 meter by 100 meter grid covering roughly 10 square kilometers at the Ridge Anomaly. Samples were not collected where white sand blankets the saprolite soils. There are three areas of

anomalous gold within the soil sample grid. The largest is the southern anomaly which has dimensions of 1 km x 2 kms and gold values up to mean plus five standard deviations (+30 ppb Au). The Company acquired two power auger drills that we expected could drill through the white sand that caps a large portion of the Ridge Anomaly and that appears to cover some of the more obvious gold in soil anomalous areas. In addition, we have improved access to the Ridge camp for vehicle traffic and are establishing ATV trail access onto the white sand ridges that overlie the priority gold anomaly in order to provide access for the power auger drills and crews. Auger drilling through the saprolite soil and white sand further defined the gold in soil anomaly that has been detected to date. The main gold in soil anomaly is coincident with a magnetic high detected by airborne geophysics, which is believed to represent an unexposed intermediate composition intrusion, which is the primary host for most of the major gold deposits in Guyana.

Initial auger drilling has been completed on the Ridge Anomaly, with a total of 80 holes completed to depths of up to 12 meters that were sampled every meter down the hole. Bedrock was rarely encountered in the auger drill holes, suggesting saprolite soils on the ridge are thicker than previously anticipated. Many power auger holes could not be completed through the white sand which caps the ridge, and these holes were not sampled. Nevertheless, a prominent gold-in soil anomaly was identified that is roughly 100-200 meters wide and over 1000 meters long that is coincident with quartz vein material and sericitic alteration encountered in the base of the power auger holes in the gold-in soil auger anomaly, and which contains values up to 138 ppb Au.

During 2014 the Company completed a NI 43-101 compliant Technical Report on the Aranka North property and filed that report on SEDAR. The filing of this report will allow third parties to review the target identification that we have completed to date and assess whether or not they are interested in participating in the drilling of these target areas through either a joint venture or option arrangement.

Given the state of financial markets and with the objective of preserving capital, we have terminated our field crew and care and maintenance staff and have a minimal presence in Guyana to maintain the property in good standing.

As at December 31, 2015, the Company decided not to continue exploring the Aranka North Property as they planned to focus their efforts on the Bruner Property. As a result, the Company wrote down the exploration and evaluation assets relating to the property to $1 and recorded an impairment loss of $3,229,209.

Greg Hahn, CPG#7122 and President/COO of the Company, is the QP responsible for the technical disclosure contained in this document.

RESULTS OF OPERATIONS

For the year ended December 31, 2016, the Company recorded a net loss of $997,938 (2015 - $4,646,677) and had a cumulative deficit at December 31, 2016 of $13,730,828 (December 31, 2015- $12,732,890). The Company had no continuing source of operating revenue.

The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds for the foreseeable planning horizon will be invested to finance its exploration activities.

SELECTED ANNUAL INFORMATION

The Company prepared its consolidated financial statements in accordance with the International Financial Reporting Standards (''IFRS''). The Company's consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company. For more detailed information, refer to the Company's financial statements for the years then ended.

	Years ended December 31,		
	2016	2015	2014
	- $ -	- $ -	- $ -
Revenue	-	-	-
Net loss	(997,938)	(4,646,677)	(1,937,870)
Net loss per share	(0.03)	(0.14)	(0.06)
Total assets	9,997,081	7,869,155	9,730,039

Year ended December 31, 2016

For the year ended December 31, 2016, the Company had no revenues and had a net loss of $997,938 (2015 - $4,646,677). Items of significant variance over the prior year include an increase in interest and accretion expense to $562,402 (2015- $72,443) due to the new three years convertible debenture issued; a decrease in shareholder communications to $86,829 (2015-$150,995) as investor relations contracts were cancelled. Consulting increased from $214,521 in 2015 to $252,594 in 2016 as the Company engaged a contractor to provide capital market advisory service, and Property as they plan to focus their efforts on the Bruner Property. The Company wrote down the exploration and evaluation assets relating to the property to $1 and recorded an impairment loss of $3,229,209 in 2015 and none in 2016

During the year, the Company incurred $588,318 in exploration and evaluation costs on the Bruner Property. Total capitalized costs for exploration and evaluation assets were $8,302,131 as at December 31, 2016.

Year ended December 31, 2015

For the year ended December 31, 2015, the Company had no revenues and had a net loss of $4,646,677 (2014 - $1,937,870). Items of significant variance over the prior year include a $360,000 decrease in survivor benefit incurred to the estate of the late CEO of the Company; a decrease in shareholder communications to $150,995 (2014-$181,955) as investor relations contracts were cancelled. Consulting increased from $151,046 in 2014 to $214,521 in 2015 as the Company engaged a contractor to provide capital market advisory service, and management fees decreased from $253,213 in 2014 to $226,767 in 2015. All of the reductions in cash expenditures during 2015 reflected the Company's desire to conserve cash in a period of difficult market conditions. Share-based payments decreased to $357,484 (2014 - $525,757), as less stock options were granted compared to 2014. As at December 31, 2015, the Company decided not to continue exploring the Aranka North Property as they plan to focus their efforts on the Bruner Property. As a result, the Company wrote down the exploration and evaluation assets relating to the property to $1 and recorded an impairment loss of $3,229,209.

During the year, the Company incurred $1,610,558 in exploration and evaluation costs on the Bruner Property and $173,584 on the Aranka North Property. Total capitalized costs for exploration and evaluation assets were $7,713,813 at December 31, 2015.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following is a summary of selected financial information compiled from the quarterly interim unaudited financial statements for eight quarters ending December 31, 2016:

	Dec 31, 2016	*Sep. 30, 2016*	*Jun. 30, 2016*	*Mar. 31, 2016*
Total assets	9,997,081	8,026,706	7,949,133	7,922,030
Working capital/(deficiency)	1,333,586	(3,211,818)	(2,871,417)	(2,623,440)
Shareholders' equity	6,165,005	4,775,666	5,022,287	5,228,512
Revenue	-	-	-	-
Net loss	(283,625)	(246,621)	(206,226)	(261,466)
Net loss per share	(0.01)	(0.00)	(0.00)	(0.00)
	Dec. 31, 2015	*Sep. 30, 2015*	*Jun. 30, 2015*	*Mar. 31, 2015*
Total assets	7,869,155	11,119,380	9,420,616	9,540,537
Working capital/(deficiency)	(2,244,338)	(521,633)	(352,208)	(154,145)
Shareholders' equity	5,489,979	9,052,814	9,039,809	9,208,190
Revenue	-	-	-	-
Net loss	(3,862,021)	(182,725)	(183,069)	(418,862)
Net loss per share	(0.03)	(0.00)	(0.00)	(0.00)

Three months ended December 31, 2016

In the three months ended December 31, 2016, the Company had no revenues and had a net loss of $283,625 (2015-$3,862,021). A decrease in consulting to $223,098 (2015- $135,771) is the result of the Company engaging a contractor to provide capital market advisory service in the current year. In addition, share-based compensation decreased to Nil (2015- $108,567) as no new stock options were granted or vested in the current period. Interest and accretion expense of $236,413 (2015- $ 72,443) relates to the convertible debenture issued during the last quarter of fiscal 2016.

During the period, the Company incurred $334,011 in exploration and evaluation costs on the Bruner property. Total capitalized costs for exploration and evaluation assets were $8,302,131 at December 31, 2016. The Company wrote down the exploration and evaluation assets relating to the property in Guyana to $1 and recorded an impairment loss of $3,229,209 in 2015, and none in 2016.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations over the last several years through the issuance of common shares or units consisting of common shares and warrants, the exercise of warrants and options, and the issuance of convertible debentures. The Company will continue to seek capital through various means which may include the exercise of outstanding warrants and options and the issuance of equity and/or debt. The Company has been successful in the past in raising funds for operations, but there is no assurance that it will be able to continue to do so.

On October 20, 2016, the Company consolidated its issued and outstanding shares totaling 133,199,721 on a 4:1 basis. Upon completion of the Consolidation the Company has approximately 33,299,933 post-consolidation common shares issued and outstanding.

In October 2016, the Company closed the first tranche of a secured convertible debenture financing for gross proceeds of $4,239,000, maturing October 25, 2019. The debentures are convertible at a price of $0.16 per share. Interest on the Debentures shall be paid annually in arrears, at an annual rate of interest of 7% per annum or alternatively, if paid in shares the rate would be 10%.

In addition, the holders of Debenture received a total of 26,493,750 warrants ("Debenture Warrant"). Each Debenture Warrant will be exercisable into one Common Share on or before October 25, 2019 at an exercise price of $0.20 per share. 307,125 compensation warrants ("Compensation Warrants") were issued to a finder. Each Compensation Warrant will be exercisable at $0.20 per Common Share for three (3) years from closing of the Offering.

Concurrently, the Company closed the first tranche of a non-brokered private placement for gross proceeds of $716,350 at a price of $0.16 per unit. Each unit is comprised of one common share and one warrant exercisable into a common share at $0.20 per share for a period of five years.

In December 2016, the Company closed the second tranche of a non-brokered private placement for gross proceeds of $559,000 (the "Offering"); under which the Company issued an aggregate principal amount of $559,000 of secured convertible debentures (the "Debentures"), maturing in three year after closing of the Offering (the "Maturity Date"). From and after the date of issue until the Maturity Date, the Debentures will be convertible into shares at the option of the holder at a conversion price of $0.16 per Share (the "Conversion Price").

In addition, the holders of Debenture received a total of 3,493,750 warrants ("Debenture Warrant"). Each Debenture Warrant will be exercisable into one Common Share on or before December 23, 2019 at an exercise price of $0.20 per share. Interest on the Debentures shall be paid annually in arrears, at an annual rate of interest of 7% per annum or alternatively, if paid in shares the rate would be 10%. 209,625 compensation warrants

("Compensation Warrants") were issued to a finder. Each Compensation Warrant will be exercisable at $0.20 per Common Share for three (3) years from closing of the Offering.

Net cash flows used in operating activities for the year ended December 31, 2016 were $1,293,237. Net cash used in investing activities for expenditures on the Bruner Nevada properties was $573,603. Net cash flow from financing activities from convertible debentures and private placement financing was $3,206,448. The total increase in cash for year was $1,339,608. Working capital (deficiency) at December 31, 2016 was $1,333,586 compared to ($2,244,338) at December 31, 2015.

On September 22, 2015 the Company issued 571,919 common shares to non arms'-length creditors at a fair value of $91,507 to settle $114,384 outstanding accounts payable resulting in a gain of $22,876 recorded to reserves on the statement of changes in equity.

On September 22, 2015, the Company issued 399,238 Units to an arms'-length creditor at a fair value of $119,959 ($63,878 fair value of shares and $56,081 fair value of warrants) to settle $79,847 in accounts payable resulting in a loss of $40,111 recorded to the statement of comprehensive loss. Each unit is comprised of one common share and one warrant, each warrant being exercisable at $0.28 per share on or before September 21, 2020

All of these shares, together with any shares that may be issued on exercise of the warrants, will be subject to a hold period under applicable Canadian securities laws expiring on January 23, 2016, and will be subject to such further restrictions on resale as may apply under applicable foreign securities laws.

The Company issued two tranches of secured convertible debentures during 2015. The Debentures have a first ranking security over the Company's interest in its 70/30 arrangement with Provex in respect of the Bruner Gold Property and by the general assets of the Company.

a) On October 20, 2015, the Company closed the first tranche a non-brokered private placement for gross proceeds of $1,500,000 (the "Offering"); the Company issued an aggregate principal amount of $1,500,000 of secured convertible debentures (the "Debentures"), maturing in one year after closing of the Offering (the "Maturity Date"). From and after the date of issue until the Maturity Date, the Debentures will be convertible into units ("Units") at the option of the holder at a conversion price of $0.20 per Unit (the "Conversion Price").

   Each Unit is comprised of one common share of the Company ("Common Share") and one-half of one warrant ("Warrant"). Each whole Warrant will be exercisable into one Common Share on or before April 20, 2017 at an exercise price of $0.20 per share. Interest on the Debentures shall be paid quarterly in arrears, at an annual rate of interest of 10% per annum.

   525,000 compensation warrants ("Compensation Warrants") were issued to a finder. Each Compensation Warrant will be exercisable at $0.20 per Common Share for two (2) years from closing of the Offering.

b) On November 6, 2015, the Company closed the second tranche of a non-brokered private placement for gross proceeds of $415,000 (the "Offering"); the Company issued an aggregate principal amount of $415,000 of secured convertible debentures (the "Debentures"), maturing in one year after closing of the Offering (the "Maturity Date"). From and after the date of issue until the Maturity Date, the Debentures will be convertible into units ("Units") at the option of the holder at a conversion price of $0.20 per Unit (the "Conversion Price").

   Each Unit is comprised of one common share of the Company ("Common Share") and one-half of one warrant ("Warrant"). Each whole Warrant will be exercisable into one Common Share on or before May 6, 2017 at an exercise price of $0.20 per share. Interest on the Debentures shall be paid quarterly in arrears, at an annual rate of interest of 10% per annum.

110,250 compensation warrants ("Compensation Warrants") were issued to a finder. Each Compensation Warrant will be exercisable at $0.20 per Common Share for two (2) years from closing of the Offering.

Stock options, Warrants & Agent's Warrants

Stock Options

On January 27, 2015, the Company granted 312,500 stock options to directors and 100,000 to consultant. The options to directors vested immediately and the consultant options vested over a 12 month period. The options have an exercise price of $0.64 per share and expire on January 26, 2020. The estimated grant date fair value of these options was $212,173.

The grant date fair values of the options granted above were estimates based on the following assumptions: share price at grant date of $0.64; exercise price of $0.64; expected life of 5 years; expected volatility of 154%; risk free interest rate of 0.78%; expected dividend yield rate of 0%; and forfeiture rate of 0%.

On October 22, 2015, the Company granted 884,419 stock options to directors. The options vested immediately. The options have an exercise price of $0.05 per share and expire on October 21, 2020. The estimated grant date fair value of these options was $124,085.

The grant date fair values of the options granted above were estimates based on the following assumptions: share price at grant date of $0.04; exercise price of $0.05; expected life of 5 years; expected volatility of 142%; risk free interest rate of 0.82%; expected dividend yield rate of 0%; and forfeiture rate of 0%.

During the year ended December 31, 2015, 575,000 fully vested options expired.

The Company expenses the grant date fair value of all stock options granted to employees, officers and directors over their respective vesting periods. Options granted to outside consultants and advisors are expensed over the respective vesting periods using the estimated fair value at the time of vesting.

Warrants and Agent's Warrants

907,280 warrants were issued in 2015 in conjunction with a private placement completed on October 3, 2014. Each warrant grants the holder the right to purchase one common share of the Company for $1.20 per share until October 3, 2016. The fair value assigned to the warrants on issue was $NIL.

During 2015, 399,238 warrants were issued in conjunction with a debt settlement completed on September 22, 2015. Each warrant grants the holder the right to purchase one common share of the Company for $0.28 per share until September 21, 2020.

525,000 and 110,250 warrants were issued in conjunction with a convertible debenture issuance completed on October 23, 2015 and November 6, 2015, respectively (Note 8). Each warrant grants the holder the right to purchase one common share of the Company for $0.20 per share until October 20, 2017 and November 6, 2017, respectively. The Company recognized $60,374 on the grant of these options which has been allocated proportionately between the debt and equity component on the convertible debt.

4,492,500 and 1,618,800 warrants were issued in conjunction with a private placement financing completed on October 23, 2016 and December 29, 2016, respectively (Note 7). Each warrant grants the holder the right to purchase one common share of the Company for $0.20 per share until October 24, 2021 and December 29, 2021, respectively.

26,800,875 and 3,703,375 warrants were issued in conjunction with a convertible debenture issuance completed on October 25, 2016 and December 23, 2016, respectively (Note 7). Each warrant grants the holder the right to purchase one common share of the Company for $0.20 per share until October 25, 2019 and December 23, 2019, respectively.

RELATED PARTY TRANSACTIONS

Related party balances

The following amounts due to related parties are included in trade payables and accrued liabilities:

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

	December 31, 2016	December 31, 2015
Directors and corporations controlled by directors and /or officers of the Company	$ 7,166	$ 63,611
Survivor benefit[(1)]	49,000	178,000
	$ 56,166	$ 241,611

Related party transactions

The Company incurred the following transactions with directors/officers of the Company and companies that are controlled by directors/officers of the Company. The Company has identified these directors/officers as its key management personnel.

	For the years ended December 31	
	2016	2015
Fees for outside/independent directors[(5)]	$ 84,000	$ 66,000
Management and administrative fees [(1)(2)(3)(4)]	241,900	229,247
Share-based payment [(1)(2)(3)(4)(6)(7)(8)(10)]	-	307,707
	$ 325,900	$ 602,954

(i) Pursuant to a management contract obligation, the Company has accrued a payable to the estate of the late CEO of the Company.

[1] Mark Billings, Chairman, Director and CEO
[2] Greg Hahn, President, Director and COO
[3] Richard Barnett, CFO
[4] Robert Kramer, former Chairman, Director and CEO
[5] Dean MacDonald, Director
[6] Mike Stark, Director
[7] Jason Reid, Director (resigned Nov 21, 2014)
[8] Frank Hogel, Director (appointed Oct 22, 2015)
[9] Jeb Handwerger, Director (appointed Dec 29, 2015)
[10] Michael Pesner, Director (resigned Jan 22, 2016)

ADDITIONAL INFORMATION

At April 28, 2017:

Legal proceedings:
Management is not aware of any legal proceedings involving the Company.

Contingent liabilities:
Management is not aware of any outstanding contingent liabilities relating to the Company's activities.

