NI 43-101 TECHNICAL REPORT, MINERAL RESOURCE AND MINERAL RESERVE UPDATE ON THE POINT ROUSSE PROJECT

BAIE VERTE, NEWFOUNDLAND AND LABRADOR, CANADA

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FORWARD-LOOKING INFORMATION

Statements contained in this report that are not historical facts are “forward-looking information” or “forward-looking statements” (collectively, “Forward-Looking Information”) within the meaning of applicable Canadian and United States securities legislation. Forward-Looking Information includes, but is not limited to, Statements concerning potential developments affecting the business, prospects, financial condition and other aspects of the Company to which this report pertains, disclosure regarding possible events or conditions that is based on assumptions about future conditions and courses of action. In certain cases, Forward-Looking Information can be identified by the use of words and phrases such as “plans”, “expects” or “does not expect”, “is expected”, budget”, “scheduled”, “suggest”, “optimize”, “estimates”, “forecasts”, “intends”, “anticipates”, “potential” or “does not anticipate”, believes”, “anomalous” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. In making the forward-looking statements in this report, the authors have applied several material assumptions, including, but not limited to, that the current exploration, development, production and other objectives concerning property can be achieved and that Anaconda’s other corporate activities will proceed as expected; that general business and economic conditions will not change in a materially adverse manner and that all necessary governmental approvals for the planned exploration, development and production on the property will be obtained in a timely manner and on acceptable terms; the continuity of the price of gold and other metals, economic and political conditions and operations. Forward-Looking Information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Anaconda to be materially different from any future results, performance or achievements expressed or implied by the Forward-Looking Information. Such risks and other factors include, among others, risks related to the availability of financing on commercially reasonable terms and the expected use of proceeds; operations and contractual obligations; changes in exploration, development and production programs based upon results; future prices of metals; availability of third party contractors; availability of equipment; failure of equipment to operate as anticipated; accidents, effects of weather and other natural phenomena and other risks associated with the mining industry; environmental risks, including environmental matters under Canadian and local rules and regulations; impact of environmental remediation requirements; certainty of mineral title; community relations; delays in obtaining governmental approvals or financing; fluctuations in mineral prices; the nature of mineral exploration, development and mining and the uncertain commercial viability of certain mineral deposits; governmental regulations and the ability to obtain necessary licenses and permits; risks related to mineral properties being subject to prior unregistered agreements, transfers or claims and other defects in title; currency fluctuations; changes in environmental laws and regulations and changes in the application of standards pursuant to existing laws and regulations which may increase costs of doing business and restrict operations; risks related to dependence on key personnel; and estimates used in financial statements proving to be incorrect; as well as those factors discussed in Anaconda's public disclosure record.

Although the authors have attempted to identify important factors that could affect the project and Anaconda and may cause actual actions, events or results to differ materially from those described in Forward-Looking Information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that Forward-Looking Information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on Forward-Looking Information. Except as required by law, the authors and Anaconda do not assume any obligation to release publicly any revisions to Forward-Looking Information contained in this report to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

1 SUMMARY

1.1 PROJECT DESCRIPTION, LOCATION AND ACCESS

The Point Rousse Project (the "Project") is located within the Baie Verte Mining District, on the Point Rousse/Ming's Bight Peninsula, in the northern portion of the Baie Verte Peninsula, approximately 6 km northeast of the town of Baie Verte, in north central Newfoundland, in the Province of Newfoundland and Labrador. The area encompassing the Point Rousse Project includes 5 mining leases and 24 mineral licences with a total of 5794.27 hectares (57.94 square kilometers).

The Project covers three prospective gold trends: the Scrape Trend, the Goldenville Trend and the Deer Cove Trend. These trends have approximately 20 km of cumulative strike length and include three deposits and numerous prospects and showings all located within 8 km of the Pine Cove Mine and Mill. The Project is accessible year-round through a network of provincial paved roads and a 5 km mine road maintained by the Company.

The Company has exclusive mineral rights to these mining leases and mineral licenses. All mining leases and mineral licences are in good standing with the Government of Newfoundland and Labrador.

All mineral licences were obtained either through staking or through option agreements with other parties, and the Company maintains a 100% interest in all mineral licenses.

The Project is subject to the following royalty agreements:

- A net profits interest ("NPI") agreement over the Point Rousse Mining Leases with Royal Gold Inc. whereby the Company is required to pay Royal Gold Inc. 7.5% of net profits, calculated as the gross receipts generated from the claims less all cumulative development and operating expenses. At December 31, 2017, the Company has determined it has approximately $38 million in expenditures deductible against future receipts.
- A net smelter return ("NSR") of 3% is payable to a third-party on gold produced from the Stog'er Tight Property, with an option to buy back 1.8% for $1,00,000.
- A $3,000,000 capped NSR on 4 mineral exploration licenses in the Point Rousse Project, which forms part of the Argyle property, is calculated at 3% when the average price of gold is less than US$2,000 per ounce for the calendar quarter, and is 4% when the average price of gold is more than US$2,000 per ounce for the calendar quarter.
- A $3,000,000 capped NSR of 3% on a property that forms part of the Argyle Property. Once the aggregate limit has been met and 200,000 ounces of gold has been from the property, the NSR decreases to 1%.

Access to the Point Rousse Project is via paved highway from the Trans-Canada Highway to the town of Baie Verte (Route 410), then along the La Scie Road (Route 414) to the Ming's Bight Road (Route 418). The Pine Cove gravel road, which leaves the Ming's Bight road approximately 8 km from the La Scie Road, provides the final 5.5 km of access to the mine site. In addition, Route 418 provides limited access to the eastern portion of the Point Rousse Project. The Point Rousse Project can also be reached via a short boat ride from Baie Verte. Access to the remainder of the Point Rousse Project is by gravel road access. All localities within the Company's mineral properties are similarly accessible by ATV or walking.

Anaconda has been mining continuously at the Point Rousse Project since 2010 and has expanded and improved Project infrastructure and mill capacity.

Advancements at the Point Rousse Project since the 2015 Technical Report include:

- The discovery of and determination of Mineral Resources at the Argyle Deposit;
- Mining at Stog'er Tight beginning in Q1 of 2018;
- The construction of a new port and tailings storage facilities;
- Approval of the in-pit tailings storage facility with over 6 million tonnes capacity; and
- Generation of a new revenue source through the sale of repurposed waste rock as aggregate.

1.2 HISTORY

The Pine Cove Deposit was discovered in June 1987 by South Coast Resources Ltd. following initial acquisition of the claims in 1985. In November 1988, Corona Corp. optioned the property from Varna Resources Inc. and conducted detailed geological, geophysical and soil geochemistry surveys, followed by trenching and diamond drilling in 24 holes. In the fall of 1991, Nova Gold Resources Inc. optioned Corona's 70% interest in the Pine Cove property with the view to mine the deposit by open pit after definition drilling. Other work by Electra Mining Consolidated/Electra Gold/Raymo Processing in 1996, and New Island Resources Inc. in 2000 lead to further definition of the resource.

In 2003, Anaconda acquired an exclusive option from New Island to earn a 60% interest in the Pine Cove project. In the fall of 2004, a 5,000-tonne bulk sampling program was completed and a feasibility study published in 2005. A production decision followed, construction was initiated in 2007 and production commenced in 2008. Start-up issues resulted in reconfiguring the mill with a flotation circuit to produce a gold-pyrite concentrate. Commercial production enabled Anaconda to earn a total of 60% of the project. In January 2011, Anaconda acquired New Island's remaining 40% interest.

The Stog'er Tight area was staked in 1986 by Pearce Bradley and optioned to International Impala. Impala formed a 50/50 joint venture arrangement with Noranda Exploration Company Ltd. and in 1987, an extensive soil geochemistry survey and trenching resulting in the discovery of several mineralized zones. Noranda conducted geochemical, geological and geophysical surveys, trenching and an 8,000 m diamond drilling program, outlining more mineralized zones. In 1996, Ming Minerals Inc. purchased the Stog'er Tight property from Noranda and extracted a 30,735 tonne bulk sample grading 3.25 g/t gold from the Stog'er Tight Deposit. The material was processed at the former Consolidated Rambler mill, located approximately 7.5 km south of Stog'er Tight. Due to lower than expected head grade and poor mill recoveries, no further work was completed at that time. In 2006, Tenacity Gold Mining Company Ltd. carried out additional trenching and drilling and estimated a non-compliant indicated mineral resource of 96,000 tonnes grading 7.04 g/t gold and an inferred mineral resource of 53,000 tonnes at an average grade of 5.75 g/t gold which included a mineral reserve of 65,200 tonnes at an average grade of 4.96 g/t gold and a cut-off grade of 1.9 g/t gold. Tenacity began mining and toll milling at the Rambler Metals and Mining PLC’s Nugget Pond mill located 47 km by road to the east. A total of 29,695 tonnes of material with an estimated average grade of 4.8 g/t gold was trucked to the mill. The actual mill head grade was 1.92 g/t gold. The difference between the estimated grade and the actual head grade was attributed to mining dilution. No further work was undertaken and the Stog’er Tight Mining Lease was subsequently acquired by 1512513 Alberta Ltd. and optioned by Anaconda in 2012.

The Point Rousse Project was assembled by Anaconda in 2012. Prior to 2012 and since the feasibility study of 2005, exploration efforts focused solely on the Pine Cove Mine area and were limited to small diamond drilling programs focused on specific areas of the Deposit. Since 2012, Anaconda has conducted the following exploration activities:

- An airborne DIGHEM magnetic and electromagnetic survey including 725.2 line km at a 100 m line spacing (2012).
- An initial compilation of historical soil samples, ground magnetics and geology over the project area (2012).
- 12,908.93 m of diamond drilling in 89 holes on the Pine Cove Deposit.
- Twenty-five trenches and test pits and 200 m of channel samples in the area between Pine Cove and Romeo and Juliet (2012).
- 2,004 m of diamond drilling in 19 holes on the Romeo and Juliet prospect.
- 2,100.72 m of diamond drilling in 17 holes on the Deer Cove Deposit (2014).
- 2,486.54 m of diamond drilling in 39 holes on the Stog’er Tight Deposit (2014 and 2015).
- 121.75 m of channel samples from 12 trenches in the Stog’er North area (2014).
- Collection of 2,494 soil samples in the Argyle and Goldenville areas (2012 and 2014).
- 205.41 m of channel samples from 13 trenches in the Argyle area (2014 and 2015).
- Reprocessing of historical ground magnetic, VLF and IP surveys (2012 and 2015).
- Compilation of remaining geological and geochemical data sets for the project area (2015).

1.3 GEOLOGICAL SETTING, MINERALIZATION AND DEPOSIT TYPES

Gold deposits in Newfoundland are typical of orogenic gold deposits. They are associated with large scale fault systems everywhere they are found in the province. Gold deposits at Point Rousse are orogenic gold deposits and are associated with the Scrape Thrust – a secondary fault associated with the larger-scale Baie Verte – Brompton Fault. Gold mineralization is intimately associated with disseminated and massive pyrite within the host rock indicating that iron rich rocks are an important precursor to mineralization. Alteration within mafic volcanic and gabbroic rocks can be is characterized by albitization and carbonitization. Iron and titanium rich lithologies associated with the Scrape Thrust are typical host rocks.

The Point Rousse Project overlies rocks of the Cambro-Ordovician ophiolitic Betts Cove Complex and Snooks Arm Group cover rocks. The Betts Cove Complex includes ultramafic cumulates, gabbros, sheeted dykes and pillow basalts. The Snooks Arm Group consists of a lower banded magnetite and jasper iron formation referred to as the Nugget Pond Horizon (Goldenville Horizon within the Point Rousse Complex) overlain by tholeiitic basalts overlain by calc-alkaline basalt, clinopyroxene-phyric tuff, mafic epiclastic wackes and conglomerates, iron formation and tholeiitic basalts. Four phases of regional deformation termed D_1 through D_4 are evident, with gold related to D_1 - D_2 progressive deformation potentially synchronous with the emplacement of the Taconic allochthons.

The most prospective geology of the Point Rousse Project is divided into three gold trends: The Scrape Trend, the Goldenville Trend and the Deer Cove Trend. The Scrape Trend is defined by Snooks Arm group cover rocks associated with the Scrape Thrust Fault. The Scrape Trend is host to the Pine Cove, Stog'er Tight and Argyle deposits. The Goldenville Trend is defined by the geology associated with the Goldenville Horizon of the Snooks Arm Group and a suite of prospects found within these rocks. The Deer Cove Trend is defined by the Snooks Arm Group volcanic rocks associated with the Deer Cove Thrust and a suite of prospects along this fault including the Deer Cove quartz vein, which contains intersections of high grade gold.

1.4 EXPLORATION

Systematic exploration was completed on the Point Rousse Project from late October 23, 2015 to December 31, 2017. Work included follow-up of exploration targets generated within the 3 gold trends as part of a property wide data compilation and targeting exercise in mid-2015. Since the 2015 Technical Report the Company has explored with the goal of expanding known resources adjacent to existing the Pine Cove and Stog'er Tight Deposits. The result includes an expansion of the Pine Cove Deposit, the discovery of the Argyle Deposit and the discovery of new zones of mineralization along strike from Stog'er Tight.

Exploration completed since 2015 includes:

- Geological mapping and prospecting (910 rock grab and float samples) throughout the Scrape, Goldenville and Deer Cove Trends during the summers of 2016 and 2017. Assays from trace to 618.3 g/t Au with 26 of the samples assaying >0.5 g/t gold.
- Trenching, geological mapping and channel sampling at the Stog'er Tight and Argyle Deposits (late 2015 and summer 2016)
- Linecutting, ground magnetic and induced polarization geophysical surveys at the Argyle Deposit (summer 2016)
- Diamond and percussion drilling programs at the Pine Cove, Stog'er Tight, Corkscrew Road, Argyle and Goldenville prospects.

Highlights of the trenching programs at Stog'er Tight include:

- 17.76 g/t gold over 11.0 m in channel STtr15-05-C
- 11.02 g/t gold over 12.0 m in channel STtr15-05-D

- 10.77 g/t gold over 8.0 m in channel STtr15-05-B
- 4.38 g/t gold over 9.0 m in channel STtr15-10
- 0.98 g/t gold over 12.0 m in channel STtr15-09

Trenching at Argyle include continued to expose the Argyle Deposit and trench AEtr15-18 returned 1.89 g/t gold over 10.0 metres. It is located 40 metres west of trench AEtr14-12, which contained 1.31 g/t gold over 11.0 metres, and 160 metres east of trench AEtr14-08, which contained 3.75 g/t gold over 16.0 metres. Together the trenching from 2014 to 2015 exposed the Argyle Deposit over a strike length of 300 metres, which would subsequently expanded to the current 685 metre strike extent.

1.5 DRILLING

The Company drilled 13,462.0 metres in 162 diamond drill holes and 3,657.8 metres in 204 percussion drill holes since the 2015 technical report. Diamond drilling was primarily focused around the margins of the Pine Cove deposit (1,588.2 m in 20 drill holes), along strike of the Stog'er Tight Deposit (3,526.2 m in 62 drill holes), the Corkscrew Road Prospect (243.5 m in 3 drill holes), at the Argyle Deposit (5,636.2 m in 63 drill holes), and the Goldenville-Maritec Prospect (1,684.4 m in 14 drill holes). Percussion drilling was focussed on ore and resource definition drilling at the Pine Cove Mine (1,647.3 m in 99 drill holes), Stog'er Tight Deposit (1,519.4 m in 80 drill holes) and the Argyle Deposit (491 m in 25 drillholes).

At Pine Cove drilling tested the expansion of the open pit mainly in the Pine Cove Pond area to the south of the current open pit.

Highlight assays from drilling at Pine Cove include:

- 2.11 g/t gold over 10.5 metres from 9.5 – 20.0 metres and 1.4 g/t gold over 9.0 metres from 24.0 – 33.0 metres in hole PC-15-256
- 2.68 g/t gold over 15.9 metres from 6.1 – 21.0 metres in hole PC-15-257
- 3.16 g/t gold over 5.5 metres from 3.5 – 9.0 metres in hole PC-15-252
- 1.14 g/t gold over 4.0 metres from 41.0 – 45.0 metres in hole PC-15-259
- 1.47 g/t gold over 2.8 metres from 38.0 - 41.8 metres in hole PC-15-253

At Stog'er Tight drilling was focussed on exploration outside of the current resource area in the Gabbro, West, 798 and East Zones with the goal of expanding the current resource along strike to the east and west.

Highlight assays from drilling at Stog'er Tight include:

- 1.81 g/t gold over 6.0 metres from 22.0 – 28.0 metres in hole BN-16-227
- 2.28 g/t gold over 4.0 metres from 9.0 – 13.0 metres in hole BN-16-228
- 2.46 g/t gold over 3.0 metres from 35.5 – 38.5 metres in hole BN-16-230
- 6.70 g/t gold over 4.0 metres from 16.0 – 20.0 metres in hole BN-16-235
- 1.28 g/t gold over 8.8 metres from 21.0 - 29.8 metres in hole BN-16-278

At the Argyle Deposit drilling from 2016 and 2017 focussed on testing mineralization discovered in 2014 trenching. Drilling was successful in outlining mineralization over a strike length of 685 metres and down-dip to 225 metres outlining a Mineral Resource. The Argyle Deposit is open along strike and down-dip for future expansion.

Highlight assays from drilling at Argyle include:

- 5.52 g/t gold over 15.0 metres (34.0 to 49.0 metres) in hole AE-16-40;
- 9.31 g/t gold over 6.0 metres (86.8 to 92.8 metres) in hole AE-16-39;
- 2.95 g/t gold over 15.0 metres (94.0 to 109.0 metres) in hole AE-16-43;
- 2.91 g/t gold over 12.1 metres (68.3 to 80.4 metres) in hole AE-16-33;
- 3.63 g/t gold over 12.0 metres (58.0 to 70.0 metres) in hole AE-17-46; and
- 12.47 g/t gold over 5.0 metres (54.4 to 59.5 metres) in hole AE-17-58.

Drilling at the Goldenville-Maritec Prospect tested combined geophysical and geochemical targets over a strike length of 2.0 kilometres. Drilling was testing for gold deposits similar in character to the past-producing Nugget Pond Mine that are hosted within equivalent rocks to the Goldenville Formation. Drilling successfully intersected the iron formation of the Goldenville sequence with local alteration, quartz veining and sulphide mineralization. Drill hole highlight assays include 1.22 g/t gold over 1.0 m (GV-16-07) and 1.42 g/t gold over 0.42 m (GV-16-09).

1.6 SAMPLING, ANALYSIS AND DATA VERIFICATION

Diamond drill core is delivered from the drill rig to the core login and core storage following from the most recent core. The core and core trays are labeled and the core is logged daily, which includes documentation of core recovery, lithology, alteration, mineralization and magnetic susceptibility.

The core is selectively sampled through the mineralized zone and with a shoulder of around 1 m either side of this. Broader sampling of the margins of mineralization within select holes or mineralized zones may occur.

Core is cut with a diamond saw lengthwise and generally divided into 1 m samples except where there is a reduction due to core loss or to respect geological boundaries. One-half of the cut core is bagged as a sample for analysis and the remaining half is retained in the core tray.

The sample is sealed with a plastic cable tie in a labelled plastic bag containing a corresponding sample tag matching a sample tag that remains with the core in its sampled location. The sample numbers are also labelled on the outside of each bag and checked against the contents, prior to delivery to the laboratory Anaconda employees deliver the sample batches to Eastern Analytical in Springdale, NL by truck.