Outstanding Share Data:
The Company has 39,308,371 common shares outstanding. The number of shares outstanding takes into consideration the 4:1 consolidation and the first tranche of the equity financing, as explained above.

Formation of Technical Advisory Committee:
Formed pursuant to the terms of an Ancillary Rights Agreement with Hecla Canada Ltd., the Committee will report to Canamex's Board of Directors and make recommendations on technical matters relating to the Company's mineral projects. The three members of the Committee are Greg Hahn (Company President and COO), Chair of the Committee, Kurt Allen (Hecla's Director of New Projects) and Dr. Stuart Simmons.

CAPITAL DISCLOSURE

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support its exploration activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to acquire and sustain exploration projects. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the nine months ended September 30, 2016. The Company is not subject to externally imposed capital requirements.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The accompanying condensed consolidated interim financial statements are prepared by management in accordance with International Financial Reporting Standards ("IFRS") and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

ACCOUNTING POLICIES

New accounting standards

Accounting standards and amendments issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the December 31, 2016 fiscal year. These standards have been assessed to not have a significant impact on the Company's financial statements.

Recent pronouncements

Certain new standards, interpretations and amendments to existing standards are not yet effective as of December 31, 2016. See Note 3 of the December 31, 2016 financial statements for details.

RISKS RELATED TO OUR BUSINESS:

Exploration Stage Mining Company with No History of Operation

The Company is in its exploration stage, has very limited operating history, and is subject to all the risks inherent in a new business enterprise. For example, to date we have had no revenues and have relied upon equity financing to fund our operations. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complication, and delays frequently encountered in connection with a new business, and the competitive and regulatory environment in which the Company will operate, such as under-capitalization, personnel limitations, and limited revenue sources.

Due to Our History of Operating Losses, We are Uncertain That We Will Be Able to Maintain Sufficient Cash to Accomplish Our Business Objectives

Significant amounts of capital will be required to continue to explore and then develop our exploration projects. The Company is not engaged in any revenue producing activities and does not expect to do so in the near future. Currently the Company's sources of funding consist of the sale of additional equity securities, borrowing funds, or selling a portion of our interests in our assets. There is no assurance that any additional capital that the Company will require will be obtainable on terms acceptable to us, if at all. Failure to obtain such additional financing could result in delays or indefinite postponement of further exploration and development of our projects. Additional financing, if available, will likely result in dilution to existing stockholders.

Capital Requirements and Liquidity; Need for Subsequent Funding

Company management and our board of directors monitor our overall costs and expenses and, if necessary, adjust Company programs and planned expenditures in an attempt to ensure we have sufficient operating capital. We continue to evaluate our costs and planned expenditures for our on-going exploration projects. Although the Company has raised significant capital in prior years, the continued exploration and development of its projects will require significant amounts of additional capital. As a result, the Company will need to raise additional capital so that it can continue to fund its planned operations. The uncertainties of the global economies and the volatile price of gold combined with instability in capital markets have impacted the availability of funding. If the disruptions in the global financial and capital markets continue, debt or equity financing may not be available to us on acceptable terms, if at all. Equity financing, if available, may result in substantial dilution to existing stockholders. If we are unable to fund future operations by way of financing, including public or private offerings of equity or debt securities, our business, financial condition and results of operations will be adversely impacted.

Disruptions in the Global Financial and Capital Markets May Impact Our Ability to Obtain Financing.

The global financial and capital markets have experienced on-going volatility and disruption. We continue to need further funding to achieve our business objectives. In the past, the issuance of equity securities has been the major source of capital and liquidity for us. The extraordinary conditions in the global financial and capital markets have currently limited the availability of this funding. If the disruptions in the global financial and capital markets continue, debt or equity financing may not be available to us on acceptable terms, if at all. If we are unable to fund future operations by way of financing, including public or private offerings of equity or debt securities, our business, financial condition and results of operations will be adversely impacted.

Our Exploration Activities Require Significant Amounts of Capital that May Not Be Recovered.

Mineral exploration activities are subject to many risks, including the risk that no commercially productive or extractable resources will be encountered. There can be no assurance that our activities will ultimately lead to an economically feasible project or that we will recover all or any portion of our investment. Mineral exploration often involves unprofitable efforts, including drilling operations that ultimately do not further our exploration efforts, as well as operating and other costs. The cost of minerals exploration is often uncertain and cost overruns are common. Our drilling and exploration operations may be curtailed, delayed or canceled as a result of numerous factors, many of which are beyond our control, including title problems, weather conditions, compliance with governmental requirements and shortages or delays in the delivery of equipment and services.

Risks Inherent in the Mining Industry

The Company is subject to all of the risks inherent in the minerals exploration and mining industry and including, without limitation, the following: competition from a large number of companies, many of which are significantly larger than the Company, in the acquisition, exploration, and development of mining properties; the Company might not be able raise enough money to pay the fees, taxes and perform labor necessary to maintain its concessions in good force; exploration for minerals is highly speculative and involves substantial risks, even when conducted on properties known to contain significant quantities of mineralization; our exploration projects may not result in the discovery of commercially mineable deposits of ore; the probability of an individual prospect ever having reserves that meet regulatory requirements is extremely remote, or the properties may not contain any reserves, and any funds spent on exploration may be lost; our operations are subject to a variety of existing laws and regulations relating to exploration and development, permitting procedures, safety precautions, property reclamation, employee health and safety, air quality standards, pollution and other environmental protection control and the Company may not be able to comply with these regulations and controls; and a large number of factors beyond the control of the Company, including fluctuations in metal prices, inflation, and other economic conditions, will affect the economic feasibility of mining.

THE BUSINESS OF MINERAL EXPLORATION IS SUBJECT TO MANY RISKS:

Fluctuating Price for Metals

The Company's operations will be greatly influenced by the prices of commodities, including gold, silver, and other metals. These prices fluctuate widely and are affected by numerous factors beyond the Company's control, including interest rates, expectations for inflation, speculation, currency values, in particular the strength of the United States dollar, global and regional demand, political and economic conditions and production costs in major metal producing regions of the world.

Title to Our Mineral Properties May be Challenged

We attempt to confirm the validity of its rights to title to, or contract rights with respect to, each mineral property in which we have a material interest. However, we cannot guarantee that title to our properties will not be challenged. Title insurance generally is not available, and our ability to ensure that we have obtained secure claim to individual mineral properties or mining concessions may be severely constrained. Our mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects and the actions or inactions of underlying property owners or holders. In addition, we may be unable to operate our properties as permitted or to enforce our rights with respect to our properties.

Risks Inherent With Foreign Operations

A portion of the Company's operations are currently conducted in Guyana, South America, and as such the operations of the Company are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism, hostage taking, military repression, expropriation, extreme fluctuations in currency exchange rates, high rates of inflation, labor unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, illegal mining, changes in taxation policies, restrictions on foreign

exchange and repatriation, and changing political conditions, currency controls and governmental regulations that favor or require the rewarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Guyana may adversely affect the operations or potential profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations of the Company.

Environmental Controls

Compliance with statutory environmental quality requirements may necessitate significant capital outlays, may materially affect the earning power of the Company, or may cause material changes in the Company's intended activities. Our exploration operations require compliance with local and federal regulations. No assurance can be given that environmental standards imposed by either federal or state governments will not be changed or become more stringent, thereby possibly materially adversely affecting the proposed activities of the Company. In addition, if we are unable to fund fully the cost of remediation of any environmental condition, we may be required to suspend operations or enter into interim compliance measures pending completion of the required remediation.

Availability of Outside Engineers and Consultants

The Company is heavily dependent upon outside engineers and other professionals to complete work on its exploration projects. The mining industry has experienced significant growth over the last several years and as a result, many engineering and consulting firms have experienced a shortage of qualified engineering personnel. The Company closely monitors its outside consultants through regular meetings and review of resource allocations and project milestones. However, the lack of qualified personnel combined with increased mining projects could result in delays in completing work on our exploration projects or result in higher costs to keep personnel focused on our project.

Operational Hazards; Uninsured Risks

The Company is subject to risks and hazards, including environmental hazards, industrial accidents, the encountering of unusual or unexpected geological formations, cave-ins, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in damage to, or destruction of, mineral properties or facilities, personal injury or death, environmental damage, reduced productivity and delays in exploration, asset write-downs, monetary losses and possible legal liability. The Company may not be insured against all losses or liabilities, which may arise from operations, either because such insurance is unavailable or because the Company has elected not to purchase such insurance due to high premium costs or other reasons. The realization of any significant liabilities in connection with our exploration activities as described above could negatively affect our results of operations and the price of our common stock.

Need for Additional Key Personnel; Reliance on Officers and Directors

The Company relies in large part on the personal efforts of its officers and directors. The success of the Company's proposed business will depend, in part, upon the ability to attract and retain qualified employees. The Company believes that it will be able to attract competent employees, but no assurance can be given that the Company will be successful in this regard. If the Company is unable to engage and retain the necessary personnel, its business would be materially and adversely affected.

RISKS RELATING TO OUR COMMON STOCK:

Our Stock Price Can Be Extremely Volatile

The trading price of our common stock has been and could continue to be subject to wide fluctuations in response to announcements of our business developments and drill results, progress reports, the metals markets in general, and other events or factors. In addition, stock markets have experienced extreme price volatility in recent years. This volatility has had a substantial effect on the market prices of companies, at times for reasons unrelated to their operating performance. Such broad market fluctuations may adversely affect the price of our common stock.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any directors in a conflict will disclose their interests and abstain from voting in such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

OVERVIEW

This management discussion and analysis ("MDA"), prepared on April 29, 2016, covers the operations of Canamex Resources Corp. ("Canamex" or the "Company") for the year ended December 31, 2015. All monetary amounts referred to herein are in Canadian dollars unless otherwise stated. The MDA should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2015. The accompanying audited consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").The financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com or the Company website at www.canamex.us.

FORWARD LOOKING INFORMATION

This MDA includes certain forward-looking statements or information. All statements other than statements of historical fact included in this MDA are forward-looking statements that involve various risks and uncertainties. Forward-looking statements in this MDA include statements with respect to completion of a preliminary economic assessment on the Bruner property in 2015, the potential mineralization and geological merits of the Bruner property and other future plans, objectives or expectations of the Company. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's plans or expectations include the risk that actual results of current and planned exploration activities, including the results of the Company's planned 2015 drilling program on the Bruner property, will not be consistent with the Company's expectations; the geology, grade and continuity of any mineral deposits and the risk of unexpected variations in mineral resources, grade and/or recovery rates; fluctuating metals prices; possibility of accidents, equipment breakdowns and delays during exploration; exploration cost overruns or unanticipated costs and expenses; uncertainties involved in the interpretation of drilling results and geological tests; availability of capital and financing required to continue the Company's future exploration programs and preparation of geological reports and studies; delays in the preparation of geological reports and studies; the metallurgical characteristics of mineralization contained within the Bruner property are yet to be fully determined; general economic, market or business conditions; competition and loss of key employees; regulatory changes and restrictions including in relation to required permits for exploration activities (including drilling permits) and environmental liability; timeliness of government or regulatory approvals; and other risks detailed herein and from time to time in the filings made by the Company with securities regulators. In connection with the forward-looking information contained in this MDA, the Company has made numerous assumptions, including that the Company's 2015 exploration program will proceed as planned and within budget. Canamex expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as otherwise required by applicable securities legislation.

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of Alberta on May 26, 1987. On August 18, 2009, the shareholders approved the continuation of the Company from the Business Corporations Act (Alberta) to the Business Corporations Act (British Columbia), approved the new articles of the Company, and approved a name change of the Company to Canamex Silver Corp. On October 6, 2009 the name change and continuation were completed.

On May 28, 2010, the Company entered into a property option agreement with Provex Resources Inc., in which the Company was granted, subject to acceptance by the TSX Venture Exchange ("TSX-V"), an exclusive right and option to acquire up to a 75% interest in certain mineral claims in Nye County, Nevada (the *"Bruner Property"*).

On October 18, 2010, the Company received TSX-V approval for all matters in connection with the Bruner Property option agreement, the Company was reinstated as a Tier 2 mining issuer on the TSX-V and changed its name to Canamex Resources Corp. (TSX-V "CSQ").

On June 30, 2011 the Company entered into an Option Agreement with GMV Minerals Inc. ("GMV") on a large area containing nominally 98,000 acres in a prospective gold region in Guyana, South America (the "Aranka North Property"). The option is to acquire up to a 100% interest in the Aranka North Property. The agreement was accepted for filing by the TSX-V on August 2, 2011. During 2014 the Company acquired a 100% interest in the Aranka North Property by fulfilling the terms of the Option Agreement.

EXPLORATION AND EVALUATION ASSETS

Bruner Property, Nye County, Nevada, United States

Option and Joint Venture Agreement

On May 28, 2010, the Company entered into a property option agreement with Provex Resources Inc., granting an exclusive right and option to acquire up to a 75% interest in the Bruner Property.

During the year ended December 31, 2015, the Company earned 70% interest in the property by completing a total of US$6,000,000 in expenditures in stages as aggregated in the current and prior years, US$200,000 of which was completed within the first year. The Company passed on its option to acquire a further 5% undivided interest in the property by producing a bankable feasibility study.

The agreement is subject to an aggregate 3.5% net smelter return royalty on the production from certain claims.

Property Description

Comprised of 179 unpatented and 27 patented mining claims covering a total of approximately 3,520 acres, the Bruner Property is located in central Nevada, about 45 miles northwest of the Round Mountain Mine which has produced over 10 million ounces of gold over a thirty year period. Historic production at Bruner includes approximately 100,000 ounces at an average grade of 0.56 ounces per ton.

Property Exploration

Historic work by Morrison-Knudsen, Miramar, Glamis, Newmont, Kennecott and others identified a low-grade resource near the southwest portion of the property. The work by Newmont, Kennecott and Miramar was summarized in a report by John Schilling in 1991. Since that time an additional 75 holes have been drilled within and along strike of the historical resource area.

The historic resource area refers to an area on the Bruner property that was the subject of an historical resource estimate reported on the property not in compliance with NI 43-101 standards. A qualified person (within the meaning of NI 43-101) has not done sufficient work to classify the historical estimate as current mineral resource or mineral reserves, and the Company is not treating the historical estimate as current mineral resources or mineral reserves. The historical estimate is relevant solely for purposes of directing target areas for the Company's current exploration programs.

A bulk sample from the historic resource area was taken in April 2012 and delivered to Kappes Cassidy & Associates in Reno, Nevada for column leach test work. Final cyanide column leach results were reported in August and demonstrated +85% gold extraction in 83 days on -3 inch and -3/4 inch crush material sampled from underground within the historic resource area at the Bruner gold project. The very positive metallurgical results support moving the Bruner project forward towards establishing a maiden NI 43-101 mineral resource and formulating preliminary concepts regarding site layout for a preliminary economic assessment in 2015.

Canamex has drilled a total of 26,077 meters in 149 core and reverse circulation ("RC") holes (3,335 meters core and 22,741 meters RC) since it entered into its option on the property in 2010. Assay results have been received and reported for all 149 holes.

On November 2, 2015, the Company completed the purchase of the 26 lode patented mining claims, representing approximately 500 acres, and an associated water right for 6.690202 acre feet per annum that comprise the core of the Bruner gold project, Nye County, Nevada for a total price of US $760,000. The Company has now completed the US $6,000,000 in qualified expenditures required to earn a 70% interest in the property well in advance of the 7 years deadline. The Company has also commissioned a Preliminary Economic Assessment and the joint venture between the Company and Provex Resources Inc has been initiated.

The Company commissioned a Preliminary Economic Assessment (PEA) in October, 2015, announced the results of the PEA on March 3, 2016, and announced the release of the PEA technical report on April 06, 2016. The results of the PEA are discussed below.

The Company maintained the property and field office, core and sample storage, and field equipment in good standing during the 2015 calendar year at an average annual cost of US $60,000. Project management expenses are US $90,000 annually, not including field expenses. In the fourth quarter of 2015 the Company completed a VLF-EM geophysical survey over the Paymaster resource area at a cost of US $10,000 that suggested the anomaly associated with the resource area continued to the north of the area previously drilled. The Company completed bottle-roll cyanidation tests on drill cuttings from the Paymaster resource area at the Bruner Property at a cost of US $10,000 and announced those results on November 10, 2015. The Company initiated and completed a short exploration drilling program north of the Paymaster resource area in November at a cost of US $125,000, and announced the results from that program on November 18, 2015. Invoiced amounts on the PEA amount to roughly US $75,000 to date. The Company staked an additional 12 unpatented lode mining claims covering potential development sites at a cost of approximately US $5,000.

Maiden NI 43-101 Resource

The results of the Company's exploration efforts on the property since it entered into the option agreement on the property in 2010 are reported in a technical report entitled "Technical Report and Resource Estimate for the Bruner Gold Project, Nye County, Nevada", with an effective date of February 27, 2015 and filed on SEDAR on March 25, 2015.

The report presents a maiden resource for the property as follows:

Highlights:

- An indicated mineral resource of 10.3 million metric tonnes at an average grade of 0.72 gpt Au containing 239koz of gold in the Historic Resource Area ("HRA") and Penelas zones,

- An inferred mineral resource of 2.45 million metric tonnes at an average grade of 0.77 gpt Au containing 61koz of gold in the HRA, Penelas and Paymaster zones.