The remaining core is archived along with the pulps and rejects, from the assay program and are permanently stored in racks at either the Pine Cove or Stog’er Tight core storage facility.

Verification of historical drilling at Stog'er Tight was accomplished by completing 9 twinned drill holes in 2014. Comparison between twinned hole pairs show good correlation. All twinned holes were included in the Stog'er Tight Mineral Resource estimate.

All fire assays are completed at Eastern Analytical, an independent analytical laboratory located in Springdale, NL, which is ISO 17025 accredited. The lower detection limit for the gold is 0.01 ppm. Mineral Resource estimates for Pine Cove, Stog'er Tight and Argyle include samples analyzed by fire assay and samples determined by gravimetric finish at Eastern Analytical

Check assays were completed at ALS Canada Ltd. ("ALS") in North Vancouver, British Columbia on pulps from 2016 and 2017 drill core samples from the Argyle Deposit. Overall the gold assay grades from Eastern Analytical reproduced very well in check assays. Overall the check assay results validate the fire assay results obtained from Eastern Analytical and used in the Argyle resource estimate.

Check assays have not been completed on sample pulps from the Pine Cove, Stog'er Tight or Goldenville drill programs.

A systematic quality control sampling program is employed throughout all diamond drill programs that includes the insertion of a natural blank and powdered reference standards for Au for at least every 25 core samples collected and at least one blank and one standard per sample shipment. Sample preparation and analytical procedures have been reviewed by Qualified Persons who concluded that data is collected according to industry standards and are adequate for use in Mineral Resource Estimation.

Results are monitored by senior personnel and if a batch fails a partial re-run of the samples is undertaken with a repeat standard; if this fails the whole batch is re-run with a new standard.

1.7 MINERAL PROCESSING AND METALLURGICAL TESTING

Metallurgical work on the Stog'er Tight Deposit consists of bench scale tests as well as a total of 26,557 tonnes of bulk sample material processed at the Pine Cove mill during 2016. Bench scale samples were tested by RPC Science and Engineering of New Brunswick, Canada ("RPC") for grind, liberation and flotation characteristics. Grinding studies indicated that the Stog'er Tight material (Malvem sizing analysis indicated 80% passing 74 um and 95% passing 150 um) appears to be much softer then the Pine Cove ore (80% passing 150 um). The RPC study also reported that when the Stog'er Tight material was subjected to the same flotation conditions as used in the Pine Cove mill a low grade final product was obtained (13.32 g/t gold at an Au recovery of 96.9% in 25.8% of the mass). Optimum results were obtained when slimes depressants/dispersants were employed.

The February 2016 bulk sample produced 638 ounces of gold from 15,167 tonnes at an average recovered grade of 1.66 g/t gold, resulting in a recovery of 79%. There were issues with organic material in the mill feed due to overburden present with the sample. The May 2016 bulk sample was much more successful, with 824 ounces of gold being produced from 9,991 tonnes at an average grade of 3.08 g/t gold, resulting in a recovery of 86%. The throughput was comparatively higher than when processing Pine Cove ore, confirming the work done by RPC in 2015. The

December 2016 bulk sample comprised producing 64 ounces of gold from 1,404 tonnes at an average grade of 1.64 g/t gold, resulting in a recovery of 86%.

Metallurgical test work on core samples collected from the Argyle Deposit were conducted by RPC for grinding, flotation, gravity, and leaching characteristics. The core samples were crushed on arrival and blended to create a representative 25 kg sample, with a sub-sample being sent out for whole rock analysis, multi-element ICP analysis, and Au fire assay.

The milling curve was generated for the Argyle samples and was similar to that used for the Pine Cove ore in a previous study done by RPC. Grindability test work on the Argyle Deposit is recommended to confirm this finding. Utilizing the milling curve, four respective size fractions were generated for preliminary flotation test work to assess the liberation characteristics of the Argyle Deposit material. These four size fractions were as follows: 70% passing 150 µm, 80% passing 150 µm, 90% passing 150 µm and 100 % passing 150 µm. Flotation test work was carried out utilizing a flow sheet similar to the Pine Cove Mill configuration.

The test work indicated that four grind sizes tested on the Argyle material resulted in high Au recoveries. At a grind size of 80% passing 150 µm, which is currently employed at the Pine Cove mill, a sample containing a grade of 63.98 g/t gold in 4.6% of the mass at a recovery of 95.9 % could be produced. When the liberation was increased to 90% passing 150 µm the gold recovery in the sample was further increased to 96.7% at a lower Au grade of 34.14 g/t gold in 6.3% of the mass.

Scoping flotation test work at varying grind sizes showed that while the highest cumulative Au recovery of 96.7% could be attained at 90 % passing 150 µm, the highest cumulative Au grade could be attained at 80 % passing 150 µm. At 80% passing 150 µm the cumulative concentrate contained 63.98 g/t gold in 4.6% of the mass with an Au recovery of 95.9%.

Centrifugal gravity concentration test work indicated that a gold concentrate could be produced prior to flotation at a grind size of 100% passing 425 µm. The gravity concentrate obtained 13.80 g/t gold in 8.0% of the mass at a recovery of 48.9 %. Additional centrifugal gravity concentration test work at increased liberation was recommended on the Argyle feed material to evaluate the extent to which the gold recovery could be increased.

Cyanidation test work on a combination of flotation concentrate fractions indicated that a gold extraction value of 88.2% was obtained with a NaCN consumption value of 2.96 kg/t at a NaCN concentration of 2 g/L on this material. The lower extraction and higher consumption obtained as compared to the whole ore was potentially due to the higher S contents in the flotation concentrate material. The final residue grade was still high at 6.88 g/t gold. Further work to optimize the leaching recovery will be completed, as it is expected it should be closer to the leaching performance of other Point Rousse ores.

Samples of diamond drill core were also submitted to RPC during the summer of 2017 for ARD test work on the Argyle material. It was determined that of the 20 samples submitted, 18 were potentially not acid generating, 1 was potentially acid generating, and 1 was uncertain (NP/AP value between 2.0 and 1.0). Further work on ARD characterization will be completed in early 2018.

Routine Acid Rock Drainage (ARD) and metallurgical testing was also completed on the Pine Cove, Stog'er Tight and Argyle deposits.

ARD tests were completed on the Pine Cove tailings in 2015. A total of six samples were collected from the tailings facility and sent to RPC. All test results indicate that Pine Cove tailings are not acid generating. Stog'er Tight waste is not acid generating while ores can be potentially acid generating. Stog'er Tight tailings will be deposited sub-aqueously in Pine Cove Pit mitigating any possibility of acid generating.

1.8 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

The Mineral Resources for the Pine Cove Mine and Stog'er Tight Deposit were estimated by Ms. Catherine Pitman, P.Geo. Director and Principal Geologist with AdiuvareGE. Modelling and the gold block grade estimation were carried out using Datamine™ software. Mr. Michael Cullen, P. Geo., of Mercator Geological Services Ltd. is responsible for the Argyle Deposit mineral resource estimate that was completed using GEOVIA SurpacTM 6.8 modeling software.

Mineral Reserves for the Pine Cove Mine and Stog'er Tight Deposit were estimated by Qualified Person Ms. Gordana Slepcev, P.Eng and Chief Operating Officer of Anaconda Mining.

The Mineral Reserve estimates reported in the table below are inclusive of Mineral Resources reported above. Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability.

Point Rousse Mineral Resources[1] (Effective December 31, 2017)				
Deposit	**[3]Cut-off (g/t)[3]**	**Indicated Tonnes[4]**	**Au (g/t)**	**Ounces**
Pine Cove	0.5	863,500	2.07	57,730
Stog'er Tight	0.8	204,100	3.59	23,540
Argyle	0.5	543,000	2.19	38,300
Total Point Rousse		**1,610,600**	**2.30**	**119,570**
Deposit	**[3]Cut-off (g/t)**	**Inferred Tonnes[4]**	**Au (g/t)**	**Ounces**
Pine Cove	0.5	476,300	1.39	21,330
Stog'er Tight	0.8	252,000	3.30	26,460
Argyle	0.5	517,000	1.80	30,300
Total Point Rousse		**1,245,300**	**1.95**	**78,090**

Point Rousse Probable Mineral Reserves[2,5] (Effective December 31, 2017)				
Deposit	**[3]Cut-off (g/t)**	**Probable Tonnes[4]**	**Au (g/t)**	**Ounces**
Pine Cove	0.5	696,200	0.96	21,440
Stog'er Tight	1.0	191,500	2.39	14,740
Total		**887,700**		**36,180**

1 – Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability
2 – The Pine Cove and Stog'er Tight Mineral Resource statement is inclusive of Mineral Reserves
3 – Grams per tonne
4 – Rounded tonnes
5 – Proven Mineral Reserves have not been defined at the Point Rousse Project

The Pine Cove Mine Probable Mineral Reserve was estimated using an ultimate pit shell design created in GEOVIA Surpac™ 6.8 software and running a reserve report between this shell and the most recent topographic surface available. The Pine Cove open pits design was derived from optimized pit shells using GEOVIA Whittle 4.5 software and geotechnical pit designs inputs provided by Knight-Piesold Ltd. The block model used for the Pine Cove Probable Mineral Reserve was produced by AdiuvareGE in December 2017. Probable Mineral Reserves are estimated at a cut-off grade of 0.5 g/t gold and gold price of $1,600/oz (CAD) using only Indicated Mineral Resource blocks to which 5% mining dilution and 15% grade loss were applied.

The Stog'er Tight Deposit Probable Mineral Reserve was estimated using an ultimate pit shell design created in GEOVIA Surpac™ 6.8 software and running a reserve report between this shell and the most recent topographic surface available. The East and West open pits designs were derived from optimized pit shells using GEOVIA Whittle 4.5 software and geotechnical pit designs inputs provided by Knight-Piesold Ltd. Probable Mineral Reserves are estimated at a cut-off grade of 1.0 g/t gold and gold price of $1,600/oz (CAD) using only Indicated Mineral Resource blocks to which 7% mining dilution and 35% grade loss were applied.

The Argyle Mineral Resource was estimated using GEOVIA Surpac™ 6.8 modeling software to create the Deposit block model, develop digital geological and grade solids and interpolate gold grade. The Mineral Resource estimate is based on the validated Argyle Deposit database containing results for 52 holes totaling 4,820.2 metres of diamond drilling and 12 surface trenches. Mineralization is constrained within a digital 3D geologic solid constructed using Surpac™ modeling software and based on a nominal 0.5 g/t gold over 5m down hole length cut-off value. Contributing 1.0 metre assay composite populations were capped at a gold grade of 12 g/t.

1.9 MINING OPERATIONS

The Pine Cove Mine is an open pit, hard-rock gold mining operation, consisting of drilling, blasting, excavation and loading of haul trucks for ore and waste transport to surface. Between 8,000 and 10,000 tonnes per day of combined waste and ore is mined. To date, the Pine Cove Pit has produced approximately 2.7 million tonnes of ore, and 13.6 million tonnes of waste for a total production of approximately 16.3 million tonnes of material.

The mine is a 350-metre wide open pit that will reach a maximum depth of 150 metres by end of production. Access ramps are 15 metres wide and at a gradient of 10% in order to accommodate rear wheel drive haul trucks and facilitate two-way truck traffic. Haul trucks employed are 44 tonne John Deere 460D.

Production blast and grade control holes are typically drilled on a 3 metre by 3 metre pattern with a bench height of 6 metre using track mounted percussion drill rigs. Emulsion is used for production blasts and dynamite is used for pre-shear blasts. There are generally two blasts per week.

Grade control samples are analysed in house using a combination of Au assay via bottle leaching with AA finish and sulphur analysis via LECO. At Pine Cove there is a strong correlation between sulfur content and gold grade (1 g/t gold = 3000 ppm S). 10% of samples are sent to Eastern Analytical for check analysis via fire assay. Ore blocks for mining are determined by a combination of gold grades determined by the methods above combined with geological mapping and categorized based on the grade. Mined rock is separated and stockpiled according to its gold content. All rock above 0.5 g/t gold is stockpiled at the ROM pad and its corresponding ore piles while waste rock is hauled to the waste dumps.

To minimize dilution and ore loss, blast movement technologies is used to determine the ore movement during a blast. This technology produces moved ore outlines which are then defined with spray paint in corresponding colours on the blasted ore and downloaded to the excavators' Leica GPS system. This system is backed up and aided by visual observations by the mine geologists. The ore is mined in three cuts to minimize ore/waste mixing and loss.

Waste rock at Pine Cove is stored in 3 separate mine waste areas. These include the South Mill Dump, located immediately southeast of the Pine Cove Mill; the North Pit Dump located to the immediate northwest of the Pine Cove open pit; and the rehabilitated West Dump, located immediately west of the Pine Cove open pit. All dumps were built at overall slopes of 2H: 1V. Slopes are graded as required to allow for progressive rehabilitation and natural re-vegetation.

In 2016 Anaconda and its partners constructed a port facility northwest of the Pine Cove Mine and adjacent to the North Pit Dump. The port was constructed in order to facilitate the export of waste rock material from the North Pit Dump as construction aggregate. A total of approximately 3 million tonnes of waste rock was shipped from September 2016 to October 2017.

Mining at Stog'er Tight will begin in Q1 of 2018. This operation will be undertaken using the same mining and grade control methods that were employed at Pine Cove. Ore will be stockpiled at the Stog'er Tight prior to transport to the Pine Cove Mill for processing. Waste rock will be trucked to two storage areas adjacent to the Stog'er Tight open pits. From 2018 to 2019, plans to mine a total of 191,500 tonnes of ore with an average grade of 2.39 g/t Au from Stog'er Tight.

Anticipated feed for the Pine Cove Mill will be sourced from ore remaining in the current Pine Cove Pit, existing ROM stockpiled ore (average grade of 1.2 g/t gold), marginal stockpiles (average grade between 0.5-0.6 g/t gold) and Stog'er Tight, and the Pine Cove Pond and Western Extensions of the Pine Cove Pit which would be developed in 2019.

Once mining from the main Pine Cove Pit is completed, it will be converted into in-pit tailings storage facility. This use of the pit as a tailings facility will not impede any other planned expansions of the pit.

1.10 PROCESSING AND RECOVERY OPERATIONS

The Pine Cove Mill operates as a grind/flotation circuit followed by leaching. Comminution is via a two-stage crushing plant followed by a 10 foot by 14 foot primary ball mill, which processes an average of 1,340 tonnes per day of ore. Cyclone overflow feeds the flotation circuit, with 3 column cells for roughing, 1 scavenger/staged reactor cell, and one cleaner cell. The concentrator has a flotation circuit which produces a gold-pyrite concentrate that advances to the leach circuit. Mass concentration is typically 2-4%, with a recovery of 92-93%. Flotation concentrate is thickened in a 4.5 m diameter thickener and reground in a 5.5 ft diameter ball mill down to a P80 of 20 microns. Leaching is conducted in a series of four 70 m^3, mechanically-agitated leach tanks. Two drum filters and a Merrill-Crowe circuit are used for gold recovery from the pregnant solution. Cyanide destruction of leach tailings is achieved through the Inco SO_2 process. The mill currently achieves 86-88% recovery.

1.11 INFRASTRUCTURE, PERMITTING AND COMPLIANCE ACTIVITIES

The following is a listing of infrastructure present at the Pine Cove Mine and mill complex:

<u>Access</u>

- 5.5 km long all-weather gravel road that links the mine with the Ming's Bight Highway (Route 418)
- Mine roads/ramp, maintained by Bailey
- Access roads to Romeo & Juliet and Anoroc

<u>Administration Buildings</u>

- Administration office – wooden building with pitched roof
- Engineering and Geology – modified trailer with pitched roof
- Emergency Response Building – modified trailer
- Mine Dry – modified trailer with pitched roof

<u>Exploration</u>

- Core logging building and core storage racks

<u>Mill</u>

- Mill Building – steel building (includes laboratory) (Plate 15)
- Reagent Storage – wooden building (Figures)
- Warehouse – 3 modified Sea Can Containers (Plate 16)
- Primary Crusher – enclosed (Plate 15)
- Onsite assay lab
- Mill reclaim pump and 6" HDPE pipeline system running from the Polishing Pond to the Pine Cove mill

Mine

- Standard open pit operation with 15 m wide ramp
- Waste Dumps (Reclaimed West Dump, South Dump and North Dump)
- Tailings Ponds TSF 1 and TSF2 (Phase I) – with geomembrane lined waste rock embankment
- Polishing Pond
- Run of the Mine Ore Pad and Ore Stockpiles (Including Marginal Piles)
- Topsoil Stockpiles
- Open pit dewatering system

Mine Contractor

- Garage – steel building (Plate 17)
- Office – modified trailer
- Aggregate Crusher
- Maintenance Shop – Crusher Area
- Ship loading Office
- Ship loading Conveyance System

Power

- 25 kV three-phase power line connected to the provincial power grid – the mill consumes 900,000 kW hours per month on average
- 150 KW/600 V through on-site generators for essential power to the plant for sanitary/minimum equipment operations

Water Supply

- Pine Cove Pond water supply. The mill consumes an average of 70-80 m3 of water per hour

Port

- Causeway and Timber Cribs
- Barge offloading Facility
- Access Road and Laydown

The Point Rousse Project and its operating Pine Cove and Stog'er Tight mines are in compliance with all current mining and effluent regulations.

In 2015/2016 the Company permitted and constructed a new polishing pond downstream and west of the previous polishing pond at the Pine Cove Mine. A second tailings storage facility was constructed at the site of the previous polishing pond. In order to accommodate tailings for future operations, The Pine Cove pit has been permitted as a tailings storage facility, capable of storing up 6 million tonnes.

In 2016 Anaconda and its partners constructed a port facility northwest of the Pine Cove Mine and adjacent to the North Pit Dump. The port was constructed in order to facilitate the export of waste rock material from the North Pit Dump as construction aggregate. A total of approximately 3 M tonnes of waste rock was shipped from September 2016 to October 2017. As part of the aggregates project a crushing facility was installed capable of producing 1.5" crushed rock. In order to undertake the aggregates project, Anaconda obtained all necessary provincial and federal approvals, secured bonds, and provided engineering support and design.

The Stog'er Tight Mine consists of two fully permitted open pits and approval is currently pending for the planned South Waste Dump. A condemnation report for this dump was submitted to the Department of the Natural Resources in fall 2017. Currently, the historic East Dump is being used to store waste rock. As part of the development of the western pit, Fox Pond will be temporarily lowered by three metres to accommodate mining. All necessary approvals have been received for this work and dewatering of Fox Pond is being carried out currently.

Baseline environmental studies have started at Argyle in anticipation of submitting an Environmental Assessment application to the Department of Environment and Conservation.

1.12 CAPITAL AND OPERATING COSTS

Capital expenditures budgeted for the Point Rousse Project for 2018 are $1,250,000, which includes sustaining capital of $520,000 for the Pine Cove Mill and $145,000 for the mine operations.

A total of $300,000 is budgeted for development costs at Stog'er Tight development and $1,400,000 is budgeted for environmental, permitting, engineering studies and development at Argyle. A forecast of projected capital expenditures are provided in the table.