The mineral resource estimate, which has an effective date of February 27, 2015, is summarized by zone below:

	Indicated > ecog					**Inferred > ecog**				
Zone	tonnes kTonnes	Au gpt	Ag gpt	Cont'd. Au koz	Cont'd. Ag koz	tonnes kTonnes	Au gpt	Ag gpt	Cont'd. Au koz	Cont'd. Ag koz
HRA:	3,500	0.76	8.2	86	920	350	0.36	3.3	4	40
Penelas:	6,800	0.70	4.7	153	1,030	1,400	0.71	2.7	32	120
Paymaster:	0	0.00	0.0	0	0	700	1.09	4.8	25	110
Totals:	**10,300**	**0.72**	**5.9**	**239**	**1,950**	**2,450**	**0.77**	**3.4**	**61**	**270**

In order to establish a reasonable prospect of economic extraction in an open pit/heap-leach context, the mineral resources presented above are reported within a constraining pit generated at a gold price of US$1350/oz Au; a silver price of US$15/oz Ag; metallurgical recoveries of 90% for gold and 10% for silver; mining cost of US$2.40/tonne of material mined; and process and G&A costs of US$4.67/tonne of material processed. Additional pit factors include a pit slope of 50 degrees.

The resources are reported within the pit shell above an external cutoff grade ("ecog") of 0.212 gpt gold-equivalent on the basis of a gold price of US$1,250/oz Au; a silver price of US$15/oz Ag; metallurgical recoveries of 90% for gold and 10% for silver; mining cost of US$2.65/tonne of material mined; and process and G&A costs of US$5.00/tonne of material processed. The gold to silver ratio used for calculating gold-equivalent ounces was 750:1 based upon: a gold price of US$1250/oz; a silver price of US$15/oz; gold metallurgical recovery of 90%; and silver metallurgical recovery of 10%. Gold and silver estimates for both the HRA and Penelas zones are uncapped, while gold and silver estimates for the Paymaster zone are capped at 7 gpt and 40 gpt respectively until further drilling is completed to provide more data for statistical support above these capping levels. The associated additional material within all of the pits for all three zones below the external cutoff grade is 46.8 million tonnes.
The technical report recommends continued drilling at the three resource areas to test the open extensions outward from the reported resources and to fill gaps in the data and in the resource internal to the pit shell that confine the resource at Penelas. Plan maps and sections showing the completed drill holes across the property have been posted to the web site at the following link: http://www.canamex.us .

Preliminary Economic Assessment

On March 3, 2016 the Company announced the results of the Preliminary Economic Assessment on a 100% ownership basis for the Bruner Gold Project in Nevada. The PEA was prepared by Welsh-Hagen Associates of Reno, Nevada in accordance with the requirements of Canadian National Instrument 43-101 "Standards of Disclosure for Mineral Projects" ("NI 43-101"), and based upon the maiden NI43-101 resource for the project released in March 2015. The initial NI43-101 resources remain open in multiple directions and are amenable to expansion with additional drilling.

The key outcomes of the study include:

-Pre-tax net present value at 5% discount rate (NPV5) of $61 million;

-Low initial capital of $33.4 million;

-Pre-tax IRR of 42.1% at $1250 gold price;

-Attractive after-tax IRR of 39.0% and NPV5% of $54.9 million;

-Average annual gold production of 46,500 ounces and 44,600 ounces of silver**;**

- -Average cash cost of $550/oz. of gold produced for the first two years of operation and $818/oz. thereafter, over a 6-year mine life with a two-year tail of gold and silver recovery after mining.
- **Pay-**back period of nominally 1.3 years on an after tax basis.

-Contract mining with room for significant improvement on mining costs with owner operated mining

-Facility siting and first two years of production entirely on patented claims to allow for a streamlined permitting process

-Oxide heap leach processing with 90% recovery of gold on single stage crushed material and 75% recovery of gold on run of mine (ROM) material

-Life-of-mine (LOM) production of crushed material of 14.5 million tonnes at a gold grade of 0.66 gpt (0.020 opt) and 2.5 million tonnes of ROM material at a gold grade of 0.16 gpt (0.005 opt) resulting in 288,100 ounces of payable gold and 278,100 ounces of payable silver.

Aranka North Property, Guyana, South America

Option and Joint Venture Agreement

On August 2, 2011, the TSX Venture Exchange (TSX-V) accepted for filing documentation in connection with an option and joint venture agreement dated June 30, 2011, among the Company, Canamex Guyana Inc. (the Company's wholly owned subsidiary), GMV Minerals Inc. and GMV Guyana Resources Inc. (GMV's wholly owned subsidiary), under which Canamex has an option to acquire a 100 percent interest in the Aranka North Property.

Canamex acquire the interest in the Aranka North Property by making cash payments to GMV totaling $520,627 (U.S.) (the cash payment obligation has been met), expending $1-million (U.S.) in exploration work before December 31, 2013 (the exploration expenditure obligation has been met), and issuing a total of 3.75 million shares to GMV in stages as follows: 1.5 million shares upon approval of the transaction by the TSX-V (issued August 3, 2011); 1.25 million shares within 18 months of the approval date (issued February 2013); and 1.0 million shares were issued in June 2014. The option has been exercised by issuance of all of the above required share tranches to GMV Minerals, Inc. In addition, the Company has agreed to pay GMV $500,000 (U.S.) cash and issue 500,000 shares in the capital stock of the Company to GMV for every 500,000 ounces of gold contained in measured and indicated resources as referenced in a National Instrument 43-101 qualifying report, up to a maximum of $2-million (U.S.) and two million shares of Canamex. The agreement is subject to an underlying 2% net smelter return royalty.

Property Description

Located approximately 140 kilometers northwest of Guyana's capital, Georgetown, the Aranka North Property consists of 98,057 acres (approximately 400 square kilometers) in a region on trend with major gold discoveries by Guyana Goldfields at Aurora and Sulphur Rose/ Aranka and Sandspring Resources at Toroparu. There are recently active alluvial gold mining operations within Canamex's land package.

Property Exploration

Canamex purchased airborne geophysical data over the entire Aranka North Property when the property was acquired from GMV Minerals. Initial interpretive work (announced September 13, 2011) on the data identified 15 large, discrete anomalies, all of which have dimensions of two to four kilometers long and one to three kilometers wide, within large shear zones which bear similarities to the shear zones that host some of the major multi-million ounce gold deposits in Guyana (Toroparu, Aurora, Omai) and adjacent Suriname (Rosebel). These identified areas of interest cover 200-225 square kilometers of the 400 square kilometer property, thus reducing the size of the initial area of interest by approximately fifty percent.

Having completed the airborne interpretation, the next step in the exploration process was to design an initial stream sediment sampling program from a total of 85 sample sites to evaluate the gold signatures of the 15 airborne geophysical anomalies. This step was also a high level approach, with a density of roughly one sample per 2.5 square kilometers, covering the entire 200-225 square kilometer areas of interest. On January 17, 2012 the Company reported that four discrete anomalous areas, ranging in size from 10 to 25 square kilometers, were identified by the initial stream sediment sampling program. Gold values ranged up to 647 ppb (0.647 gpt). These results set the stage for a more intense stream sediment sampling program focused on the newly identified 25 square kilometer priority target, based on a sample density of one per 0.3 square kilometers. Results from this program were released on March 22 and April 10, 2012, which included anomalous gold with values ranging up to 12,234 ppb gold (12.234 gpt Au).

After interpretation of the stream sediment sampling program, which identified seven distinct anomalies, the next step was the design of a grid soil sampling program based on 100 meter centers, focused on two key targets: the Camp Anomaly (1.75 square kilometers) and the Ridge Anomaly (14 square kilometers). Eighteen streams drain the Ridge Anomaly, and all of them contain anomalous gold. Importantly, the visible gold from this area is fine-grained and needle-shaped with very sharp edges, suggesting it has not been transported very far.

At the Camp Anomaly a total of 181 soil samples were collected on 100 meter centers, and were assayed by Acme Analytical Laboratories. The Camp soil anomaly is approximately 1 kilometer long and 200 meters wide was identified at the north end of the grid, trending off the grid to the northeast. This anomaly reflects gold in soil

values that exceed the mean plus three standard deviations, and appears to coincide with the sheared contact between metavolcanic rocks and meta-sedimentary rocks. Geologic mapping of the soil sample spoil piles followed in June 2012 to place the anomaly in a geologic context based upon the 100 meter by 100 meter sample density.

The field crew then relocated their base camp to the base of the Ridge Anomaly, which is the Company's clear focus in Guyana at this stage, and where the stream sediment anomaly identified at the Ridge Anomaly is 10 times larger and up to 40 times stronger than that which identified the Camp Anomaly. The grid soil sampling programs on the Camp and Ridge Anomalies should define the bedrock source locations of the gold. A total of 737 soil samples have been collected on a 100 meter by 100 meter grid covering roughly 10 square kilometers at the Ridge Anomaly. Samples were not collected where white sand blankets the saprolite soils. There are three areas of anomalous gold within the soil sample grid. The largest is the southern anomaly which has dimensions of 1 km x 2 kms and gold values up to mean plus five standard deviations (+30 ppb Au). The Company acquired two power auger drills that we expected could drill through the white sand that caps a large portion of the Ridge Anomaly and that appears to cover some of the more obvious gold in soil anomalous areas. In addition, we have improved access to the Ridge camp for vehicle traffic and are establishing ATV trail access onto the white sand ridges that overlie the priority gold anomaly in order to provide access for the power auger drills and crews. Auger drilling through the saprolite soil and white sand further defined the gold in soil anomaly that has been detected to date. The main gold in soil anomaly is coincident with a magnetic high detected by airborne geophysics, which is believed to represent an unexposed intermediate composition intrusion, which is the primary host for most of the major gold deposits in Guyana.

Initial auger drilling has been completed on the Ridge Anomaly, with a total of 80 holes completed to depths of up to 12 meters that were sampled every meter down the hole. Bedrock was rarely encountered in the auger drill holes, suggesting saprolite soils on the ridge are thicker than previously anticipated. Many power auger holes could not be completed through the white sand which caps the ridge, and these holes were not sampled. Nevertheless, a prominent gold-in soil anomaly was identified that is roughly 100-200 meters wide and over 1000 meters long that is coincident with quartz vein material and sericitic alteration encountered in the base of the power auger holes in the gold-in soil auger anomaly, and which contains values up to 138 ppb Au.

During 2014 the Company completed a NI 43-101 compliant Technical Report on the Aranka North property and filed that report on SEDAR. The filing of this report will allow third parties to review the target identification that we have completed to date and assess whether or not they are interested in participating in the drilling of these target areas through either a joint venture or option arrangement.

Given the state of financial markets and with the objective of preserving capital, we have terminated our field crew and care and maintenance staff and have a minimal presence in Guyana to maintain the property in good standing.

As at December 31, 2015, the Company decided not to continue exploring the Aranka North Property as they plan to focus their efforts on the Bruner Property. As a result, the Company wrote down the exploration and evaluation assets relating to the property to $1 and recorded an impairment loss of $3,229,209.

RESULTS OF OPERATIONS

For the year ended December 31, 2015, the Company recorded a net loss of $ 4,646,677 (2014 - $1,937,870) and had a cumulative deficit at December 31, 2015 of $12,732,890 (2014- $8,086,213). The Company had no continuing source of operating revenue.

The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds for the foreseeable planning horizon will be invested to finance its exploration activities.

SELECTED ANNUAL INFORMATION

The Company prepared its consolidated financial statements in accordance with the International Financial Reporting Standards (''IFRS''). The Company's consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company. For more detailed information, refer to the Company's financial statements for the years then ended.

	Years ended December 31,		
	2015	2014	2013
	- $ -	- $ -	- $ -
Revenue	-	-	-
Net loss	(4,646,677)	(1,937,870)	(1,101,249)
Net loss per share	(0.04)	(0.02)	(0.01)
Total assets	7,869,155	9,730,039	7,189,833

Year ended December 31, 2015

For the year ended December 31, 2015, the Company had no revenues and had a net loss of $4,646,677 (2014 - $1,937,870). Items of significant variance over the prior year include a $360,000 decrease in survivor benefit incurred to the estate of the late CEO of the Company; a decrease in shareholder communications to $150,995 (2014-$181,955) as investor relations contracts were cancelled. Consulting increased from $151,046 in 2014 to $214,521 in 2015 as the Company engage a contractor to provide capital market advisory service, and management fees decreased from $253,213 in 2014 to $226,767 in 2015. All of the reductions in cash expenditures during 2015 reflected the Company's desire to conserve cash in a period of difficult market conditions. Share-based payments decreased to $357,484 (2014 - $525,757), as less stock options were granted compared to 2014. As at December 31, 2015, the Company decided not to continue exploring the Aranka North Property as they plan to focus their efforts on the Bruner Property. As a result, the Company wrote down the exploration and evaluation assets relating to the property to $1 and recorded an impairment loss of $3,229,209.

During the year, the Company incurred $1,610,558 in exploration and evaluation costs on the Bruner Property and $173,584 on the Aranka North Property. Total capitalized costs for exploration and evaluation assets were $7,713,813 at December 31, 2015.

Year ended December 31, 2014

For the year ended December 31, 2014, the Company had no revenues and had a net loss of $1,937,870 (2013 - $1,101,249). Items of significant variance over the prior year include an increase include a $360,000 survivor benefit payable to the estate of the late CEO of the Company; an increase in shareholder communications to $181,955 (2013-$131,987) as investor relations contracts were signed. Consulting decreased from $236,639 in 2013 to $151,046 in 2014, and management fees decreased from $313,000 in 2013 to $255,213 in 2014. All of the reductions in cash expenditures during 2014 reflected the Company's desire to conserve cash in a period of difficult market conditions. Share-based payments increased to $525,757 (2013 - $58,530), as stock options were granted and warrants modification in 2014.

During the year, the Company expended $2,521,332 in exploration and evaluation costs on the Bruner Property and $211,983 on the Aranka North Property. In addition, the Company issued 1,000,000 common shares valued at $140,000 on the Aranka North Property. Total capitalized costs for exploration and evaluation assets were $9,158,878 at December 31, 2014.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following is a summary of selected financial information compiled from the quarterly interim unaudited financial statements for eight quarters ending December 31, 2015:

	Dec 31, 2015	*Sep. 30, 2015*	*Jun. 30, 2015*	*Mar. 31, 2015*
Total assets	7,869,155	11,119,380	9,420,616	9,540,537
Working capital/(deficiency)	(2,244,338)	(521,633)	(352,208)	(154,145)
Shareholders' equity	5,489,979	9,052,814	9,039,809	9,208,190
Revenue	-	-	-	-
Net loss	(3,862,021)	(182,725)	(183,069)	(418,862)
Net loss per share	(0.03)	(0.00)	(0.00)	(0.00)
	Dec. 31, 2014	*Sep. 30, 2014*	*Jun. 30, 2014*	*Mar. 31, 2014*
Total assets	9,730,039	10,223,586	9,281,100	9,277,815
Working capital	233,608	731,956	332,014	2,065,891
Shareholders' equity	9,408,076	9,537,934	8,418,984	8,931,291
Revenue	-	-	-	-
Net loss	(246,266)	(315,576)	(706,256)	(669,772)
Net loss per share	(0.00)	(0.00)	(0.01)	(0.01)

Three months ended December 31, 2015

In the three months ended December 31, 2015, the Company had no revenues and had a net loss of $3,862,021 (2014-$246,266). An increase in consulting to $135,771 (2014- $22,000) is the result of increased as the Company engage a contractor to provide capital market advisory service compare to prior year. In addition, share-based compensation increased to $108,567 (2014- $11,406) as new stock options were granted in the current period. Shareholder communications also increased to $74,570 (2014- $43,642). During the quarter, the Company decided not to continue exploring the Aranka North Property as they plan to focus their efforts on the Bruner Property. As a result, the Company wrote down the exploration and evaluation assets relating to the property to $1 and recorded an impairment loss of $3,229,209.

During the period, the Company incurred $1,252,050 in exploration and evaluation costs on the Bruner Property and $136,355 on the Aranka North Property. Total capitalized costs for exploration and evaluation assets were $7,713,813 at December 31, 2015.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations over the last several years through the issuance of common shares or units consisting of common shares and warrants, and the exercise of warrants and options. The Company will continue to seek capital through various means which may include the exercise of outstanding warrants and options and the issuance of equity and/or debt. The Company has been successful in the past in raising funds for operations, but there is no assurance that it will be able to continue to do so.

Net cash flows used in operating activities for the year ended December 31, 2015 was $590,887. Net cash used in investing activities for expenditures on the Bruner and Aranka North properties was $1,658,894. Net cash flows from financing activities during the year were 1,844,499 as the Company received funds from secured convertible debenture that was used for expenses and investing activities and making payments to creditors. The total decrease in cash for the year was $405,271. Working capital (deficiency) at December 31, 2015 was ($2,244,338) compared to $231,786 at December 31, 2014.

On September 22, 2015 the Company issued 2,287,675 common shares to non arms'-length creditors at a fair value of $91,507 to settle $114,384 outstanding accounts payable resulting in a gain of $22,876 recorded to reserves on the statement of changes in equity.

On September 22, 2015, the Company issued 1,596,951 Units to an arms'-length creditor at a fair value of $119,959 ($63,878 fair value of shares and $56,081 fair value of warrants) to settle $79,847 in accounts payable resulting in a loss of $40,111 recorded to the statement of comprehensive loss. Each unit is comprised of one common share and one warrant, each warrant being exercisable at $0.07 per share on or before September 21, 2020

All of these shares, together with any shares that may be issued on exercise of the warrants, will be subject to a hold period under applicable Canadian securities laws expiring on January 23, 2016, and will be subject to such further restrictions on resale as may apply under applicable foreign securities laws.