A forecast of projected capital expenditures for the Project's current mine life is as follows:

Capital Expenditure	2018	2019	2020
Pine Cove Mine	145,000	-	-
Pine Cove Mill	520,000	250,000	100,000
Stog'er Tight Development	320,000	230,000	0
Argyle Development	265,000	880,000	50,000
Total	**1,250,000**	**1,360,000**	**150,000**

Operating unit costs per tonne of ore for the Point Rousse Project are equal to budgeted costs for 2018. This budget is based on current mining and development plans and is supported by mining experience since 2010. Ore Trucking cost is related to transport of ore from Stog'er Tight to the Pine Cove Mill.

Operating Cost Estimates	Unit Basis	Cost per Unit ($)
Drilling & blasting	Total material mined	2.11
Load/haul	Total material mined	2.12
Trucking (Stog'er Tight)	Tonnes mined	3.00
Trucking (Argyle)	Tonnes mined	6.00
Services (indirect & maintenance)	Total material mined	4.78
Processing	Tonnes Milled	19.20
General and administrative	Tonnes Milled	3.00
Variable costs (shipments & refinery)	Tonnes Milled	0.49

1.13 EXPLORATION, DEVELOPMENT AND PRODUCTION

The Technical Report demonstrates the significant advances Anaconda has made at the Point Rousse Project since 2015:

- The discovery of and delineation of a maiden Mineral Resource at the Argyle Deposit;
- Mining at Stog'er Tight beginning in Q1 of 2018;
- The construction of a new port and tailings storage facilities;
- Approval of the in-pit tailings storage facility with over 7 million tonnes capacity; and
- Generation of a new revenue source through the sale of waste rock as aggregate.

Future advances will result from remaining focused on resource growth and development of Mineral Resources. There are key areas within the Point Rousse Project what remain prospective for discovery, such as at Argyle, which is also open for expansion. Similarly, recent drill programs along strike from Stog'er Tight intersected mineralization and have not been further tested. Adjacent to the Pine Cove Mine, the stratigraphy which hosts the Pine Cove deposit continues both east and west of the deposit and have not been fully explored yet remain prospective for gold deposits.

The Argyle Deposit also provides the potential for further mine development along the Scrape Trend. Baseline studies have commenced, and required environmental assessment applications are expected to be submitted in 2018. Engineering studies are being conducted on the Argyle deposit to determine the feasibility of mining. Exploration plans at Argyle continue to focus on expanding Mineral Reserves, and increasing the confidence of the known Resource for mine planning purposes.

Exploration and development work since 2012 on the Stog'er Tight Deposit has led to an initial Mineral Reserve and the transition to mining is planned for early in 2018. Further prospectivity has been recognized through drilling along strike to the west of the Stog'er Tight Deposit. In particular, drilling within the West Extension, the Gabbro Zone, and the 786 zone intersected significant grades and widths near surface indicating that more mineralization may be present. More drilling is warranted in these areas to determine if Mineral Resources at Stog'er Tight can be expanded.

The Argyle deposit remains open for expansion along strike and at depth. The deposit also appears to contain a plunging control on high grade mineralization. Both these observations indicated that further drilling is warranted with the goal of expanding the deposit as well as identifying the high-grade zones and their geometry.

There are numerous geological similarities between the Stog'er Tight and Argyle deposits. Recent drilling indicates that the geological settings of these deposits are likewise similar and may be part of a continuous geological belt of rocks. To test this interpretation, ground geophysical surveys and further drilling of targets and geological mapping are warranted.

The Point Rousse Project contains numerous prospects and showings that have not been explored in detail through drilling. With the local geological understanding from Anaconda's work in the area over the past five years, the broader prospectivity of the Project are better understood. For example, the association of Pine Cove, Stog'er Tight and the Argyle Deposits with the Scrape Fault. These observations better refine the exploration model. The discovery of the Argyle Deposit is an example.

Of interest for future exploration is the Deer Cove Trend, The Goldenville Horizon and the stratigraphy which hosts the Pine Cove Deposit, including the Anaroc prospect. All are coincident with numerous showings and prospects and have local analogs as deposits or mines, and all are within 8 kilometers of the Pine Cove Mill.

Recommended work for the Point Rousse Project includes: drill testing of the Pine Cove geology along strike from the Pine Cove Mine including the Anaroc prospect; follow up drilling along strike from Stog'er Tight to provide definition to gold intersections from recent drilling; ground geophysical surveys and diamond drilling at Argyle with the goal of expanding the deposit as well as conducting development work such as Environmental Assessment and detailed engineering designed as well as successive 2,700 and 30,000 tonne bulk samples. Regionally, further work is recommended along the Deer Cove trend and the Goldenville trend consisting of ground geophysical surveys and drilling of targets. The expenditures required to facilitate this program is $5,250,000.

Pine Cove

- Conduct a 2,500 metre diamond drill program to better define mineralized zones at Pine Cove Pond and Northwest Extension.

Stog'er Tight

- Conduct a 2,500 metre diamond drill program to better define mineralized zones intersected along strike from the deposit with the goal of outlining further near surface Mineral Resources adjacent to Stog'er Tight.
- Conduct grade control infill program in Gabbro zone to further define any mineable resource in Gabbro zone (west of the current East and West Pits).
- Refine West and East pit designs based on in-fill grade control program in early 2018.

Argyle

- Conduct a 50 line kilometer, ground magnetic and Induced Polarization survey along strike, both east and west, of the Argyle deposit to develop new drill targets.
- Geological Mapping of the Stog'er Tight to Argyle area.
- Conduct a 7,500 metre diamond drill program at Argyle with the goal of expanding the deposit and refining the interpreted high-grade plunging shoots.
- Conduct a Mineral Resource Estimate of the Argyle Deposit following the successful drill campaign to expand the deposit and refine structural controls on mineralization.
- Conduct further engineering studies at Argyle deposit to prepare mining plan. Pending a positive cash flow analysis proceed with permitting of Argyle deposit.
- Prepare Environmental Registration Document for Argyle.
- Collect a 2,700 tonne bulk sample from the Argyle Deposit followed by a 30,000 tonne bulk sample to refine the milling process and other variables necessary to efficiently

extract Argyle mineralization. The bulk sample will also allow the refinement of grade control and blasting techniques, and the evaluation of a potential production schedule. It is recommended that this information be used to evaluate the feasibility of future production at Argyle.

- Prepare and Submit Development, Rehabilitation and Closure plan for Argyle.

Other Exploration Targets and Prospectivity

- Conduct a 1,500 metres drill program at Anoroc to test the stratigraphy associated with mineralization at the Anaroc prospect along strike from the Pine Cove Mine.
- Conduct ground geophysical surveys along the Deer Cove trend and along the western half of the Goldenville Trend with the goal of developing geophysical targets for investigation. If targets are generated drill test the targets with a nominal 4,000 metres drill program.

2 INTRODUCTION

The Point Rousse Project is located within the Baie Verte Mining District, on the northwestern coast of the island of Newfoundland in the province of Newfoundland and Labrador (Figure 1). The Project comprises 5,851 ha of mineral licences and mining leases covering three prospective gold trends: the Scrape Trend, the Goldenville Trend and the Deer Cove Trend. These have approximately 20 km of cumulative strike length and include three Deposits and numerous prospects and showings (Figure 1) all located within 8 km of the Pine Cove Mine and Mill.

Anaconda has been mining at the Point Rousse Project continuously since 2010 and has been growing the project infrastructure and mill capacity since 2010 with current production at approximately 15,000 to 16,000 per year. Anaconda has sufficient Probable Mineral Reserves to continue mining until Q1 of 2020. The Company also has recently discovered the Argyle Deposit, an advanced exploration asset located within 4.5 kilometres of the Pine Cove Mill.

Since 2015 Anaconda has made the following advances at the Point Rousse Project:

- The discovery of and determination of Mineral Resources at the Argyle Deposit;
- Mining at Stog'er Tight beginning in Q1 of 2018;
- The construction of a new port and tailings storage facilities;
- Approval of the in-pit tailings storage facility with over 6 million tonnes capacity; and
- Generation of a new revenue source through the sale of repurposed waste rock as aggregate.

The Point Rousse Project is 100% controlled by Anaconda, which is a Company existing pursuant to the laws of Ontario and trading under the symbol of "ANX", on the Toronto Stock Exchange, with its corporate office located at:

150 York Street
Suite 410
Toronto, Ontario
M5H 3S5 Canada

The purpose of this Technical Report ("2017 Technical Report" or the "Report") is to provide scientific and technical information related to the Point Rousse Project and its updated Mineral Resources and Reserves described by the Company. The Report covers the results of an updated Mineral Resource Estimate for the Pine Cove Mine and a maiden Mineral Resource Estimate for the Argyle Deposit as well as a Mineral Reserve statements for the Pine Cove Mine and the Stog'er Tight Deposit, as described in a press release on January 8, 2018 (available on SEDAR under the Company's profile). The Technical Report also describes development and other works related to operations at both Pine Cove and Stog'er Tight mines.

The Report was prepared by: Anaconda employees David Copeland, P.Geo., Paul McNeill P.Geo., Gordana Slepcev P.Eng., who are non-independent "Qualified Persons", as defined in NI 43-101 and as allowed under section 5.3(3) of NI 43-101 Standards; Catherine Pitman, P.Geo. of Adiuvare

Geology and Engineering Ltd. ("AdiuvareGE"); and Michael Cullen, P.Geo. of Mercator Geological Services Limited. ("Mercator") who are independent "Qualified Persons", as defined in NI 43-101 Standards. An independent inspection of the properties was undertaken by the Qualified Person C. Pitman between the 17th and 19th of September, 2014 and by Qualified Person M. Cullen from November 13th to 15th, 2017, to ensure the authors could reasonably rely on information reviewed. Mineral Resources and Mineral Reserves stated in the Report use the 2014 CIM Mineral Resource definitions referred to in National Instrument (NI) 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101 Standards").

Information and data used in this technical report were obtained through exploration and mining activities carried out by Anaconda beginning in 2005 and continuing to the present (Ewert et al., 2005 and Copeland et al., 2015). Historic exploration data has been incorporated when its reliability has been verified by Anaconda. For a more detailed account of the exploration history of Point Rousse Project, the reader is referred to the Section 27 "References" and to Dearin (2007), Hibbard (1983), Martin (1983), Evans (2004) and Copeland et al. (2015) and references therein.

Unless otherwise stated the units of measures used in this report conform to the metric system and all dollars are reported in Canadian currency. A list of abbreviations used in this report is presented in Table 1

Table 1: Abbreviations used in this Technical Report.

Abbreviation	Term		Abbreviation	Term
Ag	Silver		P.Geo.	Professional Geologist
ANX	Anaconda Mining Incorporated		QA/QC	Quality Assurance/Quality Control
Calc	Calculated		UTM	Universal Transverse Mercator
DNR	Department of Natural Resources		UTME	UTM Easting
Elva	Elevation		UTMN	UTM Northing
FY	Fiscal Year		V	Volt
G & A	General and Administration		US$	United States Dollars
Au	Gold		%	Percent
Inc.	Incorporated		C	Celsius
IP	Induced Polarization		cm^3	Cubic Centimetres
Ltd.	Limited		m^3	Cubic Metres
MTME	MTM Easting		°	Degree
MTMN	MTM Northing		ft	Foot
NI 43-101	National Instrument 43-101		g	Gram
NTS	National Topographic System		g/t	grams per tonne
NSR	Net Smelter Royalty		kg/t	kilograms per tonne
NAD	North American Datum		km	Kilometre
oz.	Ounce		KV	Kilovolt
ppb	Parts per billion		KW	Kilowatt
ppm	Parts per million		m	Metre
FA	Fire Assay		mm	Millimetre
AA	Atomic Absorption		m^2	Square Metres
P.Eng.	Professional Engineer		M	Million(s)

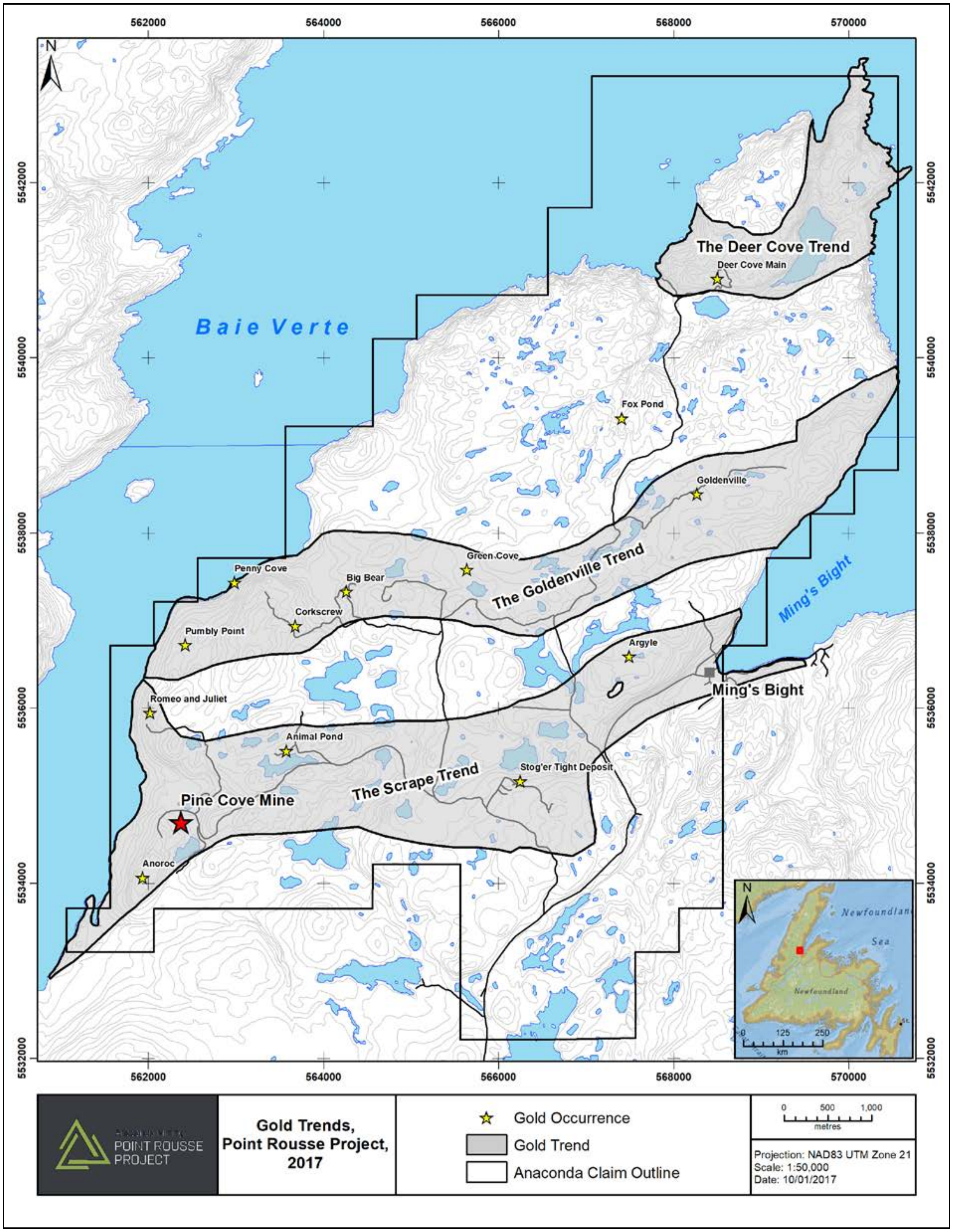

Figure 1: Point Rousse Property Location Map showing the location of the Pine Cove Mine and the Stog'er Tight and Argyle deposits as well as numerous other prospects.

3 RELIANCE ON OTHER EXPERTS

The information in this report was prepared by, or under the supervision of: David Copeland P.Geo., Paul McNeill P.Geo., and Gordana Slepcev P.Eng. Resource Estimates were prepared by Cath Pitman, P.Geo. Director and Principal Geologist with AduivareGE (Pine Cove Mine and Stog'er Tight Deposit) and Michael Cullen, P.Geo. of Mercator (Argyle Deposit). Responsibilities for individual sections of the report are outlined in Table 2. The independent Qualified Persons have relied on information provided by Anaconda concerning the legal status of claims that form the Point Rousse Project. Effort was made by Ms. Pitman and Mr. Cullen to review the information provided with respect to the legal status for obvious errors and omissions; however, Ms. Pitman and Mr. Cullen are not responsible for any errors or omissions relating to the legal status of mineral claims described in this report.

Copies of mineral tenure documents were reviewed by Mr. Copeland and Mr. McNeill and a verification of claim title was performed using the Mineral Rights Inquiry form found on the Newfoundland and Labrador Department of Natural Resources webpage. Operating licences, permits and work contracts were not reviewed. Ms. Pitman and Mr. Cullen have not verified the legality of any underlying agreements that may exist concerning the licence, or other agreements between third parties, but have relied on, and believe they have a reasonable basis to rely upon, Anaconda to have conducted proper legal due diligence.

Overall, each of the Qualified Persons responsible for this Report have reviewed all above noted information and determined it to be adequate for this Report. The Qualified Persons do not disclaim any responsibility for any such information that is included in this Report.

Table 2: Qualified Persons Responsible for the Preparation of this Technical Report.

Qualified Persons Responsible for the Preparation of this Technical Report						
Qualified Person	**Position**	**Employer**	**Independent of Anaconda?**	**Date of Last Site Visit**	**Professional Designation**	**Sections of Report**
Ms. C. Pitman	Director and Principal Geologist	Adiuvare Geology and Engineering Ltd.	Yes	September 17 to 19, 2014	P.Geo.	11, 12, 14, and parts of 25
Mr. M. Cullen	Chief Geologist	Mercator Geological Services Ltd.	Yes	November 13 to 15, 2017	P.Geo.	11, 12, 14, and parts of 25
Mr. D. Copeland	Chief Geologist	Anaconda Mining Inc.	No	January 9 to 13, 2018	P.Geo.	1-12, and 23-27
Mr. P. McNeill	Vice President Exploration	Anaconda Mining Inc.	No	January 9 to 13, 2018	P.Geo.	1-12, and 23-27
Ms. G. Slepcev	Chief Operating Officer	Anaconda Mining Inc.	No	January 9 to 13, 2018	P. Eng.	1, 13, 15 – 18, 19-22, 25-27

4 PROPERTY DESCRIPTION AND LOCATION

4.1 LOCATION

The Point Rousse Project is situated on the northeast tip of the Baie Verte Peninsula on the Island of Newfoundland. The project area encompasses most of a subsidiary peninsula referred to as the Ming's Bight Peninsula with Point Rousse being its most north-easterly point (Figure 1). The Point Rousse Project occupies portions of National Topographic System map areas 12H/16 and 12I/01. The Pine Cove Mine is situated at UTM NAD 83 Zone 21 coordinates 562400 East and 5534800 North. Baie Verte, the main service centre, lies approximately 5 km to the southwest of the mine.

4.2 MINERAL TENURE AND ENCUMBRANCES

The Point Rousse Project consists of 24 contiguous mineral licences ("mineral licence(s)") and five mining leases ("lease(s)") (Figure 2, Table 3). The 24 mineral licences cover 4,875 ha and the mining leases cover 1,056 ha. However, several of the mining leases are overlapped or totally enclosed by the mining licences. Total overlap amounts to 303 ha. Mineral licence 015808M partially overlaps Rambler Mine Lease 188 by approximately 2.1 ha. The total property controlled by the Company is 5,851.1 ha (Table 3).

Anaconda now has 100% ownership of 22 of 24 mineral licences and five mining leases on the Point Rousse Project. All leases and licences are in good standing with the optionees and the Government of Newfoundland and Labrador. An annual royalty payment of $80 per/ha applies to each mining lease and is paid to the Government of Newfoundland and Labrador. The provincial map staking process allows for over-staking of leases by licences. However, the lease supersedes the licence and the mineral and exploration rights lie with the owner of the lease.

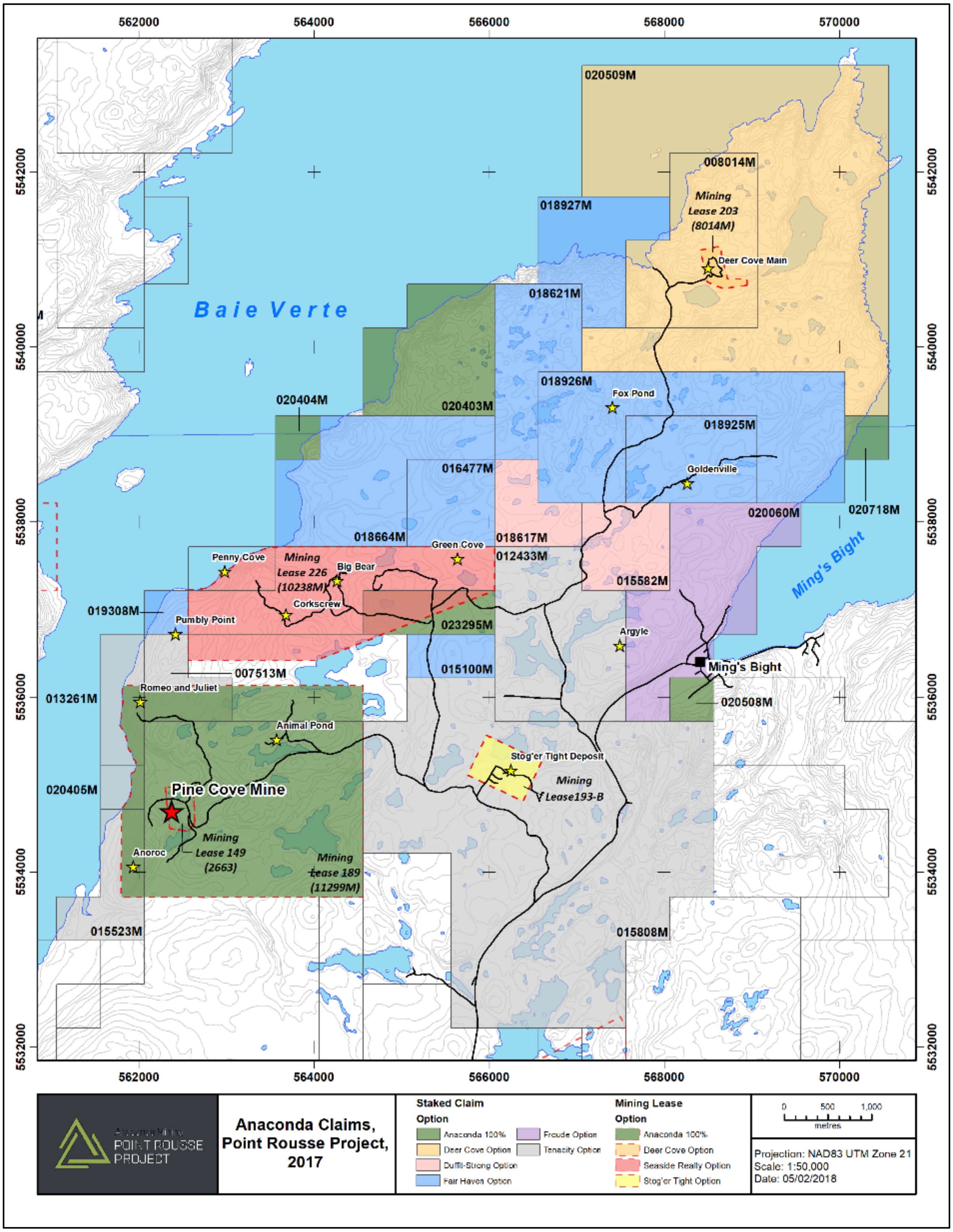

Figure 2: Point Rousse Project map showing the distribution of mineral licences and mining leases and are colour coded to the various option agreements.

Table 3: Mining Lease and Mineral Exploration License Information.

Licence/Lease Number	Licence/Lease Holder	Type	Claims	Area (ha)	Date Issued (D/M/Y)	Work Due Date (D/M/Y)
008014M	Anaconda Mining Inc.	Mineral Licence	10	250	28-05-2001	28-05-2022
020509M	Anaconda Mining Inc.	Mineral Licence	36	900	18-10-2012	18-10-2018
013261M	Anaconda Mining Inc.	Mineral Licence	3	75	29-03-2007	29-03-2022
020403M	Anaconda Mining Inc.	Mineral Licence	8	200	03-09-2012	03-09-2020
020404M	Anaconda Mining Inc.	Mineral Licence	1	25	03-09-2012	03-09-2019
020405M	Anaconda Mining Inc.	Mineral Licence	1	25	03-09-2012	03-09-2019
020508M	Anaconda Mining Inc.	Mineral Licence	1	25	18-10-2012	18-10-2019
020718M	Anaconda Mining Inc.	Mineral Licence	1	25	25-12-2012	25-12-2019
023295M	Anaconda Mining Inc.	Mineral Licence	3	75	10-09-2015	10-09-2026
018617M	Anaconda Mining Inc.	Mineral Licence	3	75	10-03-2011	10-03-2026
007513M	Anaconda Mining Inc.	Mineral Licence	3	75	05-06-2000	05-06-2021
012433M	Anaconda Mining Inc.	Mineral Licence	11	275	24-08-2006	24-08-2027
015523M	Anaconda Mining Inc.	Mineral Licence	4	100	02-08-2002	02-08-2020
015808M	Anaconda Mining Inc.	Mineral Licence	45	1125	22-12-2005	22-12-2026
015582M	Duffitt, Alexander S.	Mineral Licence	4	100	04-12-2008	04-12-2027
015100M	Anaconda Mining Inc.	Mineral Licence	2	50	19-06-2008	19-06-2026
016477M	Anaconda Mining Inc.	Mineral Licence	4	100	17-09-2009	17-09-2020
018621M	Anaconda Mining Inc.	Mineral Licence	6	150	10-03-2011	10-03-2023
018664M	Anaconda Mining Inc.	Mineral Licence	10	250	21-03-2011	21-03-2020
018925M	Anaconda Mining Inc.	Mineral Licence	6	150	05-05-2011	05-05-2027
018926M	Anaconda Mining Inc.	Mineral Licence	15	375	05-05-2011	05-05-2027
018927M	Anaconda Mining Inc.	Mineral Licence	6	150	05-05-2011	05-05-2019
019308M	Anaconda Mining Inc.	Mineral Licence	1	25	12-09-2011	12-09-2027
020060M	Anaconda Mining Inc.	Mineral Licence	11	275	18-04-2012	18-04-2028
ML226	Anaconda Mining Inc.	Mining Lease	N/A	349.51	N/A	N/A
ML189	Anaconda Mining Inc.	Mining Lease	N/A	645.52	N/A	N/A
ML149	Anaconda Mining Inc.	Mining Lease	N/A	14.08	N/A	N/A
ML193-B	Anaconda Mining Inc.	Mining Lease	N/A	34.87	N/A	N/A
ML203	Anaconda Mining Inc.	Mining Lease	N/A	12.09	N/A	N/A

4.2.1 Pine Cove Mining Leases

The Pine Cove Mine, mill, waste dumps and tailings storage facility lie within two contiguous mining leases: Mining Leases 149 and 189 with a combined area of 659.74 ha.

4.2.2 Stog’er Tight Mining Lease

The Stog’er Tight mining lease 193-B includes approximately 35 hectares and infrastructure consisting of roads, historical pits and waste piles, a core shack and an on-site office. The mining lease is subject to a 3% royalty to 1512513 Alberta Ltd. with the option to purchase 1.8% of the royalty for $1,000,000.

4.2.3 Other Point Rousse Option Agreements

Table 4 summarizes the details of the option agreements for the remainder of the Point Rousse Project and as shown in Figure 2.

Table 4: A summary of the underlying option agreements related to the Point Rousse Project.

Optionee	Royalty	Cap (millions)	Note
Tenacity Gold Mining Company Ltd.	3%	3	Royalty increases to 4% at $2,000 US gold price
Fair Haven Resources Inc.	2%	3	Royalty decreases to 1% following 200,000 oz.
Herb Froude	3%	3	Royalty decreases to 1% following 200,000 oz.
Alexander Duffitt and	3%	3	Royalty decreases to 1% following 200,000 oz.
Paul Strong			
1512513 Alberta Ltd. (Stog'er Tight)	3%	NA	Anaconda can purchase 1.8% for $1,000,000
1512513 Alberta Ltd. (Deer Cove)	3%	NA	Anaconda can purchase 1.8% for $1,000,000
Seaside Realty Ltd.	2%	2	NA

Exploration work on all licenses are conducted through the acquisition of exploration permits obtained from the Department of Natural Resources NL. This department facilitates the permitting with other department or agency which may be stake holders in the area of interest with respect to exploration. Anaconda is engaged on a regular basis with the Department of Natural Resources and is regularly issued permits issued for exploration programs, typically within a few weeks of receipt. To date, Anaconda has not experienced any significant delay or impediment in receiving permits for exploration activities in areas of interest.

4.3 ENVIRONMENTAL LIABILITY AND OTHER POTENTIAL RISKS

4.3.1 Point Rousse Project Exploration

There are no significant factors or risks that may affect access, title or right of Anaconda to perform work on the Point Rousse Project. The project covers portions of both the Town of Baie Verte and the Town of Ming's Bight municipal boundaries and a portion of the Town of Ming's Bight municipal planning area (Figure 3). The Argyle Deposit lies within the Ming's Bight town boundary and the Stog'er Tight Deposit lies within the Baie Verte town boundary. The Pine Cove Mine lies outside the Baie Verte and Ming's Bight town boundaries.

The Point Rousse Project includes a small protected watershed that supplies water to the community of Ming's Bight (Figure 3). The access road to the Goldenville and Deer Cove area passes through the watershed. Anaconda has all necessary water use permits, updates the Town of Ming's Bight with planned exploration and keeps ground disturbances within the watershed to a minimum. Existing ground disturbances have been kept outside of the permitted 150 m buffer zone surrounding the intake reservoir and 50 m around main tributaries, lakes and ponds.

4.3.2 Point Rousse Project- Mine and Mill

There are no known environmental liabilities to which the Point Rousse Project (Pine Cove Mine, Mill and Stog'er Tight Mine) are subject. All projects to date were registered, as per the Newfoundland and Labrador Environmental Protection Act and Regulations, and released from further environmental studies. The Pine Cove Mine and mill have been in operation since 2008 and all permits, authorizations and approvals are in good standing. The Stog'er Tight Mine received initial mining permits in 2015 prior to test mining in the areas, and subsequent approvals for the expansion were received in 2017.

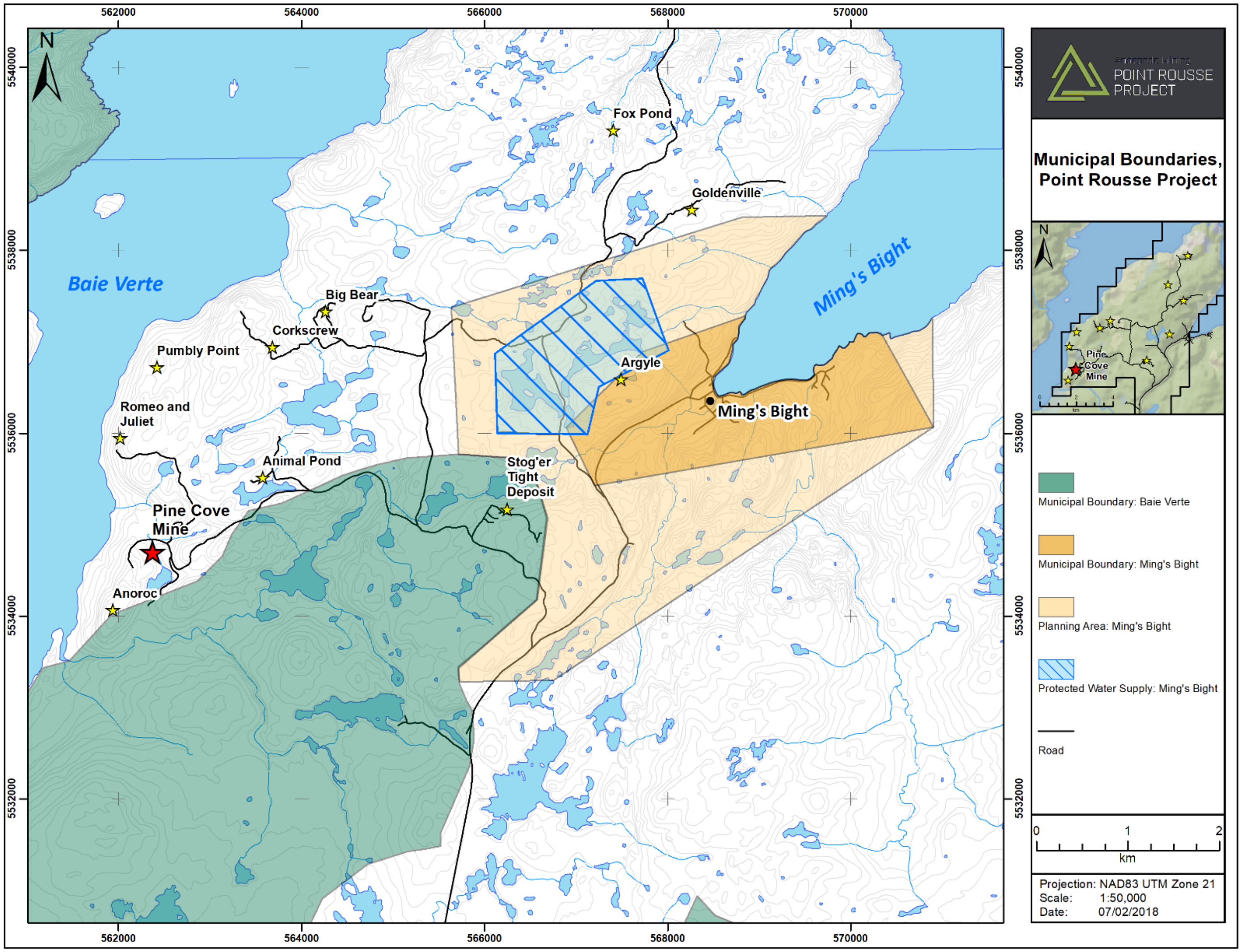

Figure 3: Municipal Boundaries, Planning Areas and Protected Watersheds on the Point Rousse Project.

5 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 ACCESSIBILITY

Access to the Point Rousse Project is via Route 410, a paved highway which extends northeast approximately 65 km from the Trans-Canada Highway to the town of Baie Verte. The La Scie Highway (Route 414) extends eastwards from Route 410 for approximately 17 km to its junction with the Ming's Bight Highway (Route 418). Approximately 8 km north of the junction, the Pine Cove road (an all-weather gravel road), heads roughly westwards for 5.5 km to the Pine Cove Mine site (Figure 3).

Seasonal gravel roads, including the Corkscrew and Deer Cove roads, provide access to the central and northern portions of the project area (Figure 3). In addition, Route 418 provides limited access to the eastern portion of the Point Rousse Project. Coastal sections and more remote areas are best accessed via boat either from Baie Verte or Ming's Bight.

5.2 CLIMATE

The northeast coast of Newfoundland has a northern temperate climate with a cool summer and relatively mild, but snowy winter. The area has mean summer and winter temperatures of 16^{o}C and -8^{o}C respectively. Precipitation generally exceeds 1,000 mm per year. The mild winters allow for year-round production at the Pine Cove Mine. All mining, development and exploration operations are fully operational year round and not adversely affected by climate.

Vegetation is dominated by evergreen trees and vegetation associated with bogs. There are no known impediments to exploration and mining as a result of vegetation.

5.3 LOCAL RESOURCES AND INFRASTRUCTURE

The Baie Verte Peninsula has a long history of mining and forestry with mining dating back to the early 1860s. The Town of Baie Verte is the major service centre with a regional hospital, restaurants, hotels, banking services, garages and heavy equipment providers. Baie Verte and many of the nearby communities provide a well-trained and highly skilled work force. The peninsula has a network of paved roads and is connected to the Trans-Canada Highway. The area is serviced by the Deer Lake Regional Airport located approximately 160 km southwest of Baie Verte. An analytical laboratory and diamond drilling contractors are located in the town of Springdale about 93 km southeast of Baie Verte.

Anaconda has the surface rights to the area covered by the Pine Cove Mine and mill complex as well as the surface rights within the Stog'er Tight mine lease. Mine site infrastructure (Plate 1) includes the open pit, tailings facility, mill (with laboratory) and offices. The mine is connected to the provincial power grid, but also has limited back up power generation for some essential services. The mill infrastructure includes the concentrator, which has a flotation circuit and gold recovery by Merrill-Crowe process. The mill infrastructure includes the crushing, grinding, flotation and leaching circuits with a gold recovery by Merrill-Crowe process. Gold precipitate collected in a filter press is refined into a doré bar on site. The tailings infrastructure includes a primary tailings impoundment area (TSF 1) with the secondary tailings impoundment area (TSF 2) and polishing area (PP 2). All tailings facilities are permitted and the Pine Cove pit has also been permitted for tailings storage once mining within the base of the pit is complete. Fresh water is provided to the mill from Pine Cove Pond located south of the Pine Cove pit.

5.4 PHYSIOGRAPHY

The physiography of the Point Rousse Project is characterized by rolling hills in the southern portion of the project and a more rugged topography in the north of the project area. The area has an average elevation of about 50 m with a maximum elevation of about 150 m.

The area is covered by a boreal forest consisting of a mixture of dense black spruce and balsam fir interspersed with numerous bogs and ponds. Areas underlain by predominantly ophiolitic sequences (ultramafic and gabbroic rocks) are typically more barren. Logging operations have resulted in large areas of dense regeneration.

Overburden varies from less than 0.5 m up to greater than 5 m in some of the linear valleys. Soils are present but generally poorly developed. Outcrop can range from less than 5% in inland areas to 100% in coastal sections.

Plate 1: Aerial View of the Pine Cove Mine Looking to the Northeast, Circa 2013

6 HISTORY

The Baie Verte mining district has an extensive history of mining copper, asbestos and gold. History for dating back to the mid-1800s. Copper was discovered near Baie Verte, Tilt Cove, and Betts Cove in the mid 1800's and was mined intermittently until about the First World War, with resumption of mining at Tilt Cove (1957 to 1967), Rambler (1961-1982) and Ming Mine from 1995 to 1996 and again from 2011 to present. Gold mineralization was first reported from the Ming's Bight area prior to 1867 and was mined at the Goldenville Mine sporadically from 1904 to 1906. The Nugget Pond Mine was mined from 1997 and 2000. This was followed by the discovery and mining of the Hammer Down from 2000 to 2004. This long history forms the legacy upon which modern exploration and mining within the Baie Verte mining district is based.