The Company issued two tranches of secured convertible debentures during 2015. The Debentures have a first ranking security over the Company's interest in its 70/30 arrangement with Provex in respect of the Bruner Gold Property and by the general assets of the Company.

a) On October 20, 2015, the Company closed the first tranche a non-brokered private placement for gross proceeds of $1,500,000 (the "Offering"); the Company issued an aggregate principal amount of $1,500,000 of secured convertible debentures (the "Debentures"), maturing in one year after closing of the Offering (the "Maturity Date"). From and after the date of issue until the Maturity Date, the Debentures will be convertible into units ("Units") at the option of the holder at a conversion price of $0.05 per Unit (the "Conversion Price").

   Each Unit is comprised of one common share of the Company ("Common Share") and one-half of one warrant ("Warrant"). Each whole Warrant will be exercisable into one Common Share on or before April 20, 2017 at an exercise price of $0.05 per share. Interest on the Debentures shall be paid quarterly in arrears, at an annual rate of interest of 10% per annum.

   2,100,000 compensation warrants ("Compensation Warrants") were issued to a finder. Each Compensation Warrant will be exercisable at $0.05 per Common Share for two (2) years from closing of the Offering.

b) On November 6, 2015, the Company closed the second tranche of a non-brokered private placement for gross proceeds of $415,000 (the "Offering"); the Company issued an aggregate principal amount of $415,000 of secured convertible debentures (the "Debentures"), maturing in one year after closing of the Offering (the "Maturity Date"). From and after the date of issue until the Maturity Date, the Debentures will be convertible into units ("Units") at the option of the holder at a conversion price of $0.05 per Unit (the "Conversion Price").

   Each Unit is comprised of one common share of the Company ("Common Share") and one-half of one warrant ("Warrant"). Each whole Warrant will be exercisable into one Common Share on or before May 6, 2017 at an exercise price of $0.05 per share. Interest on the Debentures shall be paid quarterly in arrears, at an annual rate of interest of 10% per annum.

   441,000 compensation warrants ("Compensation Warrants") were issued to a finder. Each Compensation Warrant will be exercisable at $0.05 per Common Share for two (2) years from closing of the Offering.

Stock options, Warrants & Agent's Warrants

Stock Options

On January 27, 2015, the Company granted 1,250,000 stock options to directors and 400,000 to consultant. The options to directors vested immediately and the consultant options vested over a 12 month period. The options have an exercise price of $0.16 per share and expire on January 26, 2020. The estimated grant date fair value of these options was $212,173.

The grant date fair values of the options granted above were estimates based on the following assumptions: share price at grant date of $0.16; exercise price of $0.16; expected life of 5 years; expected volatility of 154%; risk free interest rate of 0.78%; expected dividend yield rate of 0%; and forfeiture rate of 0%.

On October 22, 2015, the Company granted 3,537,675 stock options to directors. The options vested immediately. The options have an exercise price of $0.05 per share and expire on October 21, 2020. The estimated grant date fair value of these options was $124,085.

The grant date fair values of the options granted above were estimates based on the following assumptions: share price at grant date of $0.04; exercise price of $0.05; expected life of 5 years; expected volatility of 142%; risk free interest rate of 0.82%; expected dividend yield rate of 0%; and forfeiture rate of 0%.

During the year ended December 31, 2015, 2,300,000 fully vested options expired
The Company expenses the grant date fair value of all stock options granted to employees, officers and directors over their respective vesting periods. Options granted to outside consultants and advisors are expensed over the respective vesting periods using the estimated fair value at the time of vesting.

Warrants and Agent's Warrants

3,629,118 warrants were issued in 2015 in conjunction with a private placement completed on October 3, 2014. Each warrant grants the holder the right to purchase one common share of the Company for $0.30 per share until October 3, 2016. The fair value assigned to the warrants on issue was $NIL.

During 2015, 1,596,951 warrants were issued in conjunction with a debt settlement completed on September 22, 2015. Each warrant grants the holder the right to purchase one common share of the Company for $0.07 per share until September 21, 2020.

2,100,000 and 441,000 warrants were issued in conjunction with a convertible debenture issuance completed on October 23, 2015 and November 6, 2015, respectively (Note 8). Each warrant grants the holder the right to purchase one common share of the Company for $0.05 per share until October 20, 2017 and November 6, 2017, respectively. The Company recognized $60,374 on the grant of these options which has been allocated proportionately between the debt and equity component on the convertible debt.

RELATED PARTY TRANSACTIONS

Related party balances

The following amounts due to related parties are included in trade payables and accrued liabilities:

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

	December 31, 2015	December 31, 2014
Directors and corporations controlled by directors and /or officers of the Company	$ 63,611	$ 36,969
Survivor benefit[(1)]	178,000	178,000
	$ 241,611	$ 214,969

Related party transactions

The Company incurred the following transactions with directors/officers of the Company and companies that are controlled by directors/officers of the Company. The Company has identified these directors/officers as its key management personnel.

	For the year ended December 31	
	2015	**2014**
Fees for outside/independent directors[5]	$ 66,000	$ 34,000
Management and administrative fees [1][2][3][4]	229,247	310,642
Share-based payment [1][2][3][4][6][7][8][10]	307,707	310,956
Survivor benefit[i] [4]	-	360,000
	$ 602,954	$ 1,015,598

(i) Pursuant to a management contract obligation, the Company has accrued a payable to the estate of the late CEO of the Company.

[1] Mark Billings, Chairman, Director and CEO
[2] Greg Hahn, President, Director and COO
[3] Richard Barnett, CFO
[4] Robert Kramer, former Chairman, Director and CEO
[5] Dean MacDonald, Director
[6] Mike Stark, Director
[7] Jason Reid, Director (resigned Nov 21, 2014)
[8] Frank Hogel, Director (appointed Oct 22, 2015)
[9] Jeb Handwerger, Director (appointed Dec 29, 2015)
[10] Michael Pesner, Director (resigned Jan 22, 2016)

ADDITIONAL INFORMATION

At April 29, 2016:

Legal proceedings:

Management is not aware of any legal proceedings involving the Company.

Contingent liabilities:
Management is not aware of any outstanding contingent liabilities relating to the Company's activities.

Outstanding Share Data:
The Company has 133,199,721 common shares outstanding.

Formation of Technical Advisory Committee:
Formed pursuant to the terms of an Ancillary Rights Agreement with Hecla Canada Ltd., the Committee will report to Canamex's Board of Directors and make recommendations on technical matters relating to the Company's mineral projects. The three members of the Committee are Greg Hahn (Company President and COO), Chair of the Committee, Kurt Allen (Hecla's Director of New Projects) and Dr. Stuart Simmons.

Market Maker:
On March 28, 2014 the Company announced the appointment of Venture Liquidity Providers Inc. ("VLP"). The market making service will be undertaken by VLP through a registered broker, W.D. Latimer Co. Limited, in compliance with the guidelines of the TSX Venture Exchange.

CAPITAL DISCLOSURE

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support its exploration activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to acquire and sustain exploration projects. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended December 31, 2015. The Company is not subject to externally imposed capital requirements.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The accompanying condensed consolidated interim financial statements are prepared by management in accordance with International Financial Reporting Standards ("IFRS") and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

ACCOUNTING POLICIES

New accounting standards

Accounting standards adopted during the year

IAS 1 Presentation of Financial Statements - In December 2014, the IASB issued an amendment to address perceived impediments to preparers exercising their judgment in presenting their financial reports. The changes clarify that materiality considerations apply to all parts of the financial statements and the aggregation and disaggregation of line items within the financial statements.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets - In May 2014, the IASB issued amendments to IAS 16 and IAS 38. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

Accounting standards and amendments issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the December 31, 2015 fiscal year. These standards have been assessed to not have a significant impact on the Company's financial statements.

New accounting standards effective for annual periods on or after January 1, 2018:

IFRS 9 Financial Instruments- IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 is effective for annual periods beginning on or after January 2018 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements.

New accounting standards effective for annual periods on or after January 1, 2019:

IFRS 16 – Leases - The standard is effective for annual periods beginning on or after January 1, 2019. Early adoption will be permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.

RISKS

RISKS RELATED TO OUR BUSINESS:

Exploration Stage Mining Company with No History of Operation

The Company is in its exploration stage, has very limited operating history, and is subject to all the risks inherent in a new business enterprise. For example, to date we have had no revenues and have relied upon equity financing to fund our operations. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complication, and delays frequently encountered in connection with a new business, and the competitive and regulatory environment in which the Company will operate, such as under-capitalization, personnel limitations, and limited revenue sources.

Due to Our History of Operating Losses, We are Uncertain That We Will Be Able to Maintain Sufficient Cash to Accomplish Our Business Objectives

The Company incurred a loss of $4,646,677 for the year ended December 31, 2015 and had an accumulated deficit of $12,732,890 at December 31, 2015. At December 31, 2015 there was shareholders' equity of $5,489,979 and working capital deficiency of $2,244,338. There is no assurance that we can generate net income, generate revenues or successfully explore and exploit our properties.

Significant amounts of capital will be required to continue to explore and then develop our exploration projects. The Company is not engaged in any revenue producing activities and does not expect to do so in the near future. Currently the Company's sources of funding consist of the sale of additional equity securities, borrowing funds, or selling a portion of our interests in our assets. There is no assurance that any additional capital that the Company will require will be obtainable on terms acceptable to us, if at all. Failure to obtain such additional financing could result in delays or indefinite postponement of further exploration and development of our projects. Additional financing, if available, will likely result in dilution to existing stockholders.

Capital Requirements and Liquidity; Need for Subsequent Funding

Company management and our board of directors monitor our overall costs and expenses and, if necessary, adjust Company programs and planned expenditures in an attempt to ensure we have sufficient operating capital. We continue to evaluate our costs and planned expenditures for our on-going exploration projects. Although the Company has raised significant capital in prior years, the continued exploration and development of its projects will require significant amounts of additional capital. As a result, the Company will need to raise additional capital so that it can continue to fund its planned operations. The uncertainties of the global economies and the volatile price of gold combined with instability in capital markets have impacted the availability of funding. If the disruptions in the global financial and capital markets continue, debt or equity financing may not be available to us on acceptable terms, if at all. Equity financing, if available, may result in substantial dilution to existing

stockholders. If we are unable to fund future operations by way of financing, including public or private offerings of equity or debt securities, our business, financial condition and results of operations will be adversely impacted.

Disruptions in the Global Financial and Capital Markets May Impact Our Ability to Obtain Financing.

The global financial and capital markets have experienced on-going volatility and disruption. We continue to need further funding to achieve our business objectives. In the past, the issuance of equity securities has been the major source of capital and liquidity for us. The extraordinary conditions in the global financial and capital markets have currently limited the availability of this funding. If the disruptions in the global financial and capital markets continue, debt or equity financing may not be available to us on acceptable terms, if at all. If we are unable to fund future operations by way of financing, including public or private offerings of equity or debt securities, our business, financial condition and results of operations will be adversely impacted.

Our Exploration Activities Require Significant Amounts of Capital that May Not Be Recovered.

Mineral exploration activities are subject to many risks, including the risk that no commercially productive or extractable resources will be encountered. There can be no assurance that our activities will ultimately lead to an economically feasible project or that we will recover all or any portion of our investment. Mineral exploration often involves unprofitable efforts, including drilling operations that ultimately do not further our exploration efforts, as well as operating and other costs. The cost of minerals exploration is often uncertain and cost overruns are common. Our drilling and exploration operations may be curtailed, delayed or canceled as a result of numerous factors, many of which are beyond our control, including title problems, weather conditions, compliance with governmental requirements and shortages or delays in the delivery of equipment and services.

Risks Inherent in the Mining Industry

The Company is subject to all of the risks inherent in the minerals exploration and mining industry and including, without limitation, the following: competition from a large number of companies, many of which are significantly larger than the Company, in the acquisition, exploration, and development of mining properties; the Company might not be able raise enough money to pay the fees, taxes and perform labor necessary to maintain its concessions in good force; exploration for minerals is highly speculative and involves substantial risks, even when conducted on properties known to contain significant quantities of mineralization; our exploration projects may not result in the discovery of commercially mineable deposits of ore; the probability of an individual prospect ever having reserves that meet regulatory requirements is extremely remote, or the properties may not contain any reserves, and any funds spent on exploration may be lost; our operations are subject to a variety of existing laws and regulations relating to exploration and development, permitting procedures, safety precautions, property reclamation, employee health and safety, air quality standards, pollution and other environmental protection control and the Company may not be able to comply with these regulations and controls; and a large number of factors beyond the control of the Company, including fluctuations in metal prices, inflation, and other economic conditions, will affect the economic feasibility of mining.

THE BUSINESS OF MINERAL EXPLORATION IS SUBJECT TO MANY RISKS:

Fluctuating Price for Metals

The Company's operations will be greatly influenced by the prices of commodities, including gold, silver, and other metals. These prices fluctuate widely and are affected by numerous factors beyond the Company's control, including interest rates, expectations for inflation, speculation, currency values, in particular the strength of the United States dollar, global and regional demand, political and economic conditions and production costs in major metal producing regions of the world.

Title to Our Mineral Properties May be Challenged

We attempt to confirm the validity of its rights to title to, or contract rights with respect to, each mineral property in which we have a material interest. However, we cannot guarantee that title to our properties will not be

challenged. Title insurance generally is not available, and our ability to ensure that we have obtained secure claim to individual mineral properties or mining concessions may be severely constrained. Our mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects and the actions or inactions of underlying property owners or holders. In addition, we may be unable to operate our properties as permitted or to enforce our rights with respect to our properties.

Risks Inherent With Foreign Operations

A portion of the Company's operations are currently conducted in Guyana, South America, and as such the operations of the Company are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism, hostage taking, military repression, expropriation, extreme fluctuations in currency exchange rates, high rates of inflation, labor unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation, and changing political conditions, currency controls and governmental regulations that favor or require the rewarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Guyana may adversely affect the operations or potential profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations of the Company.

Environmental Controls

Compliance with statutory environmental quality requirements may necessitate significant capital outlays, may materially affect the earning power of the Company, or may cause material changes in the Company's intended activities. Our exploration operations require compliance with local and federal regulations. No assurance can be given that environmental standards imposed by either federal or state governments will not be changed or become more stringent, thereby possibly materially adversely affecting the proposed activities of the Company. In addition, if we are unable to fund fully the cost of remediation of any environmental condition, we may be required to suspend operations or enter into interim compliance measures pending completion of the required remediation.

Availability of Outside Engineers and Consultants

The Company is heavily dependent upon outside engineers and other professionals to complete work on its exploration projects. The mining industry has experienced significant growth over the last several years and as a result, many engineering and consulting firms have experienced a shortage of qualified engineering personnel. The Company closely monitors its outside consultants through regular meetings and review of resource allocations and project milestones. However, the lack of qualified personnel combined with increased mining projects could result in delays in completing work on our exploration projects or result in higher costs to keep personnel focused on our project.

Operational Hazards; Uninsured Risks

The Company is subject to risks and hazards, including environmental hazards, industrial accidents, the encountering of unusual or unexpected geological formations, cave-ins, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in damage to, or

destruction of, mineral properties or facilities, personal injury or death, environmental damage, reduced productivity and delays in exploration, asset write-downs, monetary losses and possible legal liability. The Company may not be insured against all losses or liabilities, which may arise from operations, either because such insurance is unavailable or because the Company has elected not to purchase such insurance due to high premium costs or other reasons. The realization of any significant liabilities in connection with our exploration activities as described above could negatively affect our results of operations and the price of our common stock.

Need for Additional Key Personnel; Reliance on Officers and Directors

The Company relies in large part on the personal efforts of its officers and directors. The success of the Company's proposed business will depend, in part, upon the ability to attract and retain qualified employees. The Company believes that it will be able to attract competent employees, but no assurance can be given that the Company will be successful in this regard. If the Company is unable to engage and retain the necessary personnel, its business would be materially and adversely affected.

RISKS RELATING TO OUR COMMON STOCK:

Our Stock Price Can Be Extremely Volatile

The trading price of our common stock has been and could continue to be subject to wide fluctuations in response to announcements of our business developments and drill results, progress reports, the metals markets in general, and other events or factors. In addition, stock markets have experienced extreme price volatility in recent years. This volatility has had a substantial effect on the market prices of companies, at times for reasons unrelated to their operating performance. Such broad market fluctuations may adversely affect the price of our common stock.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any directors in a conflict will disclose their interests and abstain from voting in such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

Canamex Gold Corp.