Further Gold discoveries were made within the Point Rousse Project area in the mid 1980's and included the Pine Cove and Stog'er Tight Deposits, as well as a suite of prospects such as the Romeo and Juliet and Deer Cove prospects. A fulsome review of the history of ownership, exploration and development, previous mineral resources and production are outlined within two previous technical reports associated with the Point Rousse Project including the 2015 Technical Report. For details of historical work conducted prior to 2015 2015 Technical Reports are valuable source of historical information. The following history highlights more recent exploration, development and mining work on the Point Rousse Project since Anaconda acquired 100% ownership of the project in June of 2011.

The Point Rousse Project was assembled to near its current tenement configuration in 2012. Between 2012 and the publication of the 2015 Technical Report, the Company has conducted the following exploration activities:

- An airborne DIGHEM magnetic and Electromagnetic survey including 725.2 line km at a 100 m line spacing (2012).
- An initial compilation of historical soil samples, ground magnetics and geology over the project area (2012).
- 12,908.93 m of diamond drilling in 89 holes on the Pine Cove Deposit.
- A suite of trenches and test pits and channel samples in the area between Pine Cove and Romeo and Juliet (2012).
- 2,004.00 m of diamond drilling in 19 holes on the Romeo and Juliet prospect.
- 2,100.72 m of diamond drilling in 17 holes on the Deer Cove Deposit (2014).
- 2,486.54 m of diamond drilling in 39 holes on the Stog'er Tight Deposit (2014 and 2015).
- A suite of channel samples from 12 trenches in the Stog'er North area (2014).
- Collection of 2,494 soil samples in the Argyle and Goldenville areas (2012 and 2014).
- A suite of channel samples from 13 trenches in the Argyle area (2014 and 2015).

- Reprocessing of historical ground magnetic, VLF and IP surveys (2012 and 2015).
- Compilation of remaining geological and geochemical data sets for the project area (2015).

The 2015 Technical Report outlined Mineral Resources and Reserves for both the Pine Cove and Stog'er Tight Deposits as outlined in Table 5, noting that the Probable Reserves are included within the Pine Cove Mineral Resource. These resources and reserves are now historic in nature and are superceded by those presented in this report. Anaconda is not considering the 2015 resource and reserve estimates to be current estimates.

Table 5: A table showing the Mineral Resource and Mineral Reserves at the Point Rousse Project as outlined within the 2015 Technical Report.

	Pine Cove Deposit^			Stog'er Tight Deposit*		
Category	Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces
Indicated	1,560,000	1.67	83,690	204,100	3.59	23,540
Inferred	208,700	1.57	10,570	252,000	3.27	26,460
Probable Reserves	858,800	1.46	40,400			

^At a cut-off grade of 0.5 g/t gold
*At a cut-off grade of 0.8 g/t gold

The Pine Cove Mine has been in production since 2010. Since that time 118,028 ounces have been produced as indicated Table 6.

Table 6: Summary of Gold Production for Fiscal Years 2008 to 2018, Pine Cove Mine

Year	Gold Oz. Produced	PC Tonnes Milled*	NP Tonnes Milled**
Fiscal 2008			
Fiscal 2009	1,683.62		
Fiscal 2010	12,093.88	34,261	80,256
Fiscal 2011	5,346.64	87,086	
Fiscal 2012	11,977.62	286,426	
Fiscal 2013	14,879.46	288,598	
Fiscal 2014	14,577.33	304,696	
Fiscal 2015	15,820.80	343,178	
Fiscal 2016	16,080.45	387,694	
Fiscal 2017	15,566.00	423,204	

Fiscal 2018 (June-Dec 2017)	10,002.47	275,640	
Total	**118,028.27**	**2,430,783**	**80,256.00**
Total Tonnes Processed			**2,511,039**
* Ore milled at Pine Cove Mill			
** Ore milled at Nugget Pond Mill			

Several bulk samples have been extracted from the Stog'er Tight mine. In late 1996 and early 1997 Ming Minerals Inc. extracted 30,735 tonnes of ore and moved 135,457 tonnes of waste and milled at the former Consolidated Rambler mill approximately 8 km away and produced approximately 2,344 ounces of gold with a head grade of 3.25 g/t gold. In 2010, Tenacity Gold Mining Company Ltd. extracted a second bulk sample of 27,057 tonnes of ore and milled it at the Nugget Pond Mill located 47 km away. The head grade was calculated at 2.26 g/t gold and produced a total of 2,099 oz. of gold.

7 GEOLOGICAL SETTING AND MINERALIZATION

7.1 REGIONAL GEOLOGY

The island of Newfoundland forms part of the extensive Paleozoic Appalachian-Caledonian Orogenic Belt. The orogen can be subdivided into three broad geological zones, which represent a two-sided orogenic system. These zones, which include the Western platform, the Central Mobile Belt and the Avalon platform, record the formation and destruction of a late Precambrian – early Paleozoic ocean known as Iapetus. The orogenic belt is now subdivided into Humber, Dunnage, Gander and Avalon tectonostratigraphic zonal subdivisions (Figure 4) (Williams, 1979; Williams et al., 1988).

The Humber Zone represents the passive continental margin of Paleozoic North America and it comprises shelf-facies carbonate and siliciclastic rocks deposited upon crystalline Precambrian basement. The Dunnage Zone represents the vestiges of former Iapetus Ocean as it contains sequences of ophiolitic and volcanic, volcaniclastic and sedimentary rocks of island arc and back-arc origins. The Dunnage Zone is bounded on the west by the Baie Verte – Brompton Line ("Baie Verte Line") and to the east by the GRUB Line (Gander River Ultrabasic Belts or Gander River Complex).

The Baie Verte Peninsula occupies portions of both the Humber Zone and the Notre Dame Subzone. Rocks of these zones form two contrasting and distinct tectonostratigraphic belts which are separated by a major arcuate, structural zone known as the Baie Verte Line. The rocks lying to the east of the Baie Verte Line comprise: i) Cambro-Ordovician ophiolitic sequences; ii) Ordovician volcanic cover; iii) Silurian terrestrial volcanic and sedimentary rocks, which unconformably overlie the Ordovician sequences; and iv) Siluro-Devonian intrusive rocks.

7.2 GEOLOGICAL SETTING OF THE POINT ROUSSE PROJECT

Recent work by the Geological Survey of Canada has resulted in the interpretation that the Betts Cove/Snooks Arm stratigraphic sequence is continuous across the region and that the stratigraphic nomenclature could be applied regionally across the Baie Verte Belt including to rocks of the Point Rousse Complex. The nomenclature of Skulski et al., 2010 is used throughout this document.

The project area is underlain by Cambro-Ordovician ophiolitic Betts Cove complex and Snooks Arm Group cover rocks (Figure 5; Skulski et al., 2010). The Betts Cove complex includes ultramafic cumulates, gabbro, sheeted dykes and pillow basalts. The Snooks Arm Group consists of a lower banded magnetite and jasper iron formation referred to as the Nugget Pond Horizon (Goldenville Horizon within the Point Rousse Complex) overlain by tholeiitic basalts overlain by calc-alkaline basalt, clinopyroxene-phyric tuff, mafic epiclastic wackes and conglomerates, iron formation and tholeiitic basalts (Skulski et al., 2010).

The clinopyroxene-phyric tuff/breccia is a distinctive unit and is referred to as the Prairie Hat Member of the Bobby Cove Formation. Within the Point Rousse Complex this tuff/breccia outcrops along the western shore of Ming's Bight and at several localities inland. It has been identified in drill holes and outcrop within the hanginwall of the Pine Cove Mine and southwest at the Anoroc Prospect.

Recent work by Sam Ybarra, M.Sc. candidate at Memorial University of Newfoundland and Labrador has indicated that ore at Pine Cove is hosted within Fe-Ti-rich rocks of the Venom's Bight Formation that sit immediately beneath older overturned sedimentary and volcanic rocks (marron argillite and green mudstone and clinopyroxene tuff/breccia) of the Bobby Cove Formation. Correlations of similar stratigraphy have been made by Anaconda geologists at the Stog'er Tight and Argyle Deposits where ore is hosted within Fe-Ti rich gabbro that is situated within rocks of the Bobby Cove Formation. This indicates that the Stog'er Tight and Argyle deposits sit at a structurally higher, stratigraphically lower portion of the Snooks Arm cover sequence than the Pine Cove Deposit.

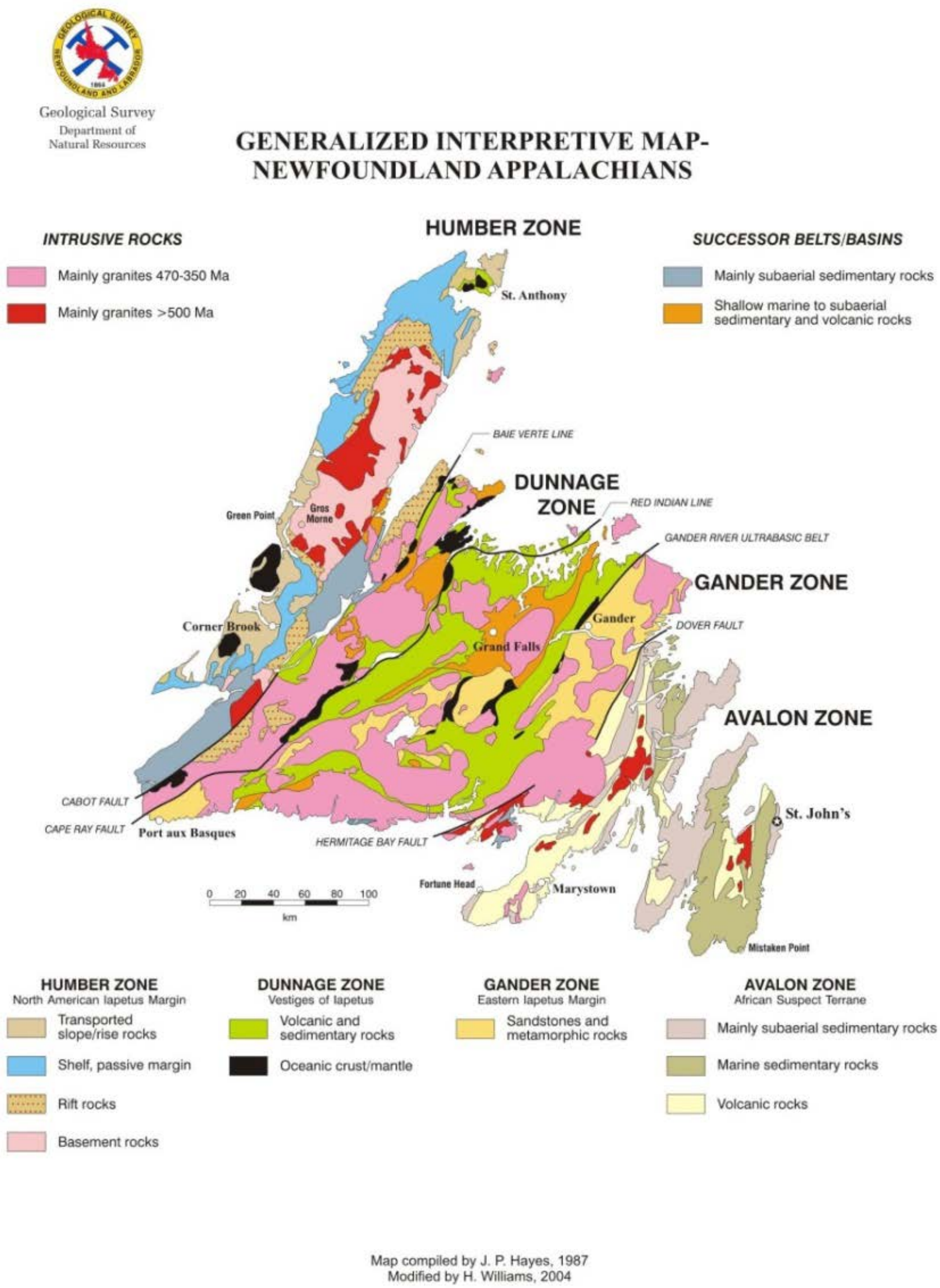

Figure 4: Geological Map, Island of Newfoundland (Hayes, 1987).

The general structure of the project area includes a generally east striking, deformed synclinorium. Ophiolitic plutonic rocks are located north and south of the cover sequence which is exposed in the core of the syncline. The ophiolitic components are confined to structural blocks bounded by high angle and thrust faults which dip moderately to the northwest.

The rocks of the Point Rousse Complex have been affected by at least four phases of regional deformation termed D_1 through D_4 as described in Castonguay et al. (2009). D_1 deformation is related to emplacement of the Taconic allocthons and D_1 fabrics are generally not-well preserved east of the Baie Verte Line, but are observed as a pervasive foliation and localized shear zones and rare isoclinal folds.

D_2 deformation produced the generally northerly dip of the units due to regional-scale folding. The well-developed regional S_2 foliation dips to the north and typically contains a down-dip stretching lineation. D_2 shear zones vary from 1 to 3 m wide and are typically developed parallel to S_2. The D_2 event produced south-directed thrusting, accompanied by folding and shearing, of the Point Rousse Complex. This thrusting occurred along several parallel west-trending south directed reverse faults culminating with the Scrape Thrust, a ductile shear zone that juxtaposes the Point Rousse Complex over the Pacquet Harbour Group. South-southeast to south-trending transverse faults that dissect the west-trending thrust and reverse faults may represent lateral ramps or tear faults (Castonguay et al., 2009).

D_3 deformation produced F_3 mesoscopic northward-verging, shallowly inclined to recumbent asymmetric folds that affect all the D_1 and D_2 fabrics, shear zones and related alteration. The F_3 folds plunge southeast and southwest and trend east-west to northeast. The associated S_3 axial planar cleavage dips gently towards the south and cuts the S_2 fabric. D_3 shear zones are typically narrow 10 to 40 cm wide, strongly chloritic zones which dip gently to the south (Castonguay et al., 2009). Evidence along the Scrape Thrust suggests that locally steep north dipping S_3 fabrics and associated folds are related to post-D_2 extensional reactivation along the fault (Castonguay et al., 2009). The differing nature of D_3 deformation geometries (shallow south dipping – north verging at Stog'er Tight and reported steep north dipping at the Scrape Thrust) is not well understood. A similar differing geometry of the D3 system is noted regionally by Castonguay et al. (2009).

The D_4 deformation is marked by broad regional to local-scale, north-northeast-trending anticlines and synclines (F_4) which affect D_1 through D_3 related structures. S_4 is a roughly northeast-trending fracture cleavage. The F_4 folds commonly impart a doubly-plunging nature to the pre-existing F_2 and F_3 folds.

Unless otherwise stated, all geological maps, sections and interpretations were completed in house by Anaconda personnel and contractors.

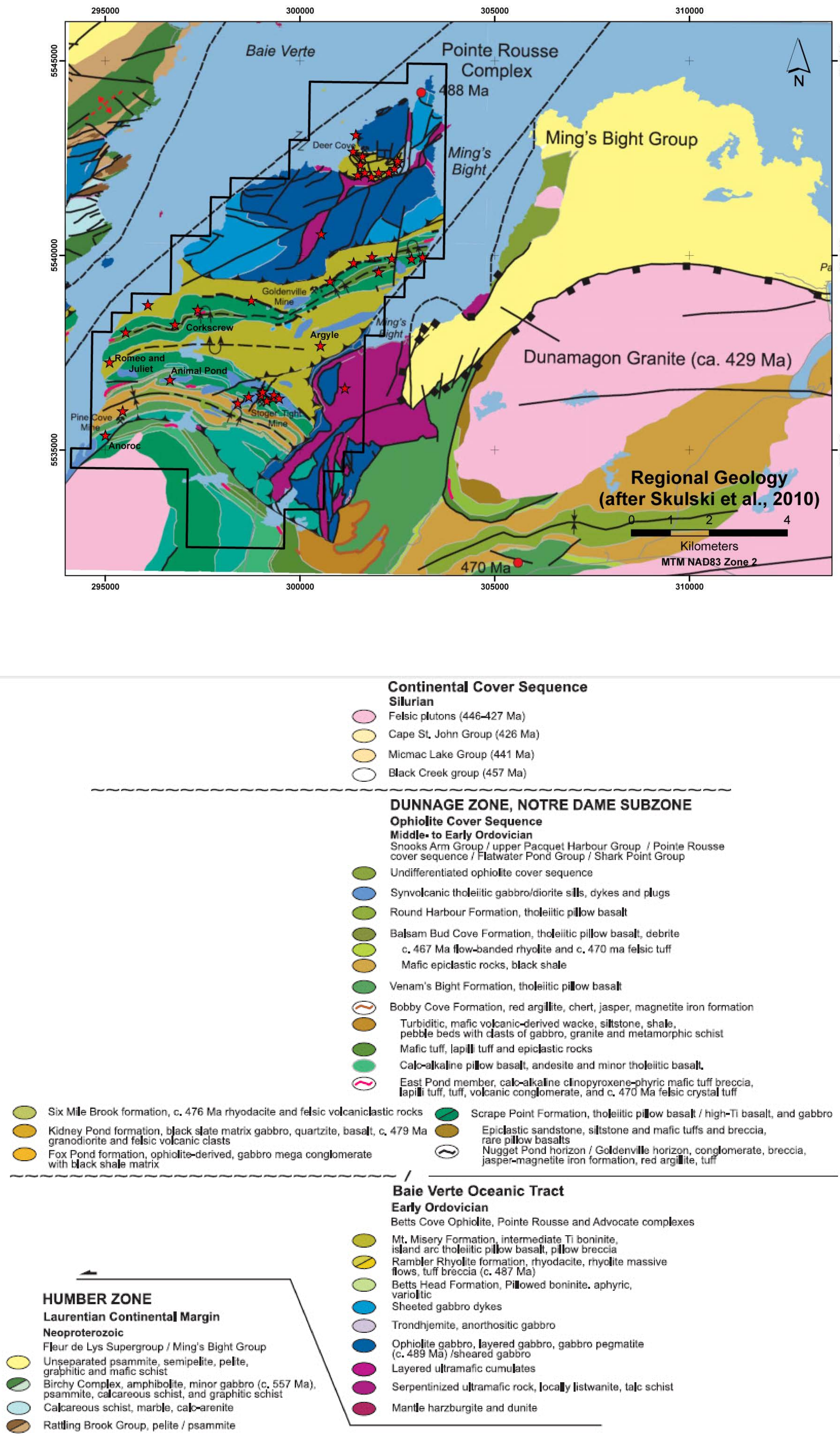

Figure 5: Simplified Geological Map of the Point Rousse Complex (After Skulski et al., 2010)

7.3 THE SCRAPE TREND

The Scrape Trend consists of a prospective belt of rocks approximately 7 km long and 1 km wide (Figure 6). It extends from the southwest of the Pine Cove Mine site to the community of Ming's Bight. The Scrape Trend is characterized by the alignment of Deposits, prospects and showings with a topographic lineament interpreted as a fault zone. Both the Pine Cove and Stog'er Tight Deposits are adjacent to this fault zone. Rocks within the trend consist of a structurally complex, mafic volcanic, volcanoclastic and sedimentary Cambrian-Ordovician rocks of the Snooks Arm Group. The Scrape Trend includes the Pine Cove and Stog'er Tight Deposits, the Anoroc and Animal Pond prospects and a recent discovery referred to as the Argyle zone.

Mineralization within the Scrape Trend is typical of orogenic greenstone-hosted gold. The fault, where observed is not mineralized, but secondary structures adjacent to the fault zone can host gold, such as the deformation zone which hosts the Pine Cove Deposit as well as the structures hosting the Stog'er Tight Deposit. These structures are generally pre- or syn D_2 since the mineralization is folded by F_3 and F_4 folds. Typically the variation in rock type, and resultant rheological contrast during deformation, appears to play an important role in mineralization since it is commonly the more competent of the rocks present which host gold. Mineralization is intimately associated with disseminated and massive pyrite within the host rock or within quartz-carbonate veins closely associated with mineralization. Alteration within mafic volcanic and gabbroic rocks can be is characterized by albitization and carbonitization. Titaniferous host rocks are also characterized by the presence of leucoxene commonly observed as a broad halo around the mineralized zone. The geology of each of the Deposits and prospects within the Scrape Trend are described below.

7.3.1 Pine Cove Mine

The geological setting of the Pine Cove Mine area is characterized by greenschist facies mafic volcanic and volcaniclastic rocks, clastic sedimentary rocks and minor iron formation; part of the Snooks Arm Group (Figure 7). In the immediate mine area the rocks can be informally divided into five distinct units that dip gently to the north (Figure 8 and Figure 9). The units from north to south are: 1) green-grey to yellowish green pyroxene crystal tuff breccia, lapilli tuff, green mudstone and siltstone; 2) maroon to purple, green and grey argillite, minor tuff and rare iron formation; 3) a sequence of fine-grained, quartz-granule bearing greywacke and siltstone; 4) locally magnetic generally dark green mafic tuffs and flows; and 5) fine grained mafic intrusive rocks (Figure 8 and Figure 9; Plate 2). The mafic intrusive rocks have a sill-like structural disposition dipping parallel to major lithological contacts and the main S_1/S_2 foliation. The mafic intrusive rocks mainly cut the mafic volcanic rocks of unit 4. Gold mineralization is hosted by variably Unit 4 and 5 mafic volcanic and intrusive rocks.

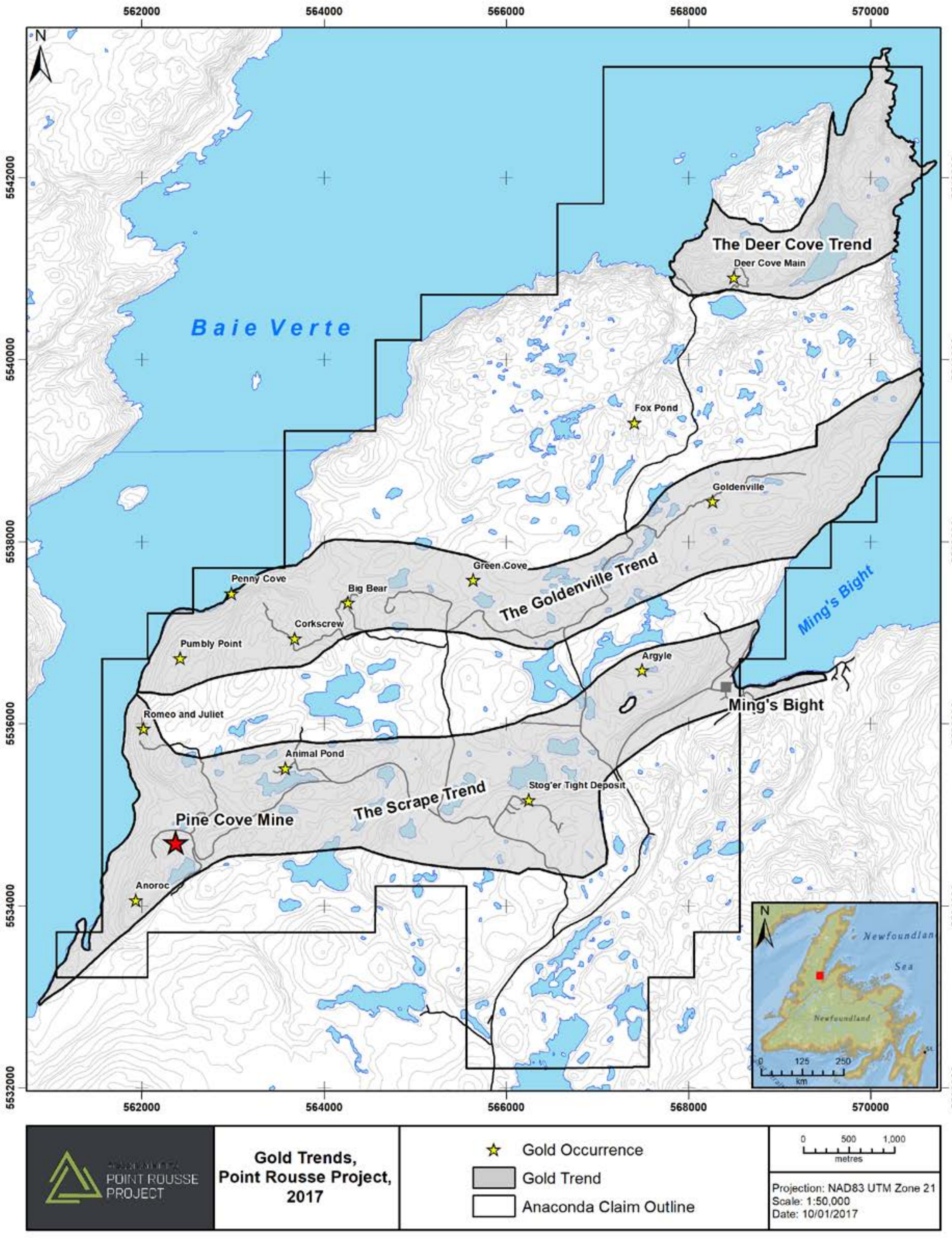

Figure 6: Major Mineralized Trends – Point Rousse Project

The Pine Cove area was affected by at least 4 phases of deformation as described above. The main Pine Cove Deposit sits in the hanging wall of the south verging D_2, Scrape Thrust, which juxtaposes amphibolite-facies Pacquet Harbour Group with the Snooks Arm Group. A similar structure repeats the mine sequence along a subordinate thrust fault referred to as the Pasture Pond Thrust, which displaces the down-dip continuation of the gold mineralized over its hanging wall sedimentary sequence as marked by the maroon argillite unit (Figure 8). This overthrust mineralized block has been termed the North-western Extension.

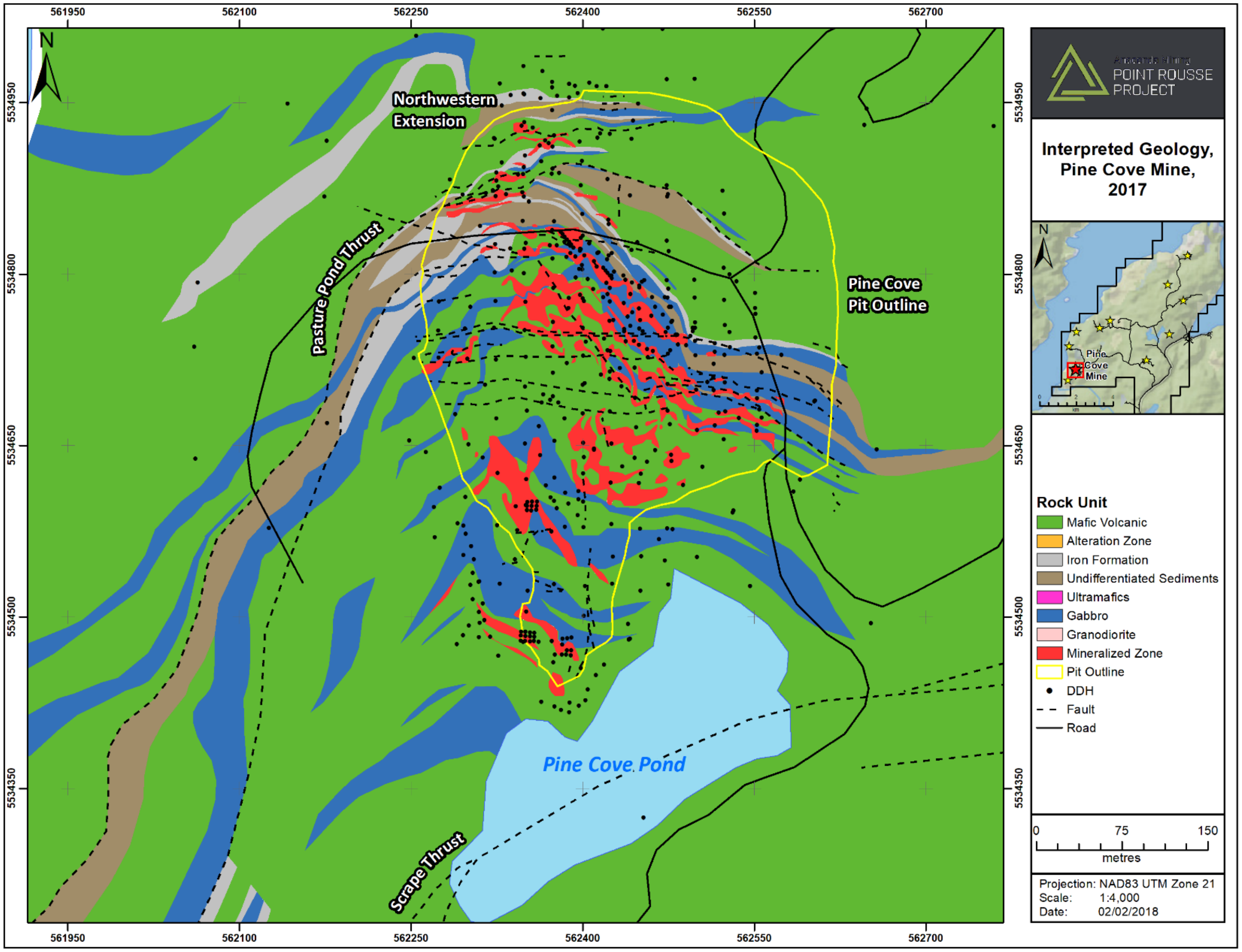

Figure 7: Geological Map of the Pine Cove Mine Area (after Dimmell and Hartley, 1991, Calon and Weick, 199)

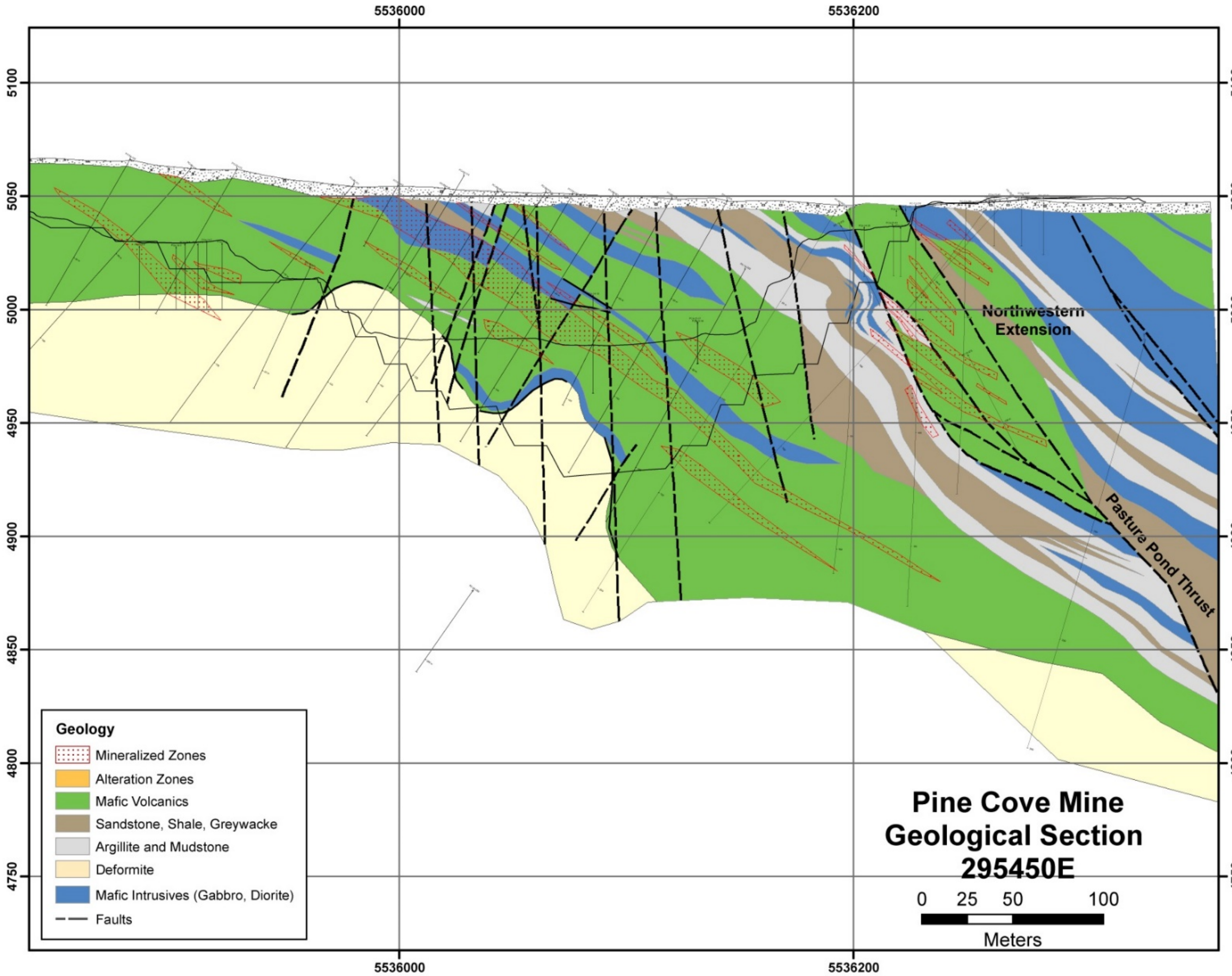

Figure 8: Geological Section 2950E, Pine Cove Mine Looking West.

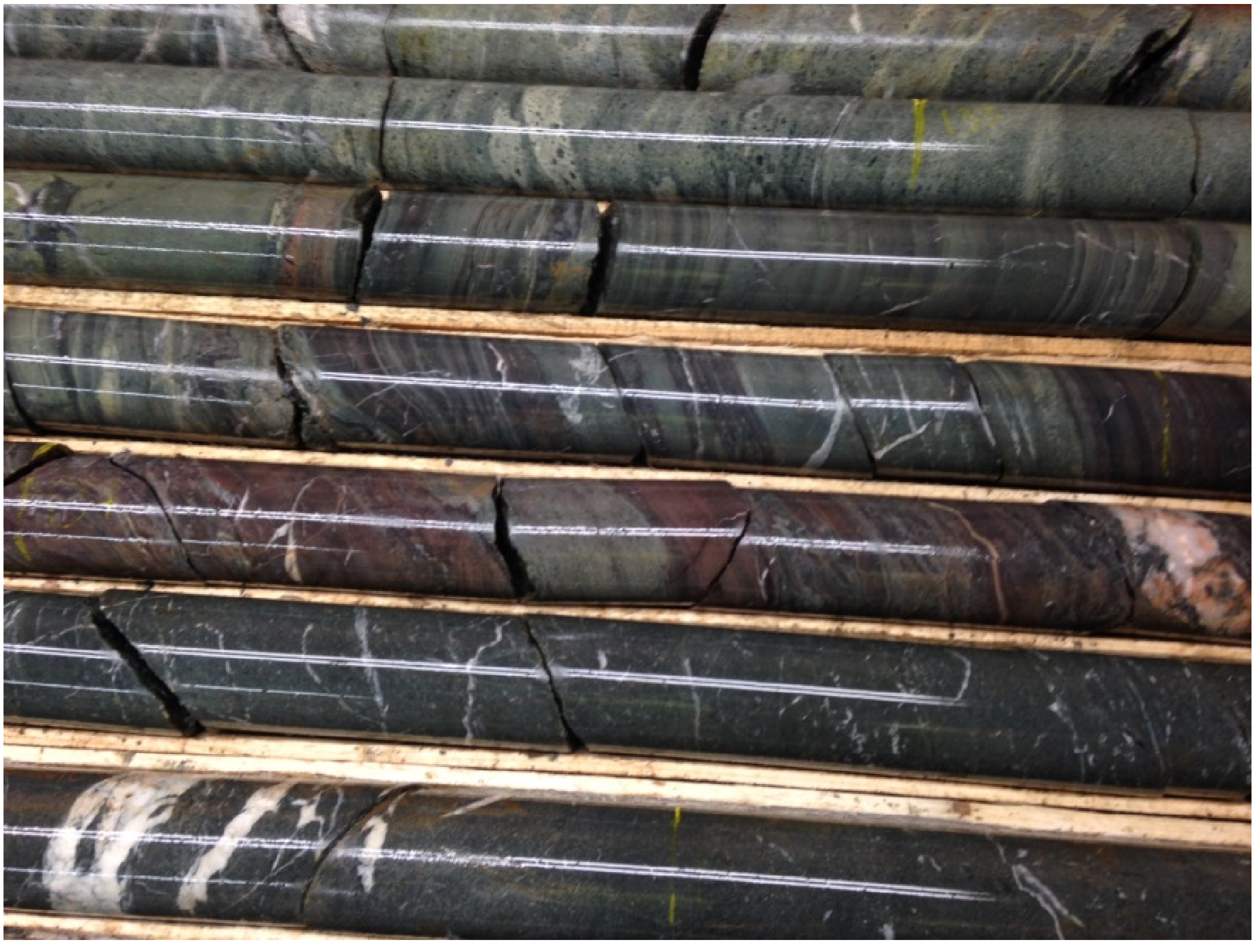

Plate 2: Typical Lithologies Exposed at Pine Cove (PC-14-237) Top, pyroxene-crystal tuff/breccia; middle, thinly bedded green to maroon siltstone; and bottom, dark green, magnetic mafic intrusive

Mineralization is associated with a broad alteration envelope characterized by broad zones of very fine-grained calcite and chlorite (Figures 9 and 10). Proximal to mineralization fine wispy orange-brown leucoxene is common in intrusive rocks and is either chaotically oriented or rotated and flattened parallel to the foliation. Where alteration is most intense, and gold mineralization occurs, iron-carbonate is pervasive, variably developed, brecciated, quartz-veins and quartz-carbonate veins are observed as well as albite (Plate 3). Pyrite is part of the alteration assemblage and intimately associated with gold mineralization.

Pyrite occurs marginal to the quartz veins, disseminated within wall rock fragments incorporated in the veins, and as minor disseminated pyrite within the quartz veins. The gold concentrations are directly related to pyrite content. The gold occurs as small disseminated grains (ranging from 1 to 50 microns) within pyrite, quartz veins and as thin stringers.