Condensed Consolidated Interim Financial Statements

Nine months ended September 30, 2017

Expressed in Canadian Dollars - unaudited

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying condensed consolidated unaudited interim financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

VANCOUVER, BC
November 25, 2017

Canamex Gold Corp.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars - unaudited)

	Note	September 30, 2017	December 31, 2016
ASSETS			
Current assets			
Cash and cash equivalents		$ 1,281,181	$ 1,449,508
Amounts receivable	4	18,441	92,465
Prepaid expenses		58,876	134,919
		1,358,498	1,676,892
Non-current assets			
Exploration and evaluation assets	5	10,431,803	8,302,131
Reclamation bond		16,700	18,058
		10,448,503	8,320,189
TOTAL ASSETS		**$ 11,807,001**	**$ 9,997,081**
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	6,9	$ 289,670	$ 355,575
Non-current liabilities			
Secured convertible debentures	7	4,089,222	3,476,501
TOTAL LIABILITIES		4,378,892	3,832,076
SHAREHOLDERS' EQUITY			
Share capital	8	19,120,608	16,811,353
Subscription receivable		-	(241,000)
Reserves	7,8	3,597,813	3,325,480
Deficit		(15,290,312)	(13,730,828)
TOTAL SHAREHOLDERS' EQUITY		7,428,109	6,165,005
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 11,807,001**	**$ 9,997,081**

Subsequent Event (Note 12)

Approved on behalf of the Board:

"David Vincent"

"Michael Stark"

The accompanying notes form an integral part of the condensed consolidated interim financial statements

Canamex Gold Corp.
Condensed Consolidated Interim Statements of Comprehensive Loss
(Expressed in Canadian dollars- unaudited)

	Note	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Expenses					
Consulting		$ 28,600	$ 18,000	$ 269,796	$ 29,406
Interest and accretion expense	7	205,089	108,663	612,721	325,989
Management fees	8	51,744	51,745	177,229	155,233
Office and administrative		(28,721)	36,422	93,427	86,511
Professional fees		11,063	8,601	75,665	30,879
Share-based payments	7, 8	24,676	-	131,153	-
Shareholder communications		75,750	15,500	158,659	46,819
Transfer agent and filing fees		3,495	5,918	26,994	24,346
Travel		3,930	1,872	13,840	15,040
Net loss and comprehensive loss for the period		**$ (375,626)**	**$ (246,621)**	**$ (1,559,484)**	**$ (714,313)**
Loss per share – basic and diluted		**$ (0.01)**	**$ (0.01)**	**$ (0.03)**	**$ (0.02)**
Weighted average number of shares outstanding		**61,365,676**	**33,299,933**	**50,700,605**	**33,299,933**

The accompanying notes form an integral part of the condensed consolidated interim financial statements

Canamex Gold Corp.
Condensed Consolidated Interim Statements of Change in Equity
(Expressed in Canadian dollars- unaudited)

	Share capital					
	Number of shares	Amount	Subscription receivable	Reserves	Deficit	Total Shareholders' Equity
Balance at January 1, 2016	**33,299,933**	**$ 16,113,601**	**$ -**	**$ 2,109,268**	**$(12,732,890)**	**$ 5,489,979**
Net loss for the period	-	-	-	-	**(714,313)**	**(714,313)**
Balance at September 30, 2016	**33,299,933**	**$ 16,113,601**	**$ -**	**$ 2,109,268**	**$(13,477,203)**	**$ 4,775,666**
Balance at January 1, 2017	**39,308,371**	**$ 16,811,353**	**$ (241,000)**	**$ 3,325,480**	**$(13,730,828)**	**$ 6,165,005**
Subscription receivable	**-**	**-**	**241,000**	**-**	**-**	**241,000**
Shares issued for cash	**20,741,350**	**2,488,962**	**-**	**-**	**-**	**2,488,962**
Finders shares/warrant	**1,315,955**	**157,915**	**-**	**141,180**	**-**	**299,095**
Stock based payment-options	**-**	**-**	**-**	**131,153**	**-**	**131,153**
Share issuance cost	**-**	**(337,622)**	**-**	**-**	**-**	**(337,622)**
Net loss for the period	-	-	-	-	**(1,559,484)**	**(1,559,484)**
Balance at September 30, 2017	**61,365,676**	**$ 19,120,608**	**$ -**	**$ 3,597,813**	**$(15,290,312)**	**$ 7,428,109**

The number of share reflect a share consolidation on a four old shares for one new share basis on October 20, 2016, and all share figures and references are retroactively adjusted and restated.

The accompanying notes form an integral part of the condensed consolidated interim financial statements

Canamex Gold Corp.
Consolidated Interim Statements of Cash Flows
(Expressed in Canadian dollars- unaudited)

	Nine months ended September 30, 2017	2016
Operating activities		
Net Loss	$(1,559,484)	$ (714,313)
Adjustments for non-cash items:		
Interest expense (Note 7)	612,721	325,989
Share-based payments (Note 8)	131,153	-
	(815,610)	(388,324)
Changes in non-cash working capital items:		
Amounts receivable	74,024	(3,334)
Prepaid expenses	76,043	11,952
Trade payable and accrued liabilities	(65,905)	545,876
Net cash flows provided by (used in) operating activities	**(731,448)**	**166,170**
Investing activities		
Expenditures on exploration and evaluation assets	(2,129,672)	(245,309)
Reclamation bond	1,358	1,141
Net cash flows used in investing activities	**(2,128,314)**	**(253,168)**
Financing activities		
Subscription receivable	241,000	-
Shares issued net of cost	2,450,435	-
Net cash flows from financing activities	**2,691,435**	**-**
Decrease in cash and cash equivalents	(168,327)	(86,998)
Cash and cash equivalents, beginning	1,449,508	109,900
Cash and cash equivalents, ending	**$ 1,281,181**	**$ 22,902**

The accompanying notes form an integral part of the condensed consolidated interim financial statements

1. Nature of operations

Canamex Gold Corp.'s (the "Company") head office and primary place of business is located at 750 West Pender Street, Suite 804, Vancouver, British Columbia, Canada, V6C 2T7. The Company is a Tier 2 mining issuer on the TSX Venture Exchange.

The Company was incorporated under the laws of Alberta on May 26, 1987. On August 18, 2009, the Shareholders approved both the continuation of the Company from the Business Corporations Act (Alberta) to the Business Corporations Act (British Columbia) and the new articles of the Company.

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time. The Company is in the process of exploring mineral resource properties and has not yet determined whether the properties contain reserves that are economically recoverable. As at September 30, 2017 the Company had not advanced any property to commercial production and is not able to finance day to day activities through operations. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs, and these factors form a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company has been successful in the past in raising funds for exploration, but there is no assurance that it will be able to continue to do so.

2. Significant accounting policies and basis of preparation

The Company's condensed consolidated interim financial statements were authorized for issuance on November 25, 2017 by the Board of Directors.

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These interim financial statements do not contain all of the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements for the year ended December 31, 2016.

Basis of preparation

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified for specific financial instruments carried at fair value where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted. Certain comparative figures may have been reclassified to conform to the current year's presentation.

Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Canamex Resources US Inc. ("Canamex US") and Canamex Guyana Inc. ("Canamex Guyana"). Canamex US was incorporated in the State of Nevada, USA and Canamex Guyana was incorporated in Guyana. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Cash and cash equivalents

The Company considers deposits with banks or highly liquid short-term interest bearing securities that are readily convertible to known amounts of cash and those that have maturities of 90 days or less when acquired to be cash equivalents.

2. Significant accounting policies and basis of preparation (cont'd)

Equipment

Equipment is recorded at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful life of geological equipment at 20% per annum.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from those estimates.

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

a) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

b) Impairment

The carrying value of non-financial assets is reviewed each reporting period upon the occurrence of events or changes in circumstances indicating that the carrying value of assets may not be recoverable and when criteria of assets held for sale are met to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in the consolidated statement of operations and comprehensive loss. The assessment of fair values, including those of the cash generating units (the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflow from other assets or groups of assets) ("CGUs") for purposes of testing goodwill, require the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, foreign exchange rates, future capital requirements and operating performance. Changes in any of the assumptions or estimates used in determining the fair value of goodwill or other assets could impact the impairment analysis.

2. Significant accounting policies and basis of preparation (cont'd)

Significant accounting judgments, estimates and assumptions *(cont'd)*

c) Site Closure and Reclamation Provisions

The Company assesses its mineral properties' rehabilitation provision at each reporting date or when new material information becomes available. Exploration, development and mining activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation obligations requires management to make estimates of the future costs that the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each location. Actual costs incurred may differ from those amounts estimated.

Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

d) Title to Mineral Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

e) Share-Based Payments and finder's warrants

Management uses valuation techniques in measuring the fair value of share options and finder's warrants granted. The fair value is determined using the Black Scholes option pricing model which requires management to make certain estimates, judgements, and assumptions in relation to the expected life, expected volatility, expected risk-free rate, and expected forfeiture rate (Note 9). Changes to these assumptions could have a material impact on the Company's consolidated financial statements.

f) Deferred Income Taxes

Judgement is required to determine which types of arrangements are considered to be a tax on income in contrast to an operating cost. Judgement is also required in determining whether deferred tax liabilities are recognised in the consolidated statement of financial position. Deferred tax assets, including those potentially arising from un-utilised tax losses, require management to assess the likelihood that the Company will generate sufficient taxable income in future periods, in order to recognise deferred tax assets. Assumptions about the generation of future taxable income depend on management's estimates of future operations and cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, commodity prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure, and other capital management transactions) and judgement about the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize deferred tax assets or offset these against any deferred tax liabilities recorded at the reporting date could be impacted.

2. Significant accounting policies and basis of preparation (cont'd)

Significant accounting judgments, estimates and assumptions *(cont'd)*

g) Discount rate convertible debt

The carrying value of the convertible debt is subject to management's estimates in determining an appropriate discount rate based on similar instruments with no conversion features.

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

Share issue costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred share issue costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. The Company charges share issue costs to share capital when the related shares are issued. Deferred share issue costs related to financing transactions that are not completed are charged to expenses.

Foreign currency translation

These consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency. The functional currency of Canamex US and Canamex Guyana is also the Canadian dollar.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive income in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

2. Significant accounting policies and basis of preparation (cont'd)

Exploration and evaluation expenditures

Amounts reported in exploration and evaluation expenditures include the costs of acquiring licenses, and costs associated with exploration and evaluation activity. Exploration and evaluation expenditures are capitalized and are classified as intangible assets. Costs incurred before the Company has obtained the legal rights to explore an area are expensed.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to the mineral resource property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Share-based payments

The Company has adopted a 10% rolling stock option plan whereby it can grant options to directors, officers, employees, and consultants of the Company up to maximum of 10% of the issued and outstanding common shares at the time of grant. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Financial instruments

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

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 evaluation where a group of financial assets is managed by key management personnel on a fair 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.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets.

2. Significant accounting policies and basis of preparation (cont'd)

Financial instruments *(cont'd)*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, 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 twelve months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the group commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not currently have any derivative financial assets and liabilities.

Impairment of assets

The carrying amounts of the Company's assets (which include exploration and evaluation assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

2. Significant accounting policies and basis of preparation (cont'd)

Income taxes

a) Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically valuates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred income tax

Deferred income taxes are recorded using the asset and liability method of tax allocation. Under this method, deferred income tax assets and liabilities are determined based on temporary differences at the reporting date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. At each financial position reporting date presented the Company has not incurred any decommissioning costs related to the exploration and evaluation of its mineral properties and accordingly no provision has been recorded for such site reclamation or abandonment.

Convertible debentures

Convertible debentures, where applicable, are separated into their liability and equity components and accounted for using the effective interest rate method. The fair value of the liability component at the time of issue was determined based on an estimated interest rate of the debentures without the conversion feature. The fair value of the equity component was determined as the difference between the face value and the fair value of the liability component.

3. New accounting standards

Accounting standards and amendments issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the September 30, 2017 quarter. These standards have been assessed to not have a significant impact on the Company's financial statements.

New accounting standards effective for annual periods on or after January 1, 2018:

IFRS 9 Financial Instruments- IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 is effective for annual periods beginning on or after January 2018 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements.

New accounting standards effective for annual periods on or after January 1, 2019:

IFRS 16 – Leases - The standard is effective for annual periods beginning on or after January 1, 2019. Early adoption will be permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.

4. Amounts receivable

	September 30, 2017	December 31, 2016
Government sales tax recoverable	$ 18,441	$ 18,465
Other receivables (Note 7(b))	-	74,000
	$ 18,441	$ 92,465

5. Exploration and evaluation assets

Nye County, Nevada USA ("Bruner Property")

On May 28, 2010, the Company entered into a property option agreement ("Option Agreement") with Provex Resources Inc. ("Provex"), a company with a director in common with the Company at the time, granting an exclusive right and option to acquire up to a 75% interest in certain mineral claims in Bruner Property.

During the year ended December 31, 2015, the Company earned 70% interest in the property by completing a total of US$6,000,000 in expenditures in stages over a seven year period, US$200,000 of which was completed within the first year. The Company passed on its option to acquire a further 5% undivided interest in the property by producing a bankable feasibility study.

The agreement is subject to a 3.5% net smelter return royalty on the production of certain claims.

A core group of 26 patented mining claims were controlled under an option to purchase agreement dated April 2009 between Patriot Gold Corporation and American International Ventures, Inc. ("AIVN"). In November 2015 the Company purchased the underlying 26 patented claims from AIVN.

The Company completed the purchase of the remaining 30% interest in the Bruner Property for US $1,000,000 during April 2017, and now owns 100% of the Bruner Property.

Aranka North, Guyana ("Aranka North Property")

During 2014 the Company acquired a 100% interest in the Aranka North Property by fulfilling the terms of an Option Agreement (the "Agreement") that was entered into with GMV Minerals Inc. ("GMV") in 2011. The Aranka North Property encompasses a large area containing nominally 98,000 acres in a region in Guyana, South America. The Agreement was accepted for filing by the TSX Venture Exchange on August 2, 2011. The Agreement is subject to an underlying 2% net smelter return royalty.

As at December 31, 2015, the Company decided not to continue exploring the Aranka North Property as they plan to focus their efforts on the Bruner Property. As a result, the Company wrote down the exploration and evaluation assets relating to the property to $1 and recorded an impairment loss of $3,229,209.

5. Exploration and evaluation assets (cont'd)

For the nine months ended September 30, 2017 and year ended December 31, 2016, the Company incurred the following expenditures on the properties:

Bruner Property, Nevada	**September 30, 2017**	**December 31, 2016**
Property acquisition costs		
Balance, beginning of the year	$ 1,040,698	$ 1,040,698
Additions during the year	-	-
	1,040,698	1,040,698
Exploration and evaluation costs		
Balance, beginning of the year	7,261,432	6,673,114
Costs incurred during the year:		
Drilling and related costs	364,132	208,470
Field work	34,915	74,037
Geological	380,363	302,077
Mineral rights options payment	1,344,469	-
Travel and accommodation	5,793	3,734
	9,391,104	7,261,432
Total - Bruner Property	$ 10,431,802	$ 8,302,130
Aranka North Property, Guyana		
Property acquisition costs		
Balance, beginning of the year	$ 1	$ 1
	1	1
Total - Aranka North Property	$ 1	$ 1
Total exploration and evaluation assets	$ 10,431,803	$ 8,302,131

6. Trade payables and accrued liabilities

	September 30, 2017	December 31, 2016
Trade payables	$ 164,034	$ 200,991
Amount due to related parties (Note 9)	50,426	56,166
Accrued liabilities	75,210	98,418
	$ 289,670	$ 355,575

7. Secured convertible debentures

During 2016 the Company completed a non-brokered private placement of secured convertible debentures ("2016 Convertible Debentures") that were issued in two tranches. These 2016 Convertible Debentures have a first ranking security over the Company's interest in its 70/30 arrangement with Provex in respect of the Bruner Gold Property (see Note 5) and by the general assets of the Company.

a) In October 2016, the Company closed the first tranche of a non-brokered private placement for gross proceeds of $4,239,000; under which the Company issued an aggregate principal amount of $4,239,000 of secured convertible debentures (the "Debentures"), maturing in three years on October 25, 2019. The Debentures are convertible into common shares at the option of the holder at a conversion price of $0.16 per Share (the "Conversion Price") until October 25, 2019.

In addition, the holders of the Debentures received a total of 26,493,750 warrants ("Debenture Warrant"). Each Debenture Warrant is exercisable into a common share on or before October 25, 2019 at an exercise price of $0.20 per share. Interest on the Debentures shall be paid annually in arrears, at an annual rate of interest of 7% per annum or alternatively, if paid in shares the rate would be 10%.

A finder was issued 307,125 compensation warrants and each warrant is exercisable at $0.20 per common share until expiry on October 25, 2019.

b) In December 2016, the Company closed the second tranche of a non-brokered private placement for gross proceeds of $559,000; under which the Company issued an aggregate principal amount of $559,000 of secured convertible debentures (the "Debentures"), maturing in three years on December 23, 2019. The Debentures are convertible into common shares at the option of the holder at a conversion price of $0.16 per share until December 23, 2019. As at December 31, 2016, $74,000 of the proceeds from the second tranche were recorded in amounts receivable and were received after year-end.

In addition, the holders of Debentures received a total of 3,493,750 warrants ("Debenture Warrant"). Each Debenture Warrant will be exercisable into a common share on or before December 23, 2019 at an exercise price of $0.20 per share. Interest on the Debentures shall be paid annually in arrears, at an annual rate of interest of 7% per annum or alternatively, if paid in shares the rate would be 10%.

A finder was issued 209,625 compensation warrants and each warrant is exercisable at $0.20 per common share until expiry on December 23, 2019.

7. Secured convertible debentures (cont'd)

During 2015, the Company completed a non-brokered private placement of secured convertible debentures in two tranches (the "2015 Convertible Debentures"). These 2015 Convertible Debentures had a one year maturity and after maturity in 2016, the total $1,915,000 principal and accrued 10% interest plus a 4% penalty were settled by the issuance of the new 2016 Convertible Debentures. The 2015 Convertible Debentures had a first ranking security over the Company's interest in its 70/30 arrangement with Provex in respect of the Bruner Gold Property and by the general assets of the Company. The following summarizes the historical details of the 2015 Convertible Debentures:

a) On October 23, 2015, the Company closed the first tranche of a non-brokered private placement for gross proceeds of $1,500,000 (the "Offering"); under which the Company issued an aggregate principal amount of $1,500,000 of secured convertible debentures (the "Debentures"), maturing in one year after closing of the Offering (the "Maturity Date"). From and after the date of issue until the Maturity Date, the Debentures will be convertible into units ("Units") at the option of the holder at a conversion price of $0.20 per Unit (the "Conversion Price").

Each Unit was comprised of one common share of the Company ("Common Share") and one-half of one warrant ("Warrant"). Each whole Warrant was exercisable into one Common Share on or before April 20, 2017 at an exercise price of $0.20 per share. Interest on the Debentures was due quarterly in arrears, at an annual rate of interest of 10% per annum.