Plate 3: Typical High-Grade Ore (+2 g/t gold), Pine Cove Mine

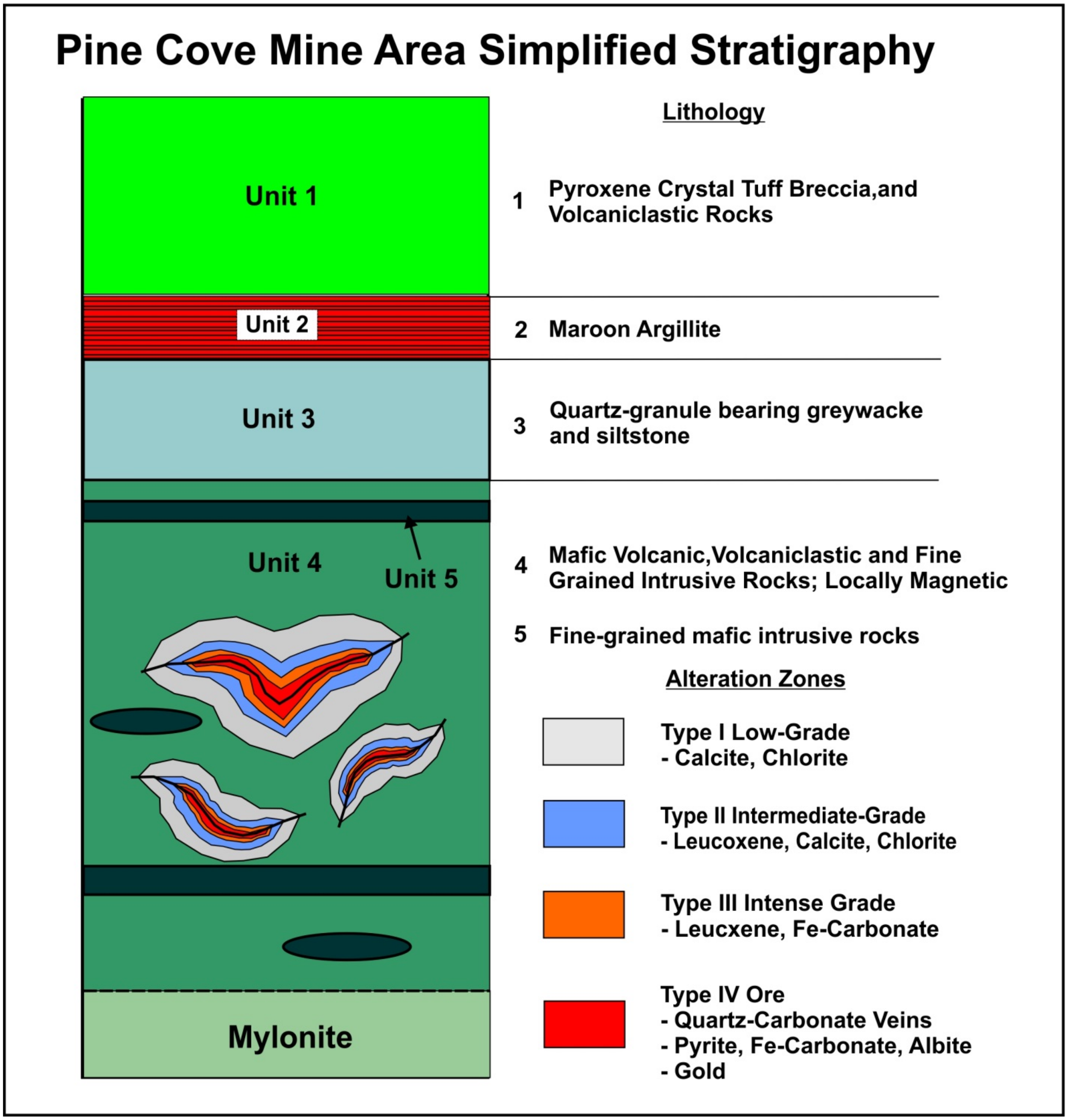

Figure 9: Simplified Stratigraphy, Pine Cove Mine.

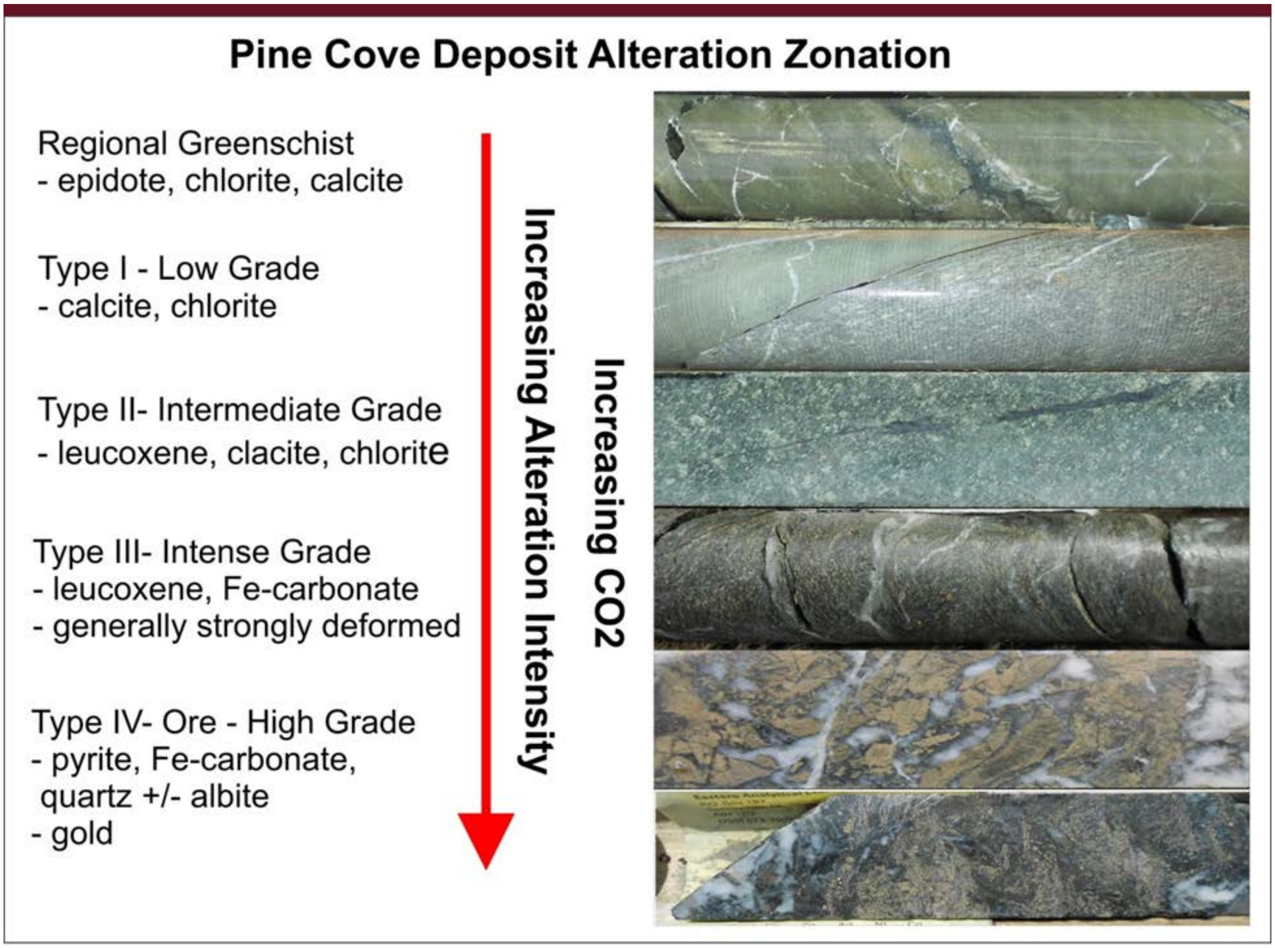

Figure 10: Alteration Zonation Associated with Gold Mineralization, Pine Cove Mine.

7.3.2 Stog'er Tight

The Stog'er Tight area is host to several gold prospects including the; Stog'er Tight Deposit and its East and West extensions, the Gabbro, Gabbro East, Gabbro West, South and Cliff zones (Figure 11), The geological setting of the Stog'er Tight area is characterized by volcaniclastic, sedimentary and intrusive rocks, which form part of the cover sequence of Snooks Arm Group. At the property scale the mafic volcanic/volcaniclastic sequence is intruded by northwest-southeast-trending, north-dipping layered gabbroic sills up to 40 m thick (Figure 11-15). The sills can exhibit chilled northern contacts and slightly, to-moderately, sheared southern contacts (Kirkwood and Dube, 1992).

The area has been subjected to at least four significant episodes of deformation termed D_1 through D_4 as described in section 6.1 above and following the terminology of Castonguay et al. (2009). The major protracted D_1/D_2 deformation produced the generally northerly dip of the units due to regional-scale folding. Stog'er Tight sits on the south limb of an east-trending close to tight syncline slightly overturned to the southeast (Figure 11). At Stog'er Tight the main foliation is interpreted to be S_1 with local preservation of F_1 tight to isoclinal folds in drill core (Figures 12-15). S_1 is folded about south-verging asymmetric F_2 folds. The F_2 folds have west-northwest striking, moderate north dipping axial surfaces and generally plunge gently to moderately towards the northwest. D_2 shear zones are observed at Stog'er Tight and are generally localized along the south limb of the asymmetric F_2 folds and trend roughly axial planar to F_2 folds. Although locally mylonitic, the D_1/D_2 foliation is not as extensively developed and transposed into parallelism to the degree observed at Pine Cove. This less overall intense structural development may be related to relative distance from the Scrape Thrust system.

D_3 deformation produced F_3 mesoscopic northward-verging asymmetric folds that affect all the D_1/D_2 fabrics, shear zones and related alteration. The F_3 folds trend roughly southeast and plunge shallowly to the northwest and southeast. The associated S_3 axial planar cleavage dips gently towards the south and cuts the S_2 fabric. D_4 deformation produced asymmetric to tight, generally north-verging folds with sub-horizontal to gently south-dipping axial surfaces. The D_4 deformation is marked by broad regional north-northeast-trending anticlines and synclines which affect D_1 through D_3-related structures and impart a doubly geometry to many of the pre-existing folds. S_4 is a roughly northeast-trending fracture cleavage.

Four alteration zones are recognized (Ramezani, 1992). These include; i) a chlorite-calcite zone, ii) an ankerite-sericite zone, iii) a chlorite-magnetite zone, and IV a red albite-pyrite (+gold) zone (Plate 4). The fourth zone of albitization is readily observed in outcrop even from a distance and results in the rocks having a general pink appearance that is readily mapped (Figures 14-17). Locally leucoxene is observed as part of the alteration assemblage. Quartz veins occur within the mineralized zones both as barren tension gash veins, which are interpreted to postdate the mineralization, and as shear-parallel, quartz–albite–ankerite veins (Plate 5).

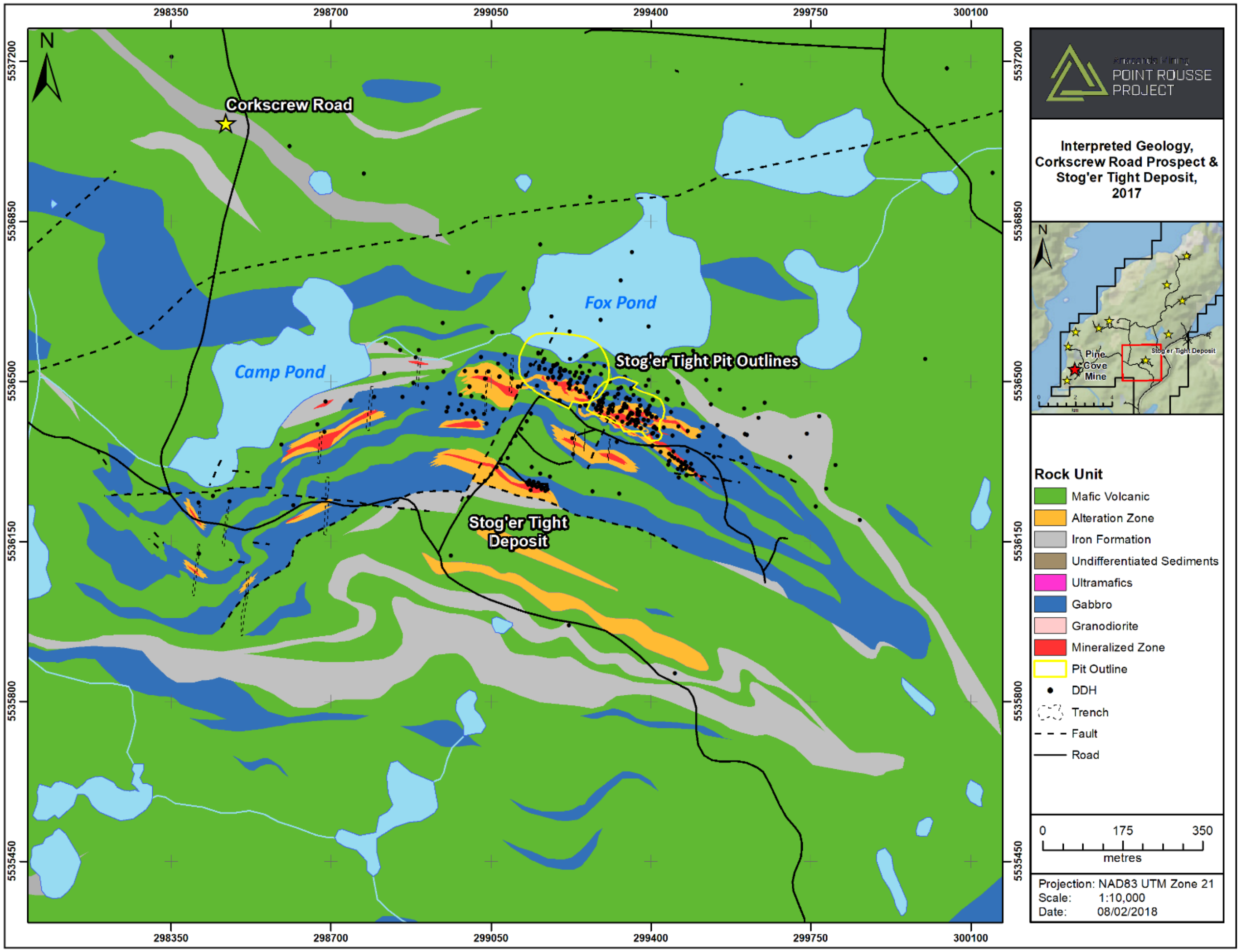

Figure 11: Geological Map of the Stog'er Tight Project Area (After Kirkwood and Dube, 1992, and Huard, 1990).

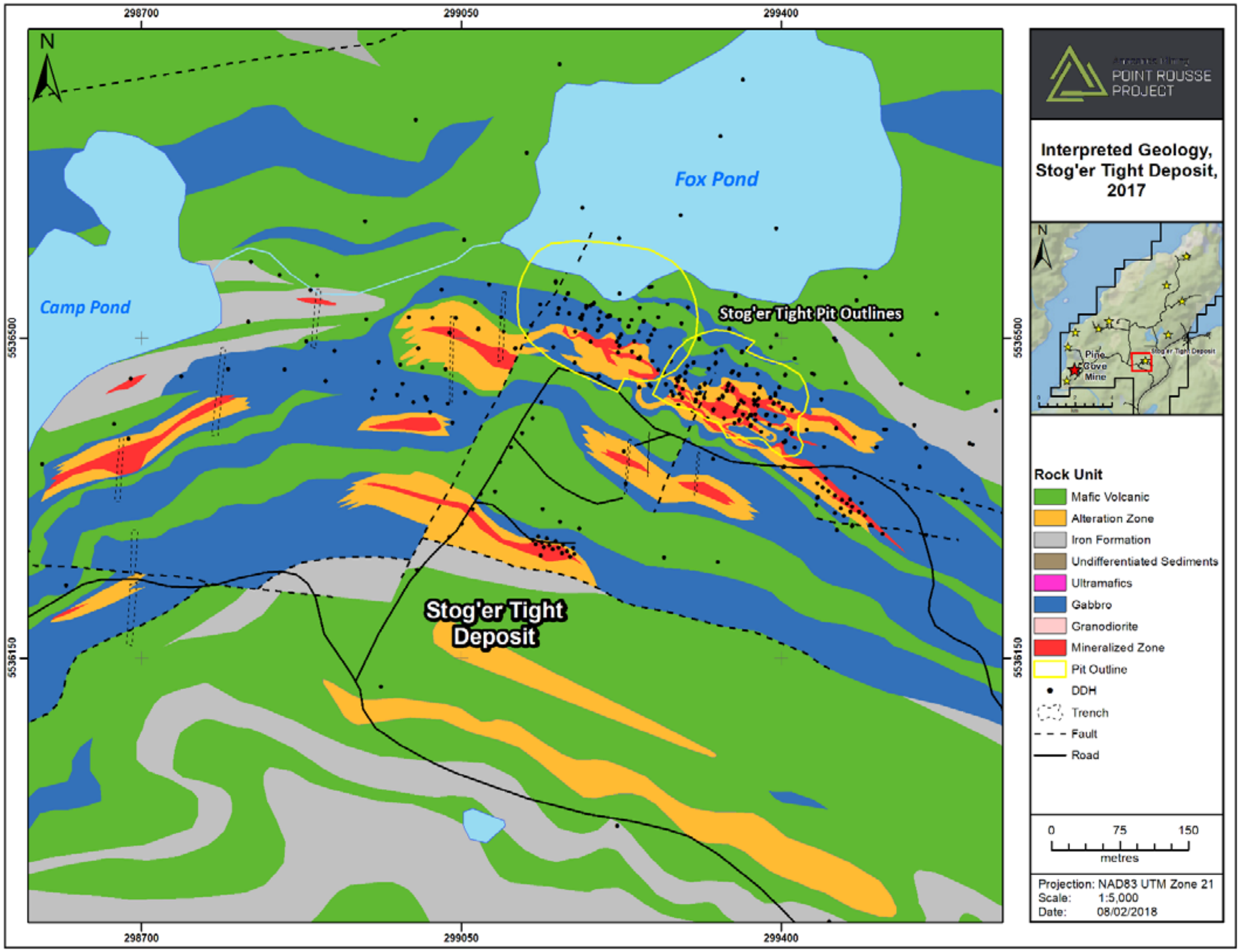

Figure 12: Detailed Geological Map of the Stog'er Tight Deposit (after Kirkwood and Dube, 1992).