525,000 compensation warrants ("Compensation Warrants") were issued to a finder. Each Compensation Warrant will be exercisable at $0.20 per Common Share for two (2) years from closing of the Offering (Note 8).

b) On November 6, 2015, the Company closed the second tranche of a non-brokered private placement for gross proceeds of $415,000 (the "Offering"); under which the Company issued an aggregate principal amount of $415,000 of secured convertible debentures (the "Debentures"), maturing in one year after closing of the Offering (the "Maturity Date"). From and after the date of issue until the Maturity Date, the Debentures will be convertible into units ("Units") at the option of the holder at a conversion price of $0.20 per Unit (the "Conversion Price").

Each Unit was comprised of one common share of the Company ("Common Share") and one-half of one warrant ("Warrant"). Each whole Warrant was exercisable into one Common Share on or before May 6, 2017 at an exercise price of $0.20 per share. Interest on the Debentures was due quarterly in arrears, at an annual rate of interest of 10% per annum.

110,250 compensation warrants ("Compensation Warrants") were issued to a finder. Each Compensation Warrant will be exercisable at $0.20 per Common Share for two (2) years from closing of the Offering (Note 8).

7. Secured convertible debentures (cont'd)

The following table summarizes accounting for the convertible debentures and the amounts recognized in the liability and equity components during the period ended September 30, 2017:

Principal		
Issued during year ended December 31, 2016	$	4,798,000
Liability		
Gross proceeds received	$	4,798,000
Issuance costs		(104,743)
Equity component less issue costs allocated		(1,334,959)
Liability component initially recognized		3,358,298
Accretion and interest expense recognized during 2016		118,203
Accretion and interest expense recognized during 2017		612,721
Balance at September 30, 2017	$	4,089,222
Equity		
Equity component initially recognized in reserves	$	1,334,959
Issuance costs		(40,377)
Deferred income tax recovery		(358,287)
Balance at September 30, 2017	$	936,295

For accounting purposes, the Debentures are separated into their liability and equity components using the residual method. The fair value of the liability component at the time of issue is determined based on an estimated rate of 20% (2015: 17%) for Debentures without the conversion feature. The fair value of the equity component is determined as the difference between the face value of the Debentures and the fair value of the liability component. After initial recognition the liability component is carried on an amortized cost basis and will be accreted to its face value over the term to maturity of the convertible debenture at an effective interest rate of approximately 21% (2015: 21%). The Company also recorded a recovery of a deferred income tax liability of $358,287 (2015: $13,828) that was recognized in equity relating to the difference between the Company's accounting and tax basis.

8. Share capital and reserves

Authorized share capital

The Company has authorized an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. On October 20, 2016, the Company consolidated its issued and outstanding shares totaling 133,199,721 on a 4:1 basis. Upon completion of the consolidation the Company had 33,299,933 post-consolidation common shares issued and outstanding. The share consolidation has been retroactively presented in the consolidated financial statements and accompanying notes and all share amounts including per share amounts reflect the consolidation.

Shares issued during 2017

On May 12, 2017, the Company closed a non-brokered private placement for a gross proceeds of $2,488,962 at a price of $0.12 per unit. Each unit is comprised of one common share and one warrant exercisable into a common share for $0.20 per share for a period of five years. Finders' fees totaling an aggregate of 1,315,955 units were paid in connection with the financing.

Shares issued during 2016

On October 25, 2016, the Company closed the first tranche of a non-brokered private placement for gross proceeds of $716,350 at a price of $0.16 per unit. Each unit is comprised of one common share and one warrant exercisable into a common share at $0.20 per share for a period of five years.

On December 30, 2016, the Company closed the second tranche of a non-brokered private placement for gross proceeds of $245,000 at a price of $0.16 per unit. Each unit is comprised of one common share and one warrant exercisable into a common share at $0.20 per share for a period of five years. At December 31, 2016, $241,000 of the gross proceeds have been recorded as subscriptions receivable. These funds were received in January, 2017.

Shares and units issued to settlement accounts payable

On September 22, 2015 the Company issued 571,919 common shares to non arms'-length creditors at a fair value of $91,507 to settle $114,384 outstanding accounts payable resulting in a gain of $22,876 recorded to reserves on the consolidated statement of changes in equity.

On September 22, 2015, the Company issued 399,238 Units to an arms'-length creditor at a fair value of $119,959 ($63,878 fair value of shares and $56,081 fair value of warrants) to settle $79,847 in accounts payable resulting in a loss of $40,111 recorded to the consolidated statement of comprehensive loss. Each unit is comprised of one common share and one warrant, each warrant being exercisable at $0.07 per share on or before September 21, 2020.

All of these shares, together with any shares that may be issued on exercise of the warrants, were subject to a hold period under applicable Canadian securities laws expiring on January 23, 2016, and were subject to such further restrictions on resale as may apply under applicable foreign securities laws.

Stock options

The Company has adopted a 10% rolling stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant options to directors, officers, employees, and consultants of the Company, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Options granted vest at the discretion of the Board of Directors.

8. Share capital and reserves (cont'd)

Stock options *(cont'd)*

The Company uses the Black-Scholes option pricing model to value the stock options granted during the year. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

Stock option transactions during 2017

On February 24, 2017, the Company granted 700,000 stock options to directors/officers and 575,000 to consultants. The options vested immediately. The options have an exercise price of $0.16 per share and expire on February 23, 2022. The estimated grant date fair value of these options was $106,477.

The grant date fair values of the options granted above were estimates based on the following assumptions: share price at grant date of $0.11; exercise price of $0.16; expected life of 5 years; expected volatility of 113%; risk free interest rate of 1.11%; expected dividend yield rate of 0%; and forfeiture rate of 0%.

On September 5, 2017, the Company granted 250,000 stock options to directors/officers and 150,000 to consultants. The options vested immediately. The options have an exercise price of $0.16 per share and expire on September 5, 2022. The estimated grant date fair value of these options was $24,676.

The grant date fair values of the options granted above were estimates based on the following assumptions: share price at grant date of $0.13; exercise price of $0.16; expected life of 5 years; expected volatility of 108%; risk free interest rate of 1.56%; expected dividend yield rate of 0%; and forfeiture rate of 0%.

Stock option transactions during 2016

During the year ended December 31, 2016, 143,750 fully vested options expired.

Stock option summary

The changes in options during the nine months ended September 30, 2017 and year ended December 31, 2016 are summarized as follow:

	September 30, 2017		December 31, 2016	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of year	2,809,419	$ 0.52	2,953,169	$ 0.52
Options granted	1,525,000	0.16	-	-
Options expired	(950,000)	0.73	(143,750)	0.75
Options outstanding, end of the period	3,384,419	$ 0.28	2,809,419	$ 0.52
Options exercisable, end of the period	3,384,419	$ 0.28	2,809,419	$ 0.52

8. Share capital and reserves (cont'd)

Stock options *(cont'd)*

Details of options outstanding and exercisable at September 30, 2017 are as follows:

	September 30, 2017				December 31, 2016	
Date of expiry	Exercise price	Number of options	Weighted Average Remaining Contractual life, years	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
September 24, 2017	-	-	-	-	443,750	1.08
March 13, 2019	0.52	725,000	1.45	0.52	850,000	0.52
January 26, 2020	0.64	250,000	2.32	0.64	412,500	0.64
October 21, 2020	0.20	884,419	3.06	0.20	884,419	0.20
February 23, 2022	0.16	1,275,000	4.40	0.16	1,275,000	0.16
September 5, 2022	0.16	250,000	4.98	0.16	-	-
		3,384,419	3.31	$ 0.28	2,809,419	$ 0.52

Warrants

	September 30, 2017		December 31, 2016	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning of year	37,549,988	$ 0.20	1,941,768	$ 0.68
Warrants expired[1,2]	-	0.00	(1,432,280)	0.68
Warrants issued[3]	-	0.00	6,111,300	0.20
Warrants issued[4]	-	0.00	30,928,600	0.20
Warrants issued[5]	22,057,305	0.20	-	0.20
Warrants outstanding, end of period	59,607,293	$ 0.20	37,549,388	$ 0.20

The weighted average fair value for warrants granted during year ended December 31, 2016 was $0.20 (2015: $0.08).

(1) 399,238 warrants were issued in conjunction with a debt settlement completed on September 22, 2015. Each warrant grants the holder the right to purchase one common share of the Company for $0.28 per share until September 21, 2020.

(2) 525,000 and 110,250 warrants were issued in conjunction with a convertible debenture issuance completed on October 23, 2015 and November 6, 2015, respectively (Note 7). Each warrant grants the holder the right to purchase one common share of the Company for $0.20 per share until October 20, 2017 and November 6, 2017, respectively. The Company recognized $60,374 on the grant of these options which has been allocated proportionately between the debt and equity component on the convertible debt, 525,000 warrants expired when the convertible debt was paid.

(3) 4,492,500 and 1,618,750 warrants were issued in conjunction with a private placement financing completed on October 23, 2016 and December 29, 2016, respectively (Note 7). Each warrant grants the holder the right to purchase one common share of the Company for $0.20 per share until October 24, 2021 and December 29, 2021, respectively.

8. **Share capital and reserves** (cont'd)

***Warrants** (cont'd)*

(4) 26,800,875 and 3,703,375 warrants were issued in conjunction with a convertible debenture issuance completed on October 25, 2016 and December 23, 2016, respectively (Note 7). Each warrant grants the holder the right to purchase one common share of the Company for $0.20 per share until October 25, 2019 and December 23, 2019, respectively.

(5) 20,741,350 and 1,315,955 warrants were issued in conjunction with a private placement financing completed on May 12, 2017, respectively (Note 7). Each warrant grants the holder the right to purchase one common share of the Company for $0.20 per share until May 12, 2022.

The fair value of the finders warrants and warrants issued as part of units to settle accounts payable were calculated using the Black-Scholes option pricing model with following weighted average assumptions:

	2017	2016
Weighted average assumptions:		
Risk-free interest rate	1.11%	0.68%
Expected dividend yield	0.00	0.00
Expected option life (years)	5.00	3.18
Expected stock price volatility	113%	145%

Details of warrants outstanding and exercisable at September 30, 2017 are as follows:

		Outstanding			Exercisable	
Date of expiry	Exercise price	Number of warrants	Weighted Average Remaining Contractual life, years	Weighted Average Exercise Price	Number of warrants	Weighted Average Exercise Price
October 20, 2017	$ 0.20	525,000	0.05	$ 0.20	525,000	$ 0.20
November 6, 2017	0.20	110,250	0.10	0.20	110,250	0.20
October 25, 2019	0.20	26,700,875	2.07	0.20	26,700,875	0.20
December 23, 2019	0.20	3,703,375	2.23	0.20	3,703,375	0.20
September 21, 2020	0.28	399,238	2.98	0.28	399,238	0.28
October 24, 2021	0.20	4,492,500	4.07	0.20	4,492,500	0.20
December 29, 2021	0.20	1,618,750	4.25	0.20	1,618,750	0.20
May 12, 2022	0.20	22,057,305	4.61	0.20	22,057,305	0.20
		59,607,293	3.23	$ 0.20	59,607,293	$ 0.20

9. Related party transactions and balances

Related party balances

Amounts due to related parties consist of charges accrued for office administration and management fees. These amounts are due to directors, officers, or companies controlled by directors or officers.

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

The following amounts due to related parties are included in trade payables and accrued liabilities:

	September 30, 2017	December 31, 2016
Directors and corporations controlled by directors of the Company	$ 50,426	$ 7,166
Survivor benefit[(1)]	25,000	49,000
	$ 75,426	$ 56,166

The Company incurred the following transactions with directors/officers of the Company and corporations that are controlled by directors/officers of the Company. The Company has identified these directors/officers as its key management personnel.

	Nine months ended September 30	
Key Management Compensation	**2017**	**2016**
Fees for outside/independent directors	$ 78,000	$ 63,000
Management and administrative fees	217,100	180,938
Share-based payment	68,329	-
	$ 363,429	$ 243,938

(1) Pursuant to a management services agreement, the Company has accrued a payable to the estate of the late CEO of the Company.

10. Financial risk and capital management

The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions, as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. The Company has a working capital deficit and requires additional financing to meeting its short-term financial obligations. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company's trade payables are generally due in terms ranging from 30 to 90 days.

10. Financial risk and capital management (cont'd)

Foreign exchange risk

Foreign exchange risk is the risk that the future fair value of cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Company's financial results are reported in Canadian dollars while it conducts a significant portion of its business activities in US dollars. The assets, liabilities and expenses that are denominated in US Dollars will be affected by changes in the exchange rate between the Canadian dollar and the US Dollar. If the Canadian dollar changes by one percent against the US dollar, with all other variables held constant, the impact on the Company's foreign denominated financial instruments would result in a reduction or increase of after tax net loss of less than $1,000 for the period ended September 30, 2017.

The Company also conducts business in Guyanese Dollars. The assets, liabilities and expenses that are denominated in Guyanese Dollars will be affected by changes in the exchange rate between the Canadian dollar and the Guyanese Dollar. If the Canadian dollar changes by one percent against the Guyanese dollar, with all other variables held constant, the impact on the Company's foreign denominated financial instruments would result in a reduction or increase of after tax net loss of less than $1,000 for the period ended September 30, 2017.

Interest rate risk

The Company is not currently exposed to significant interest rate risk.

Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements.

Classification of financial instruments

Financial instruments classified as fair value through profit or loss:

	September 30, 2017	December 31, 2016
Cash and cash equivalents	$ 1,281,181	$ 1,449,508

Financial instruments classified as other financial liabilities:

	September 30, 2017	December 31, 2016
Trade payables	$ 164,034	$ 200,991
Secured convertible debentures	4,089,222	3,476,501

10. Financial risk and capital management (cont'd)

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial assets measured at fair value on a recurring basis consist of cash and cash equivalents which are classified as level 1. There are no financial liabilities measured at fair value on a recurring basis.

11. Segmented information

Operating segments

The Company operates in a single reportable operating segment – the acquisition and exploration of mining properties.

Geographic segments

The Company's non-current assets are located in the following countries:

	As at September 30, 2017		
	Guyana	**US**	**Total**
Exploration and evaluation assets	$ 1	$ 10,431,802	$ 10,431,803
	As at December 31, 2016		
	Guyana	**US**	**Total**
Exploration and evaluation assets	$ 1	$ 8,302,130	$ 8,302,131

12. Subsequent event

Subsequent to the quarter end, the Company granted 500,000 stock options to a director/officer and 50,000 stock options to a consultant. The options vested immediately. The options have an exercise price of $0.16 per share and expire in five years.

OVERVIEW

This management discussion and analysis ("MDA"), prepared on November 25, 2017, covers the operations of Canamex Resources Corp. ("Canamex" or the "Company") for the nine months ended September 30, 2017. All monetary amounts referred to herein are in Canadian dollars unless otherwise stated. The MDA should be read in conjunction with the Company's condensed consolidated interim financial statements for the nine months ended September 30, 2017 and the audited consolidated financial statements for the year ended December 31, 2016. The accompanying condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements together with this MDA are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com or the Company website at www.canamexgold.com.

FORWARD LOOKING INFORMATION

This MDA includes certain forward-looking statements or information. All statements other than statements of historical fact included in this MDA are forward-looking statements that involve various risks and uncertainties. Forward-looking statements in this MDA include statements with respect to completion of a preliminary economic assessment on the Bruner property, the potential mineralization and geological merits of the Bruner property and other future plans, objectives or expectations of the Company. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's plans or expectations include the risk that actual results of current and planned exploration activities, including the results of the Company's planned drilling program on the Bruner property, will not be consistent with the Company's expectations; the geology, grade and continuity of any mineral deposits and the risk of unexpected variations in mineral resources, grade and/or recovery rates; fluctuating metals prices; possibility of accidents, equipment breakdowns and delays during exploration; exploration cost overruns or unanticipated costs and expenses; uncertainties involved in the interpretation of drilling results and geological tests; availability of capital and financing required to continue the Company's future exploration programs and preparation of geological reports and studies; delays in the preparation of geological reports and studies; the metallurgical characteristics of mineralization contained within the Bruner property are yet to be fully determined; general economic, market or business conditions; competition and loss of key employees; regulatory changes and restrictions including in relation to required permits for exploration activities (including drilling permits) and environmental liability; timeliness of government or regulatory approvals; and other risks detailed herein and from time to time in the filings made by the Company with securities regulators. In connection with the forward-looking information contained in this MDA, the Company has made numerous assumptions, including that the Company's 2015 exploration program will proceed as planned and within budget. Canamex expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as otherwise required by applicable securities legislation.

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of Alberta on May 26, 1987. On August 18, 2009, the shareholders approved the continuation of the Company from the Business Corporations Act (Alberta) to the Business Corporations Act (British Columbia), approved the new articles of the Company, and approved a name change of the Company to Canamex Silver Corp. On October 6, 2009 the name change and continuation were completed.

On May 28, 2010, the Company entered into a property option agreement with Provex Resources Inc., in which the Company was granted, subject to acceptance by the TSX Venture Exchange ("TSX-V"), an exclusive right and option to acquire up to a 75% interest in certain mineral claims in Nye County, Nevada (the *"Bruner Property"*).

On October 18, 2010, the Company received TSX-V approval for all matters in connection with the Bruner Property option agreement, the Company was reinstated as a Tier 2 mining issuer on the TSX-V and changed its name to Canamex Resources Corp. (TSX-V "CSQ").

EXPLORATION AND EVALUATION ASSETS

Bruner Property, Nye County, Nevada, United States

Option and Joint Venture Agreement

On May 28, 2010, the Company entered into a property option agreement with Provex Resources Inc., granting an exclusive right and option to acquire up to a 75% interest in the Bruner Property.

During the year ended December 31, 2015, the Company earned 70% interest in the property by completing a total of US$6,000,000 in expenditures in stages. The Company passed on its option to acquire a further 5% undivided interest in the property by producing a bankable feasibility study.

The agreement is subject to an aggregate 3.5% net smelter return royalty on the production from certain claims.

Property Description

Comprised of 179 unpatented and 27 patented mining claims covering a total of approximately 3,520 acres, the Bruner Property is located in central Nevada, about 45 miles northwest of the Round Mountain Mine which has produced over 10 million ounces of gold over a thirty year period. Historic production at Bruner includes approximately 100,000 ounces at an average grade of 0.56 ounces per ton.

Property Exploration

Historic work by Morrison-Knudsen, Miramar, Glamis, Newmont, Kennecott and others identified a low-grade resource near the southwest portion of the property. The work by Newmont, Kennecott and Miramar was summarized in a report by John Schilling in 1991. Since that time an additional 75 holes have been drilled within and along strike of the historical resource area.

The historic resource area refers to an area on the Bruner property that was the subject of an historical resource estimate reported on the property not in compliance with NI 43-101 standards. A qualified person (within the meaning of NI 43-101) has not done sufficient work to classify the historical estimate as current mineral resource or mineral reserves, and the Company is not treating the historical estimate as current mineral resources or mineral reserves. The historical estimate is relevant solely for purposes of directing target areas for the Company's current exploration programs.

A bulk sample from the historic resource area was taken in April 2012 and delivered to Kappes Cassidy & Associates in Reno, Nevada for column leach test work. Final cyanide column leach results were reported in August and demonstrated +85% gold extraction in 83 days on -3 inch and -3/4 inch crush material sampled from underground within the historic resource area at the Bruner gold project. The very positive metallurgical results support moving the Bruner project forward towards establishing a maiden NI 43-101 mineral resource and formulating preliminary concepts regarding site layout for a preliminary economic assessment in 2015.

Canamex has drilled a total of 26,077 meters in 149 core and reverse circulation ("RC") holes (3,335 meters core and 22,741 meters RC) since it entered into its option on the property in 2010. Assay results have been received and reported for all 149 holes.

On November 2, 2015, the Company completed the purchase of the 26 lode patented mining claims, representing approximately 500 acres, and an associated water right for 6.690202 acre feet per annum that comprise the core of the Bruner gold project, Nye County, Nevada for a total price of US $760,000. The Company has completed the US $6,000,000 in qualified expenditures required to earn a 70% interest in the property well in advance of the seven years deadline. The Company has also commissioned a Preliminary Economic Assessment and the joint venture between the Company and Provex Resources Inc has been initiated. To date the Company has spent in excess of US$1 million above its initial earn-in requirement, which will result in either Provex contributing to the project its 30% share of total expenditures above the earn-in amount, or a pro-rata reduction in their percentage interest. During April 2017, the Company completed the purchase of the remaining 30% inerest in Bruner by paying Patriot Gold Corp USD $1,000,000.

The Company commissioned a Preliminary Economic Assessment (PEA) in October, 2015, announced the results of the PEA on March 3, 2016, and announced the release of the PEA technical report on April 06, 2016. The results of the PEA are discussed below.

The Company maintained the property and field office, core and sample storage, and field equipment in good standing during the 2015 calendar year at an average annual cost of US $60,000. Project management expenses are US $90,000 annually, not including field expenses. In the fourth quarter of 2015 the Company completed a VLF-EM geophysical survey over the Paymaster resource area at a cost of US $10,000 that suggested the anomaly associated with the resource area continued to the north of the area previously drilled. The Company completed bottle-roll cyanidation tests on drill cuttings from the Paymaster resource area at the Bruner Property at a cost of US $10,000 and announced those results on November 10, 2015. The Company initiated and completed a short exploration drilling program north of the Paymaster resource area in November at a cost of US $125,000, and announced the results from that program on November 18, 2015. Invoiced amounts on the PEA amount to roughly US $98,330. The Company staked an additional 12 unpatented lode mining claims covering potential development sites at a cost of approximately US $5,000. During the course of the 2016 calendar year the Company maintained the Bruner property claims, field office, field trailer, and core and sample storage facilities in good order.

Preliminary Economic Assessment

On March 3, 2016 the Company announced the results of the Preliminary Economic Assessment on a 100% ownership basis for the Bruner Gold Project in Nevada. The PEA was prepared by Welsh-Hagen Associates of Reno, Nevada in accordance with the requirements of Canadian National Instrument 43-101 "Standards of Disclosure for Mineral Projects" ("NI 43-101"). The contained NI43-101 resources are reported below and remain open in multiple directions and are amenable to expansion with additional drilling.

RESOURCE ABOVE EXTERNAL BREAKEVEN CUTOFF											
	Indicated > 0.192 gpt Au Equiv						**Inferred > 0.192 gpt Au Equiv**				
Zone	K-tonnes	Au grade gpt	Ag grade gpt	Cont'd Au k oz	Cont'd Ag k oz		K-tonnes	Au grade gpt	Ag grade gpt	Cont'd Au k oz	Cont'd Ag k oz
HRA	4050	0.67	7.81	87	1017		400	0.34	3.57	4	46
Penelas	7850	0.64	4.94	162	1247		1550	0.68	2.76	34	138
Paymaster	-	-	-	-	-		650	1.08	3.11	23	65
Sub Total	11900	0.65	5.92	249	2264		2600	0.73	2.97	61	249
RESOURCE ABOVE INTERNAL BREAKEVEN CUTOFF AND BELOW EXTERNAL CUTOFF											
	Indicated between 0.117 and .192 gpt Au Equiv						**Inferred between 0.117 and 0.192 gpt Au Equiv**				
Zone	K-tonnes	Au grade gpt	Ag grade gpt	Cont'd Au k oz	Cont'd Ag k oz		K-tonnes	Au grade gpt	Ag grade gpt	Cont'd Au k oz	Cont'd Ag k oz
HRA	1450	0.16	3.91	7	182		200	0.17	2.12	1	14
Penelas	700	0.16	3.09	4	70		150	0.16	2.00	1	10
Paymaster	-	-	-	-	-		0	0	0	0	0
Sub Total	2150	0.16	3.64	11	252		350	0.17	2.07	2	24
TOTAL RESOURCE ABOVE INTERNAL BREAKEVEN CUTOFF											
	Indicated > 0.117 gpt Au Equiv						**Inferred > 0.117 gpt Au Equiv**				
	K-tonnes	Au grade gpt	Ag grade gpt	Cont'd Au k oz	Cont'd Ag k oz		K-tonnes	Au grade gpt	Ag grade gpt	Cont'd Au k oz	Cont'd Ag k oz
Total	14050	0.58	5.57	260	2516		2950	0.66	2.86	63	273

Mineral resources are not mineral reserves and do not have demonstrated economic viability.

The Preliminary Economics Assessment is preliminary in nature, and includes inferred resources that are considered too speculative geologically to have economics consideration applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized.

The key outcomes of the PEA study include:

-Pre-tax net present value at 5% discount rate (NPV5) of $61 million at $1250 gold price;

-Low initial capital of $33.4 million;

-Pre-tax IRR of 42.1% at $1250 gold price;

-Attractive after-tax IRR of 39.0% and NPV5% of $54.9 million at $1250 gold price;

-Average annual gold production of 46,500 ounces and 44,600 ounces of silver;

- -Average cash cost of $550/oz. of gold produced for the first two years of operation and $818/oz. thereafter, over a 6-year mine life with a two-year tail of gold and silver recovery after mining.
- Pay-back period of nominally 1.3 years on an after-tax basis.

-Contract mining with room for significant improvement on mining costs with owner operated mining

-Facility siting and first two years of production entirely on patented claims to allow for a streamlined permitting process

-Oxide heap leach processing with 90% recovery of gold on single stage crushed material and 75% recovery of gold on run of mine (ROM) material

-Life-of-mine (LOM) production of crushed material of 14.5 million tonnes at a gold grade of 0.66 gpt (0.020 opt) and 2.5 million tonnes of ROM material at a gold grade of 0.16 gpt (0.005 opt) resulting in 288,100 ounces of payable gold and 278,100 ounces of payable silver.

The authors of the PEA recommended additional drilling to convert the inferred resources to indicated resources, commencement of work to support a feasibility study, and to commence the permitting towards development of the resources on patented claims.

The Company maintained the property in good standing through 2016. The Company completed a fall drilling campaign in November 2016 to increase the data density at the Paymaster resource area in order to be able to upgrade the resource there from inferred to indicated the next time the Company updates is resources. Results were reported in January 2017.

On April 26, 2017 the Company announced that it had closed on the purchase of Patriot Gold's 30% working interest in the Bruner project for US$1.0 million. In addition, the Company announced it has the option for a 5-year period from closing to reduce the 2% NSR retained by Patriot to 1% NSR for a payment of US$5 million. Exercising this option would reduce the total ramaining royalty burden on the Bruner property to 2.5% NSR.

On May 30, 2017 the Company announced commencement of a + 3000 metre reverse circulation drilling program to attempt to expand resources at the Penelas and HRA resource areas. The drilling program was concluded by the end of July 2017. The Company reported assays from the summer drilling program in August 2017, where the Company announced the intersection of significant gold mineralization over tens of meters within what was previously considered waste material due to lack of drilling in the central part of the proposed Penelas pit area. The results were encouraging enough to allow the Company to announce commissioning of a new Preliminary Economic Assessment in September 2017, which will include drill results from the 2015-2016 campaigns at the Paymaster resource area designed to upgrade those resources from inferred to indicated status.

Silverton Gold Property, Nye County, Nevada

In October 2017 the Company announced the acquisition of a new Carlin-type gold exploration property located in Nye County, Nevada. The property is near the old Silverton Mine property located about 100 kilometres northeast of Tonopah, Nevada, immediately north of US Highway 6, and consists of 70 unpatented lode mining claims totaling approximately 1400 acres.

Exploration History

The Silverton property has been explored intermittently since the early 1980s. Extensive grid rock chip sampling by previous exploration companies identifies a large gold anomaly containing greater than 100 ppb Au covering an area approximately 2.5 x 3.0 kilometres across the property. A total of 66 reverse circulation ("RC") drill holes have been drilled to date on the property. Most of the drilling has been focused on a kilometre-long +0.5 ppm gold anomaly within a silicified zone at the contact between volcanic rocks and underlying dolomitized rocks, and containing silver and gold-antimony veins. While some of these holes intersected good gold values over modest intervals (examples being S-3a: 7.62 metres at 2.29 gpt Au; S-8: 9.15 metres at 0.746 gpt Au; S-11: 6.1 metres at 2.01 gpt Au), the veins within the volcanic rocks overlying the dolomitized limestone are not what Canamex sees as the primary exploration opportunity at the Silverton property. Canamex believes the dolomite breccias are the primary exploration opportunity.

Exploration Targets at Silverton

Only about 20% of the historic holes were drilled to test gold in the brecciated dolomitized limestones, and mostly only with shallow vertical holes. These vertical holes were drilled to test a stratabound gold target concept and not steeply dipping structural targets beneath the surface expressions of mineralized and altered dolomite breccias. Canamex sees strong similarities between the gold-rich zones at the Long Canyon gold deposit, which occur primarily in dolomite breccias within steeply dipping structures between unbrecciated dolomite, and similar features at the Silverton property, which for the most part remain undrilled across a large portion of the property.

At the Silverton Property, a few holes were drilled in 1988 peripheral to the gold anomalies in brecciated dolomites and intersected 40-100 feet (12-30 metres) carrying 300-1000 ppb Au (0.3-1 gpt Au) in almost every hole. Most of these holes are located 50 metres or (much) more away from the outcrops of brecciated dolomite, suggesting the holes were drilled into the periphery of a dolomite-hosted gold mineral system.

Lease with Option to Purchase Arrangement

Canamex is leasing the Silverton property on an annual basis, with low up-front lease payments and modest annual increases, with an option to buy the property outright for US$1.25 million with a retained 2% net sales royalty to the underlying owner of the claims. The Company further has the right to buy out the royalty interest for US$1.25 million. There is no annual work commitment.

Greg Hahn, CPG#7122 and President/COO of the Company, is the QP responsible for the technical disclosure contained in this document.

RESULTS OF OPERATIONS

For the nine months ended September 30, 2017, the Company recorded a net loss of $1,559,484 (2016 - $714,313) and had a cumulative deficit at September 30, 2017 of $15,290,312 (December 31, 2016- $13,730,828). The Company had no continuing source of operating revenue.

The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds for the foreseeable planning horizon will be invested to finance its exploration activities.

SELECTED ANNUAL INFORMATION

The Company prepared its consolidated financial statements in accordance with the International Financial Reporting Standards (''IFRS''). The Company's consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company. For more detailed information, refer to the Company's financial statements for the years then ended.

	Years ended December 31,		
	2016	2015	2014
	- $ -	- $ -	- $ -
Revenue	-	-	-
Net loss	(997,938)	(4,646,677)	(1,937,870)
Net loss per share	(0.03)	()	(0.06)
Total assets	9,997,081	7,869,155	9,730,039

Year ended December 31, 2016

For the year ended December 31, 2016, the Company had no revenues and had a net loss of $997,938 (2015 - $4,646,677). Items of significant variance over the prior year include an increase in interest and accretion expense to $562,402 (2015- $72,443) due to the new three years convertible debenture issued; a decrease in shareholder communications to $86,829 (2015-$150,995) as investor relations contracts were cancelled. Consulting increased from $214,521 in 2015 to $252,594 in 2016 as the Company engaged a contractor to provide capital market advisory service, and Property as they plan to focus their efforts on the Bruner Property. The Company wrote down the exploration and evaluation assets relating to the property to $1 and recorded an impairment loss of $3,229,209 in 2015 and none in 2016

During the year, the Company incurred $588,318 in exploration and evaluation costs on the Bruner Property. Total capitalized costs for exploration and evaluation assets were $8,302,131 as at December 31, 2016.

Year ended December 31, 2015

For the year ended December 31, 2015, the Company had no revenues and had a net loss of $4,646,677 (2014 - $1,937,870). Items of significant variance over the prior year include a $360,000 decrease in survivor benefit incurred to the estate of the late CEO of the Company; a decrease in shareholder communications to $150,995 (2014-$181,955) as investor relations contracts were cancelled. Consulting increased from $151,046 in 2014 to $214,521 in 2015 as the Company engaged a contractor to provide capital market advisory service, and management fees decreased from $253,213 in 2014 to $226,767 in 2015. All of the reductions in cash expenditures during 2015 reflected the Company's desire to conserve cash in a period of difficult market conditions. Share-based payments decreased to $357,484 (2014 - $525,757), as less stock options were granted compared to 2014. As at December 31, 2015, the Company decided not to continue exploring the Aranka North Property as they plan to focus their efforts on the Bruner Property. As a result, the Company wrote down the exploration and evaluation assets relating to the property to $1 and recorded an impairment loss of $3,229,209.

During the year, the Company incurred $1,610,558 in exploration and evaluation costs on the Bruner Property and $173,584 on the Aranka North Property. Total capitalized costs for exploration and evaluation assets were $7,713,813 at December 31, 2015.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following is a summary of selected financial information compiled from the quarterly interim unaudited financial statements for eight quarters ending September 30, 2017:

	Sep. 30, 2017	*Jun. 30, 2016*	*Mar. 31, 2017*	*Dec 31, 2016*
Total assets	11,807,001	12,099,597	9,743,700	9,997,081
Working capital/(deficiency)	1,068,828	1,670,394	1,069,517	1,333,586
Shareholders' equity	7,428,109	7,779,059	5,779,355	6,165,005
Revenue	-	-	-	-
Net loss	(375,626)	(450,731)	(733,127)	(283,625)
Net loss per share	(0.01)	(0.01)	(0.02)	(0.01)
	Sep. 30, 2016	*Jun. 30, 2016*	*Mar. 31, 2016*	*Dec. 31, 2015*
Total assets	8,026,706	7,949,133	7,922,030	7,869,155
Working capital/(deficiency)	(3,211,818)	(2,871,417)	(2,623,440)	(2,244,338)
Shareholders' equity	4,775,666	5,022,287	5,228,512	5,489,979
Revenue	-	-	-	-
Net loss	(246,621)	(206,226)	(261,466)	(3,862,021)
Net loss per share	(0.00)	(0.00)	(0.00)	(0.03)

Three months ended September 30, 2017

In the three months ended September 30, 2016, the Company had no revenues and had a net loss of $375,626 (2016-$246,621). An increase in consulting to $28,600 (2016- $18,000) is the result of the Company engaging a contractor to provide capital market advisory service in the current year. Interest and accretion expense of $205,089 (2016- $108,663) relates to the convertible debenture issued during the last quarter of fiscal 2016. Shareholders communications increased to $75,750 (2016 - $15,500) as the Company increased its communications to shareholders during the period. A decrease in office and administrative to (28,721) (2016-36,421) as the Company has a decrease in office activities as well as a gain in foreign exchange as Canadian dollar strengthen against the US dollar. Share based payment increase to $24,676 (2016 – Nil) due to granting of options during the period.

During the period, the Company incurred $444,137 in exploration and evaluation costs on the Bruner property as new drilling commenced. Total capitalized costs for exploration and evaluation assets were $10,431,802 at September 30, 2017.

Nine months ended September 30, 2017

In the nine months ended September 30, 2017, the Company had no revenues and had a net loss of $1,559,484 (2016-$714,313). An increase in consulting to $269,796 (2016- $29,406) is the result of the Company engaging a contractor to provide capital market advisory service in the current year. An increase in office and administrative to $93,427 (2016- $86,511) as the Company has an increase in office activities as well as a gain in foreign exchange as Canadian dollar strengthen against the US dollar in the current year. Shareholders communications increased to $158,659 (2016 - $46,819) as the Company increased its communications to shareholders during the period. In addition, share-based compensation increased to 131,153 (2016- $Nil) as new stock options were granted or vested in the current period. Interest expense of $617,721 (2016- $325,989) relates to the convertible debenture issued during the last quarter of fiscal 2016.

During the period, the Company incurred $2,129,672 in exploration and evaluation costs on the Bruner property as new drilling commenced as well as the purchase of Patriot Gold's 30% working interest in the Bruner project for US$1.0 million Total capitalized costs for exploration and evaluation assets were $10,431,802 at September 30, 2017.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations over the last several years through the issuance of common shares or units consisting of common shares and warrants, the exercise of warrants and options, and the issuance of convertible debentures. The Company will continue to seek capital through various means which may include the exercise of outstanding warrants and options and the issuance of equity and/or debt. The Company has been successful in the past in raising funds for operations, but there is no assurance that it will be able to continue to do so.

On May 12, 2017, the Company closed a non-brokered private placement for gross proceeds of $2,488,962 at a price of $0.12 per unit. Each unit is comprised of one common share and one warrant exercisable into a common share at $0.20 per share for a period of five years. Finders' fees totaling an aggregate of 1,315,955 units were paid in connection with the financing.

On October 20, 2016, the Company consolidated its issued and outstanding shares totaling 133,199,721 on a 4:1 basis. Upon completion of the Consolidation the Company has approximately 33,299,933 post-consolidation common shares issued and outstanding.

In October 2016, the Company closed the first tranche of a secured convertible debenture financing for gross proceeds of $4,239,000, maturing October 25, 2019. The debentures are convertible at a price of $0.16 per share. Interest on the Debentures shall be paid annually in arrears, at an annual rate of interest of 7% per annum or alternatively, if paid in shares the rate would be 10%.

In addition, the holders of Debenture received a total of 26,493,750 warrants ("Debenture Warrant"). Each Debenture Warrant will be exercisable into one Common Share on or before October 25, 2019 at an exercise price of $0.20 per share. 307,125 compensation warrants ("Compensation Warrants") were issued to a finder. Each Compensation Warrant will be exercisable at $0.20 per Common Share for three (3) years from closing of the Offering.

Concurrently, the Company closed the first tranche of a non-brokered private placement for gross proceeds of $716,350 at a price of $0.16 per unit. Each unit is comprised of one common share and one warrant exercisable into a common share at $0.20 per share for a period of five years.

In December 2016, the Company closed the second tranche of a non-brokered private placement for gross proceeds of $559,000 (the "Offering"); under which the Company issued an aggregate principal amount of $559,000 of secured convertible debentures (the "Debentures"), maturing in three year after closing of the Offering (the "Maturity Date"). From and after the date of issue until the Maturity Date, the Debentures will be convertible into shares at the option of the holder at a conversion price of $0.16 per Share (the "Conversion Price").

In addition, the holders of Debenture received a total of 3,493,750 warrants ("Debenture Warrant"). Each Debenture Warrant will be exercisable into one Common Share on or before December 23, 2019 at an exercise price of $0.20 per share. Interest on the Debentures shall be paid annually in arrears, at an annual rate of interest of 7% per annum or alternatively, if paid in shares the rate would be 10%. 209,625 compensation warrants ("Compensation Warrants") were issued to a finder. Each Compensation Warrant will be exercisable at $0.20 per Common Share for three (3) years from closing of the Offering.

Net cash flows used in operating activities for the nine months September 30, 2017 were $731,448. Net cash used in investing activities for expenditures on the Bruner Nevada properties was $2,128,314. Net cash flow from financing activities from private placement financing was $2,691,435. The total decrease in cash for the period was $168,327. Working capital at September 30, 2017 was $1,068,828 compared to ($1,333,586) at December 31, 2016.

Stock options, Warrants & Agent's Warrants

Stock Options

On February 24, 2017, the Company granted 700,000 stock options to directors/officers and 575,000 to consultants. The options were vested immediately. The options have an exercise price of $0.16 per share and expire on February 23, 2022. The estimated grant date fair value of these options was $106,477.

The grant date fair values of the options granted above were estimates based on the following assumptions: share price at grant date of $0.11; exercise price of $0.16; expected life of 5 years; expected volatility of 113%; risk free interest rate of 1.11%; expected dividend yield rate of 0%; and forfeiture rate of 0%.

On September 5, 2017, the Company granted 250,000 stock options to directors/officers and 150,000 to consultants. The options vested immediately. The options have an exercise price of $0.16 per share and expire on September 5, 2022. The estimated grant date fair value of these options was $24,676.

The grant date fair values of the options granted above were estimates based on the following assumptions: share price at grant date of $0.13; exercise price of $0.16; expected life of 5 years; expected volatility of 108%; risk free interest rate of 1.56%; expected dividend yield rate of 0%; and forfeiture rate of 0%.

On November 24, 2017, the Company granted 500,000 stock options to a director/officer and 50,000 stock options to a consultant. The options vested immediately. The options have an exercise price of $0.16 per share and expire in five years.

The Company expenses the grant date fair value of all stock options granted to employees, officers and directors over their respective vesting periods. Options granted to outside consultants and advisors are expensed over the respective vesting periods using the estimated fair value at the time of vesting.

Warrants and Agent's Warrants

20,741,350 and 1,315,955 were issued in conjunction with a private placement financing completed on May 12, 2017 (Note 12). Each warrant grants the holder the right to purchase one common share of the Company for $0.20 per share until May 11, 2022.

4,492,500 and 1,618,800 warrants were issued in conjunction with a private placement financing completed on October 23, 2016 and December 29, 2016, respectively (Note 7). Each warrant grants the holder the right to purchase one common share of the Company for $0.20 per share until October 24, 2021 and December 29, 2021, respectively.

26,800,875 and 3,703,375 warrants were issued in conjunction with a convertible debenture issuance completed on October 25, 2016 and December 23, 2016, respectively (Note 7). Each warrant grants the holder the right to purchase one common share of the Company for $0.20 per share until October 25, 2019 and December 23, 2019, respectively.

RELATED PARTY TRANSACTIONS

Related party balances

The following amounts due to related parties are included in trade payables and accrued liabilities:

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

	September 30, 2017	December 31, 2016
Directors and corporations controlled by directors and /or officers of the Company	$ 50,426	$ 7,166
Survivor benefit[(1)]	25,000	49,000
	$ 75,426	$ 56,166

Related party transactions

The Company incurred the following transactions with directors/officers of the Company and companies that are controlled by directors/officers of the Company. The Company has identified these directors/officers as its key management personnel.

	For the nine months ended September 30	
	2017	**2016**
Fees for outside/independent directors[4][6]	$ 78,000	$ 62,000
Management and administrative fees [2][3][11][12]	217,100	180,938
Share-based payment [2][3][4][6][7][9][11][12]	68,329	-
	$ 363,429	$ 243,938

(i) Pursuant to a management contract obligation, the Company has accrued a payable to the estate of the late CEO of the Company.

[1] David Vincent, Director and Interim CEO (appointed Oct 5, 2017)
[2] Greg Hahn, President, Director and COO
[3] Dong Shim, CFO (appointed Aug 25, 2017)
[4] Mike Stark, Chairman, Director
[5] Dean MacDonald, Director
[6] Frank Hogel, Director (appointed Oct 22, 2015)
[7] Michael Pesner, Director (resigned Jan 22, 2016)
[8] Jason Reid, Director (resigned Nov 21, 2014)
[9] Robert Kramer, former Chairman, Director and CEO
[10] Jeb Handwerger, Director (resigned June 5, 2017)
[11] Mark Billings, Chairman, Director and CEO (resigned Oct 5, 2017)
[12] Richard Barnett, CFO (resigned July 31, 2017)

ADDITIONAL INFORMATION

At November 28, 2017:

Legal proceedings:
Management is not aware of any legal proceedings involving the Company.

Contingent liabilities:
Management is not aware of any outstanding contingent liabilities relating to the Company's activities.

Outstanding Share Data:
The Company has 61,365,676 common shares outstanding. The number of shares outstanding takes into consideration the 4:1 consolidation and the first tranche of the equity financing, as explained above.

There are 3,740,669 options and 58,956,731 warrants outstanding.

Formation of Technical Advisory Committee:
Formed pursuant to the terms of an Ancillary Rights Agreement with Hecla Canada Ltd., the Committee will report to Canamex's Board of Directors and make recommendations on technical matters relating to the Company's mineral projects. The three members of the Committee are Greg Hahn (Company President and COO), Chair of the Committee, Kurt Allen (Hecla's Director of New Projects) and Dr. Stuart Simmons.

CAPITAL DISCLOSURE

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support its exploration activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to acquire and sustain exploration projects. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the nine months ended September 30, 2017. The Company is not subject to externally imposed capital requirements.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The accompanying condensed consolidated interim financial statements are prepared by management in accordance with International Financial Reporting Standards ("IFRS") and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

ACCOUNTING POLICIES

New accounting standards

Accounting standards and amendments issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the nine months ended September 30, 2017. These standards have been assessed to not have a significant impact on the Company's financial statements.

Recent pronouncements

Certain new standards, interpretations and amendments to existing standards are not yet effective as of September 30, 2017. See Note 3 of the September 30, 2017 financial statements for details.

RISKS

RISKS RELATED TO OUR BUSINESS:

Exploration Stage Mining Company with No History of Operation

The Company is in its exploration stage, has very limited operating history, and is subject to all the risks inherent in a new business enterprise. For example, to date we have had no revenues and have relied upon equity financing to fund our operations. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complication, and delays frequently encountered in connection with a new business, and the competitive and regulatory environment in which the Company will operate, such as under-capitalization, personnel limitations, and limited revenue sources.

Due to Our History of Operating Losses, we are Uncertain That We Will Be Able to Maintain Sufficient Cash to Accomplish Our Business Objectives

Significant amounts of capital will be required to continue to explore and then develop our exploration projects. The Company is not engaged in any revenue producing activities and does not expect to do so in the near future.

Currently the Company's sources of funding consist of the sale of additional equity securities, borrowing funds, or selling a portion of our interests in our assets. There is no assurance that any additional capital that the Company will require will be obtainable on terms acceptable to us, if at all. Failure to obtain such additional financing could result in delays or indefinite postponement of further exploration and development of our projects. Additional financing, if available, will likely result in dilution to existing stockholders.

Capital Requirements and Liquidity; Need for Subsequent Funding

Company management and our board of directors monitor our overall costs and expenses and, if necessary, adjust Company programs and planned expenditures in an attempt to ensure we have sufficient operating capital. We continue to evaluate our costs and planned expenditures for our on-going exploration projects. Although the Company has raised significant capital in prior years, the continued exploration and development of its projects will require significant amounts of additional capital. As a result, the Company will need to raise additional capital so that it can continue to fund its planned operations. The uncertainties of the global economies and the volatile price of gold combined with instability in capital markets have impacted the availability of funding. If the disruptions in the global financial and capital markets continue, debt or equity financing may not be available to us on acceptable terms, if at all. Equity financing, if available, may result in substantial dilution to existing stockholders. If we are unable to fund future operations by way of financing, including public or private offerings of equity or debt securities, our business, financial condition and results of operations will be adversely impacted.

Disruptions in the Global Financial and Capital Markets May Impact Our Ability to Obtain Financing.

The global financial and capital markets have experienced on-going volatility and disruption. We continue to need further funding to achieve our business objectives. In the past, the issuance of equity securities has been the major source of capital and liquidity for us. The extraordinary conditions in the global financial and capital markets have currently limited the availability of this funding. If the disruptions in the global financial and capital markets continue, debt or equity financing may not be available to us on acceptable terms, if at all. If we are unable to fund future operations by way of financing, including public or private offerings of equity or debt securities, our business, financial condition and results of operations will be adversely impacted.

Our Exploration Activities Require Significant Amounts of Capital that May Not Be Recovered.

Mineral exploration activities are subject to many risks, including the risk that no commercially productive or extractable resources will be encountered. There can be no assurance that our activities will ultimately lead to an economically feasible project or that we will recover all or any portion of our investment. Mineral exploration often involves unprofitable efforts, including drilling operations that ultimately do not further our exploration efforts, as well as operating and other costs. The cost of minerals exploration is often uncertain and cost overruns are common. Our drilling and exploration operations may be curtailed, delayed or canceled as a result of numerous factors, many of which are beyond our control, including title problems, weather conditions, compliance with governmental requirements and shortages or delays in the delivery of equipment and services.

Risks Inherent in the Mining Industry

The Company is subject to all of the risks inherent in the minerals exploration and mining industry and including, without limitation, the following: competition from a large number of companies, many of which are significantly larger than the Company, in the acquisition, exploration, and development of mining properties; the Company might not be able raise enough money to pay the fees, taxes and perform labor necessary to maintain its concessions in good force; exploration for minerals is highly speculative and involves substantial risks, even when conducted on properties known to contain significant quantities of mineralization; our exploration projects may not result in the discovery of commercially mineable deposits of ore; the probability of an individual prospect ever having reserves that meet regulatory requirements is extremely remote, or the properties may not contain any reserves, and any funds spent on exploration may be lost; our operations are subject to a variety of existing laws and regulations relating to exploration and development, permitting procedures, safety precautions, property reclamation, employee health and safety, air quality standards, pollution and other environmental protection control and the Company may not be able to comply with these regulations and controls; and a large number of

factors beyond the control of the Company, including fluctuations in metal prices, inflation, and other economic conditions, will affect the economic feasibility of mining.

THE BUSINESS OF MINERAL EXPLORATION IS SUBJECT TO MANY RISKS:

Fluctuating Price for Metals

The Company's operations will be greatly influenced by the prices of commodities, including gold, silver, and other metals. These prices fluctuate widely and are affected by numerous factors beyond the Company's control, including interest rates, expectations for inflation, speculation, currency values, in particular the strength of the United States dollar, global and regional demand, political and economic conditions and production costs in major metal producing regions of the world.

Title to Our Mineral Properties May be Challenged

We attempt to confirm the validity of its rights to title to, or contract rights with respect to, each mineral property in which we have a material interest. However, we cannot guarantee that title to our properties will not be challenged. Title insurance generally is not available, and our ability to ensure that we have obtained secure claim to individual mineral properties or mining concessions may be severely constrained. Our mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects and the actions or inactions of underlying property owners or holders. In addition, we may be unable to operate our properties as permitted or to enforce our rights with respect to our properties.

Risks Inherent With Foreign Operations

A portion of the Company's operations are currently conducted in Guyana, South America, and as such the operations of the Company are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism, hostage taking, military repression, expropriation, extreme fluctuations in currency exchange rates, high rates of inflation, labor unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation, and changing political conditions, currency controls and governmental regulations that favor or require the rewarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Guyana may adversely affect the operations or potential profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations of the Company.

Environmental Controls

Compliance with statutory environmental quality requirements may necessitate significant capital outlays, may materially affect the earning power of the Company, or may cause material changes in the Company's intended activities. Our exploration operations require compliance with local and federal regulations. No assurance can be given that environmental standards imposed by either federal or state governments will not be changed or become more stringent, thereby possibly materially adversely affecting the proposed activities of the Company. In addition, if we are unable to fund fully the cost of remediation of any environmental condition, we may be required to suspend operations or enter into interim compliance measures pending completion of the required remediation.

Availability of Outside Engineers and Consultants

The Company is heavily dependent upon outside engineers and other professionals to complete work on its exploration projects. The mining industry has experienced significant growth over the last several years and as a result, many engineering and consulting firms have experienced a shortage of qualified engineering personnel. The Company closely monitors its outside consultants through regular meetings and review of resource allocations and project milestones. However, the lack of qualified personnel combined with increased mining projects could result in delays in completing work on our exploration projects or result in higher costs to keep personnel focused on our project.

Operational Hazards; Uninsured Risks

The Company is subject to risks and hazards, including environmental hazards, industrial accidents, the encountering of unusual or unexpected geological formations, cave-ins, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in damage to, or destruction of, mineral properties or facilities, personal injury or death, environmental damage, reduced productivity and delays in exploration, asset write-downs, monetary losses and possible legal liability. The Company may not be insured against all losses or liabilities, which may arise from operations, either because such insurance is unavailable or because the Company has elected not to purchase such insurance due to high premium costs or other reasons. The realization of any significant liabilities in connection with our exploration activities as described above could negatively affect our results of operations and the price of our common stock.

Need for Additional Key Personnel; Reliance on Officers and Directors

The Company relies in large part on the personal efforts of its officers and directors. The success of the Company's proposed business will depend, in part, upon the ability to attract and retain qualified employees. The Company believes that it will be able to attract competent employees, but no assurance can be given that the Company will be successful in this regard. If the Company is unable to engage and retain the necessary personnel, its business would be materially and adversely affected.

RISKS RELATING TO OUR COMMON STOCK:

Our Stock Price Can Be Extremely Volatile

The trading price of our common stock has been and could continue to be subject to wide fluctuations in response to announcements of our business developments and drill results, progress reports, the metals markets in general, and other events or factors. In addition, stock markets have experienced extreme price volatility in recent years. This volatility has had a substantial effect on the market prices of companies, at times for reasons unrelated to their operating performance. Such broad market fluctuations may adversely affect the price of our common stock.

DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any directors in a conflict will disclose their interests and abstain from voting in such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.