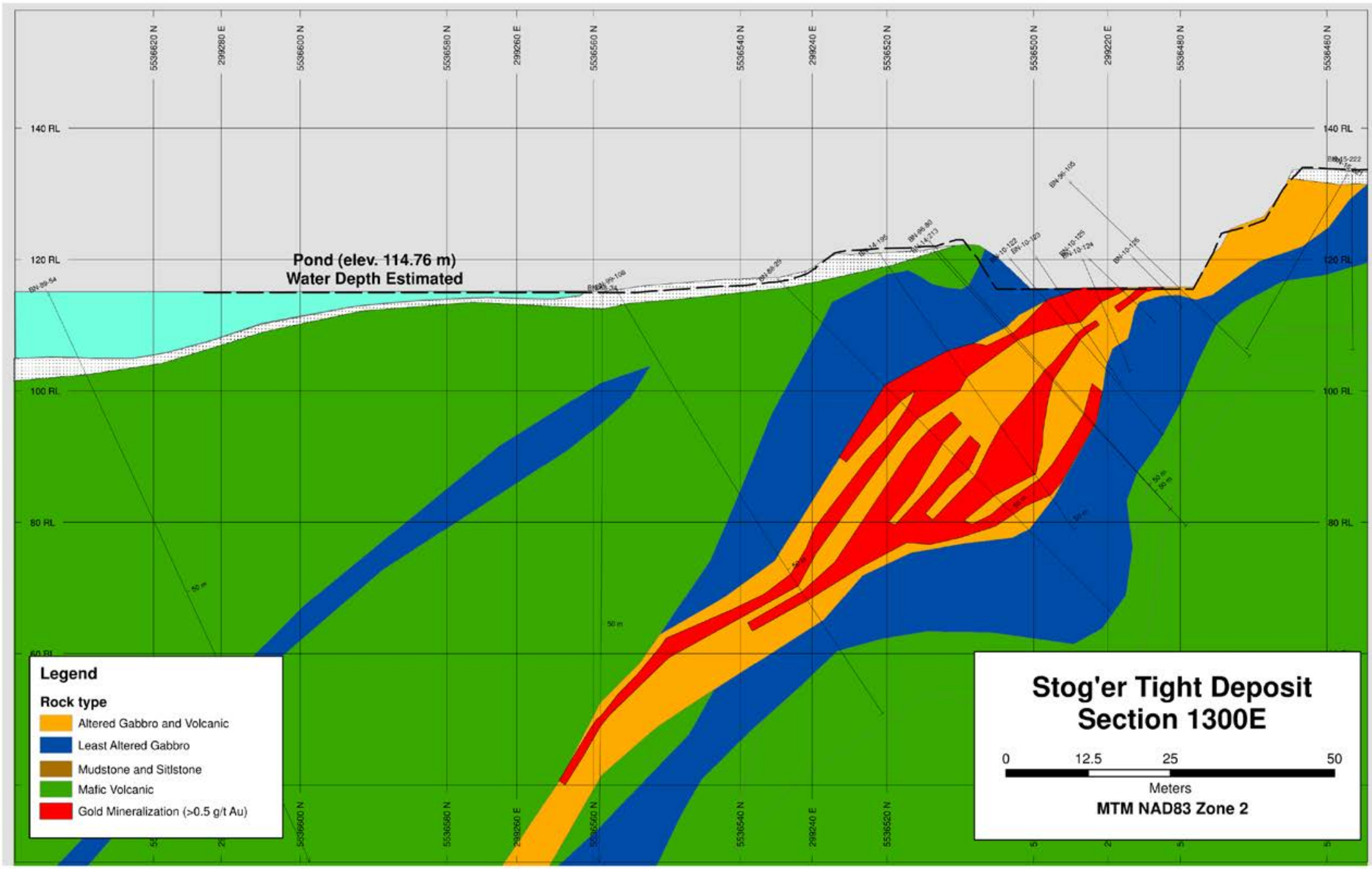

Figure 13: Geological Cross Section of 1300E, Stog'er Tight Deposit, Looking East.

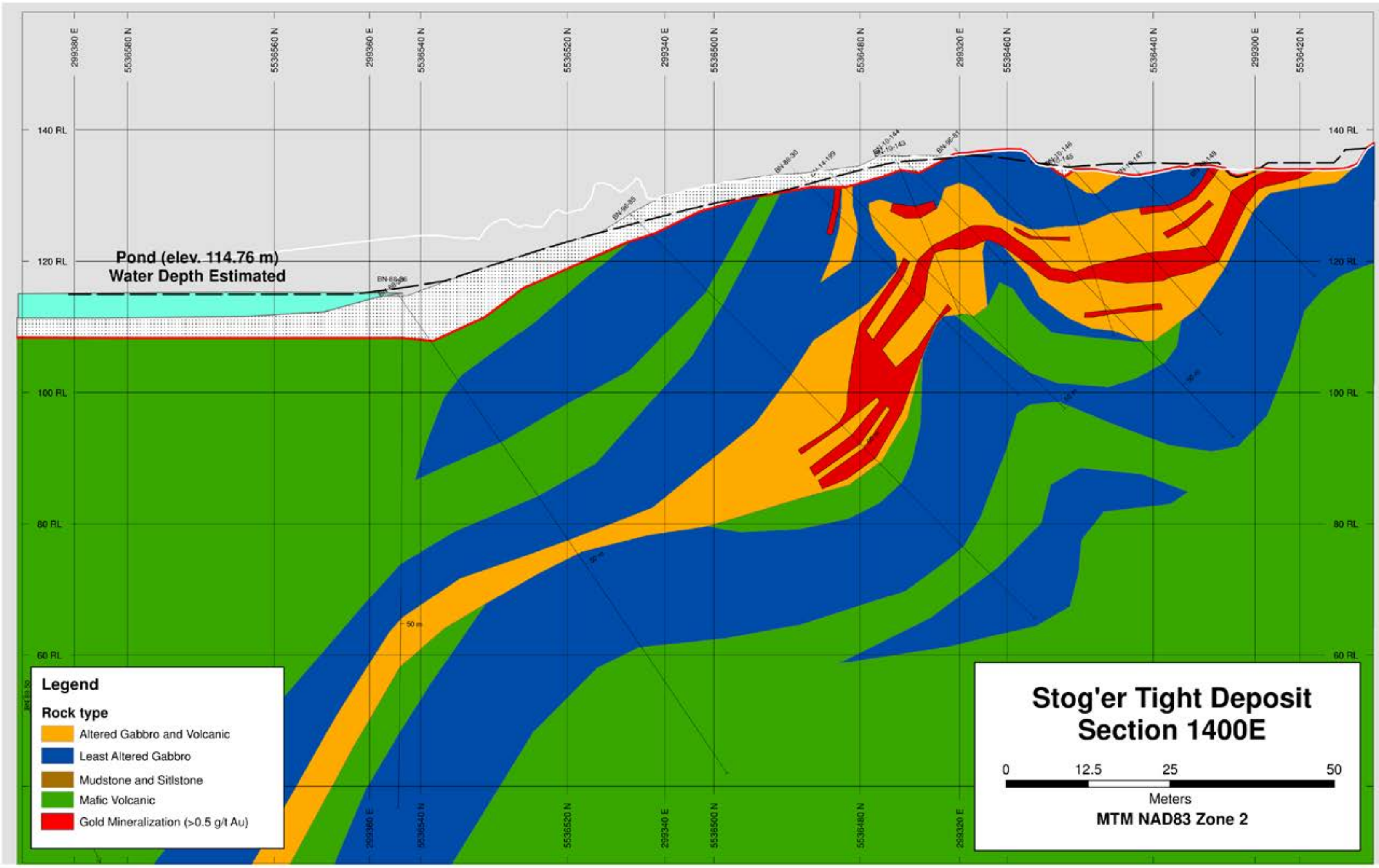

Figure 14: Geological Cross Section 1400E, Stog'er Tight Deposit, Looking East.

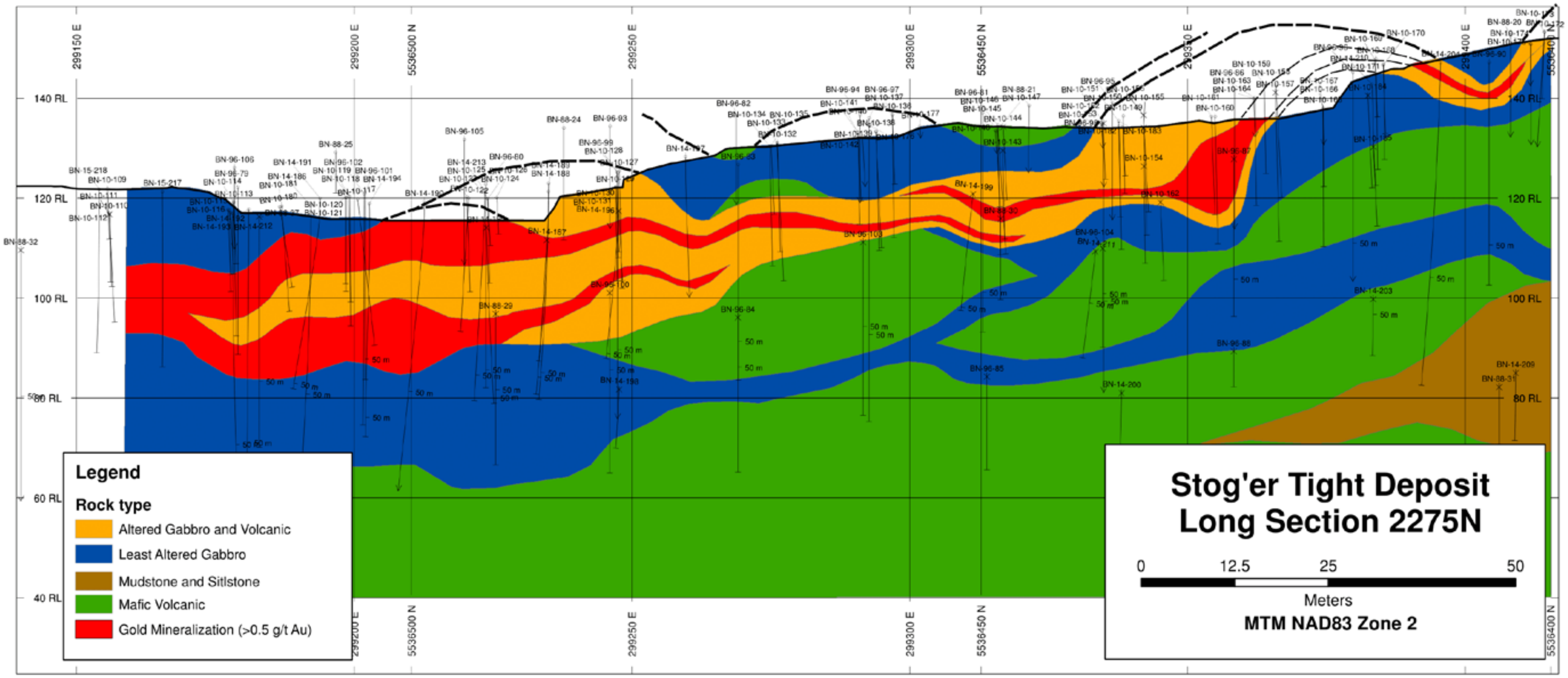

Figure 15: Vertical Longitudinal Section 2275N, Stog'er Tight Deposit, Looking North.

Plate 4: Coarse Pyrite Associated with Quartz-Veined and Strongly Albitized Gabbro, (BN-15-217).

The gold within the Stog'er Tight Deposit occurs as fine-grained (<.05 mm) micro veinlets and disseminated blebs within the coarse pyrite aggregates. Visible gold was observed as rare very delicate flakes localized within weathered-out pyrite cubes and in narrow quartz veins. Generally, higher grades are associated with coarse mottled pyrite.

Plate 5: Coarse Pyrite within Quartz-Carbonate Vein Cutting Strongly Albitized Gabbro (BN-15-217).

7.3.3 Romeo and Juliet Prospect

The Romeo and Juliet Prospect is underlain by a sequence of relatively unreformed, massive fine-grained, locally vesicular pillow basalts which form part of the Snooks Arm Group. Fine-grained, mafic volcanic and gabbroic intrusive rocks host the veins. The prospect consists of three northeast aligned quartz veined zones up to 1 to 2 m thick, exposed over 300 m, striking 30° and dipping 60°. The veins are spatially associated with a north-northeast-trending topographic lineament that continues for several kilometres to the north. The Balcony Zone is located near the centre of the exposed veins at depth. It consists of a zone of disseminated pyrite and associated gold mineralization that appears to be specially associated with a northeast trending lineament that cross-cuts the vein and is associated with a gabbro (Figure 16). Mineralization has been traced for approximately 100 m and is open to the east, west and down dip. Gold is associated with an altered pyritic mafic dyke, which is different from the Romeo and Juliet massive quartz vein hosted-style of gold mineralization (Plate 6).

Mineralization is generally associated with veins, which consist of multiple generations of parallel milky-white quartz, as evident by crack-seal textures, comb textures, weakly preserved lamination and altered wall-rock fragments. Discrete vein margins look pitted or etched, typically greyish having a greasy sheen and are coated with minor green sericite and a soft clay-like mineral. The vein margins are locally strongly hematitic. Visible gold occurs as fine grains or blebs along these sericite coated vein margins. Locally small flecks of gold were also observed within the massive quartz veins.

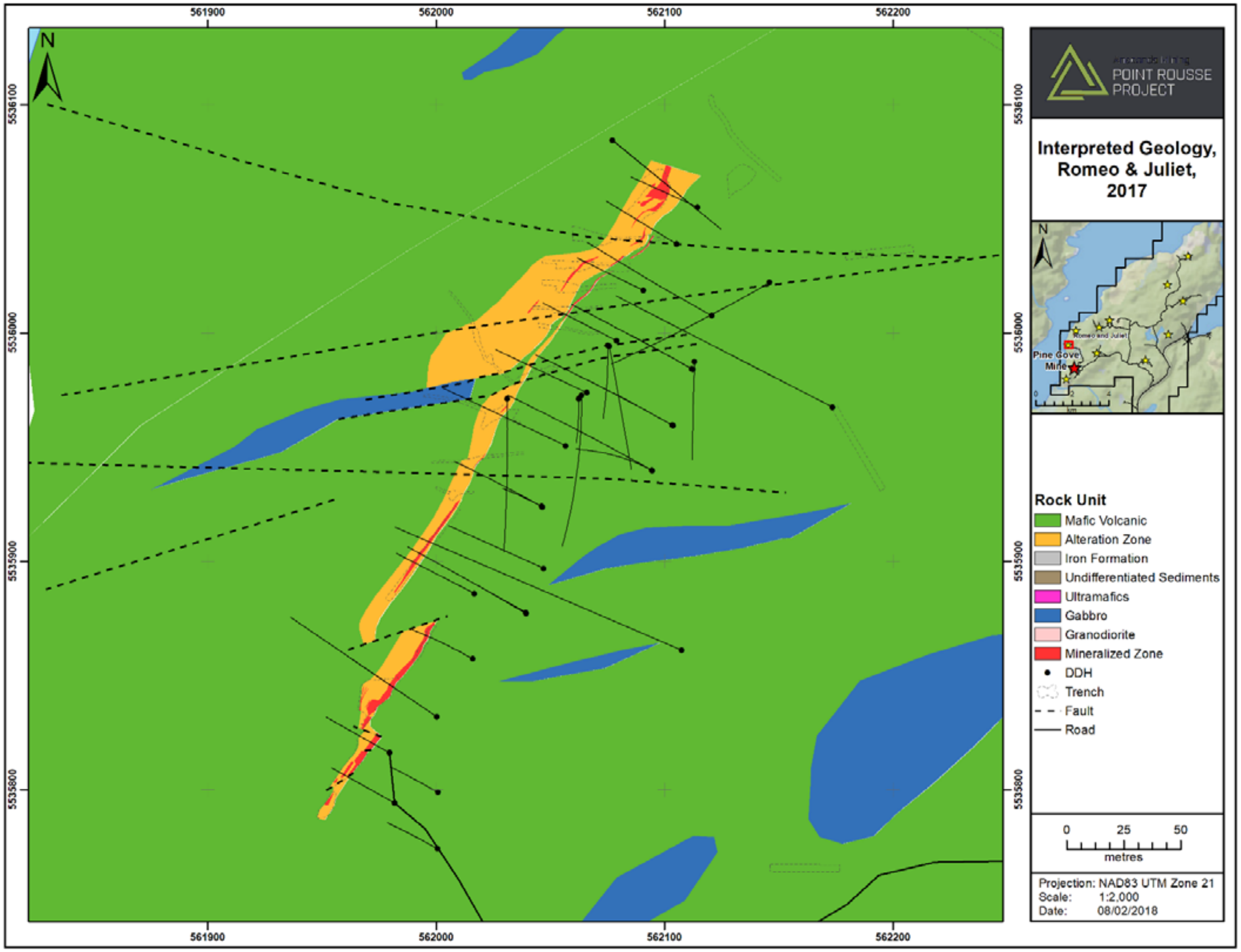

Figure 16: Geological Map, Romeo and Juliet Prospect (after Duncan, 1994).

Plate 6: Quartz-Carbonate Veining Associated with a Sheared Mafic Dyke, Balcony Zone, Romeo and Juliet.

7.4 THE GOLDENVILLE TREND

The Goldenville Trend is an 8 km-long belt of highly prospective rocks associated with iron formation referred to as the Goldenville Horizon. The prospective nature of the trend is based on a well-established model of Banded Iron Formation hosted gold Deposits, such as at the historic Nugget Pond mine located approximately 30 km to the southeast which produced approximately 487,757 tonnes grading 9.61 g/t gold (Richmont Mines Inc. Annual Report, 2002). Along the Goldenville trend, Anaconda is exploring the trend for a similar Deposit to act as a high-grade Deposit to act as a high grade incremental feed, extend the Point Rousse Project mine life and to double production. This trend has numerous gold showings and prospects such as Big Bear and Fuel Bog, four small historical shafts at Goldenville and a prospect named Corkscrew.

Within the model and consistent with showings within the trend, gold is associated with zones of magnetite destruction (producing pyrite) commonly around fault zones or within fold hinges. The destruction of magnetite results locally in a notable magnetic low in the magnetic map. Exploration in this gold trend thus focuses on areas adjacent to the iron formation associated with faults and coincident breaks in the magnetic pattern normal for the Goldenville Horizon. Soil geochemistry in conjunction with these geological and geochemical patterns are useful vectoring tools to identify covered gold Deposits

7.4.1 Goldenville Horizon and Associated Prospects

The Goldenville Horizon a part of regionally extensive, but locally discontinuous unit of ferruginous chert and iron formation known Nugget Pond Horizon of the Bobby's Cove Formation of the Snooks Arm Group (Figure 17). The prospective nature of the trend is based on a well-established model of Banded Iron Formation hosted gold such as the historic Nugget Pond mine.

The geological setting of the prospects and showings associated with the Goldenville Horizon is focused on an iron formation which is interpreted to mark the transition from the ophiolitic rocks of the Point Rousse Complex to the Snooks Arm Group. The Goldenville Horizon lies within the core of a major east-west-trending syncline which folds the Point Rousse Complex (Figure 5) (Norman, 1973; Hibbard, 1983).

The Goldenville Horizon varies in thickness from less than 1 m to multiple metres or as multiple small horizons over a broad section. At the Goldenville prospect as at other prospects within the Goldenville Trend, mineralization is associated with the ironstone, chloritic tuff and andesite, locally transected by pyrite and quartz-pyrite veins (Plate 7) striking north-westerly and dipping moderately (Snelgrove, 1935). A number of northerly trending high-angle faults cut the Goldenville Horizon at Goldenville Prospect. Away from the iron formation, these faults, which host weakly pyritiferous quartz veins, were found to contain anomalous gold concentrations, with values up to about 3 g/t gold. One fault is associated with mafic breccia including banded quartz-carbonate and chlorite. Milky-white quartz shear veins containing minor pyrite occupy the central portion of the fault zone and similar zones have been intersected by diamond drilling near the Main Shaft at the Goldenville Prospect.

Mineralization is also observed in areas of the Goldenville Horizon (e.g. Maritec Prospect) where faults, interpreted from lineament mapping, intersect the ironstone and are associated with intense iron-carbonate and sericite alteration and quartz-carbonate veins. Near the Maritec, Maritec #3 and #4 and East Shaft prospects, an easterly trending 600 m zone of quartz-carbonate veining and iron-carbonate and sericite alteration appears to intersect the East Shaft prospect. A similar zone of alteration and veining is observed at the North Shaft and Goldenville prospect.

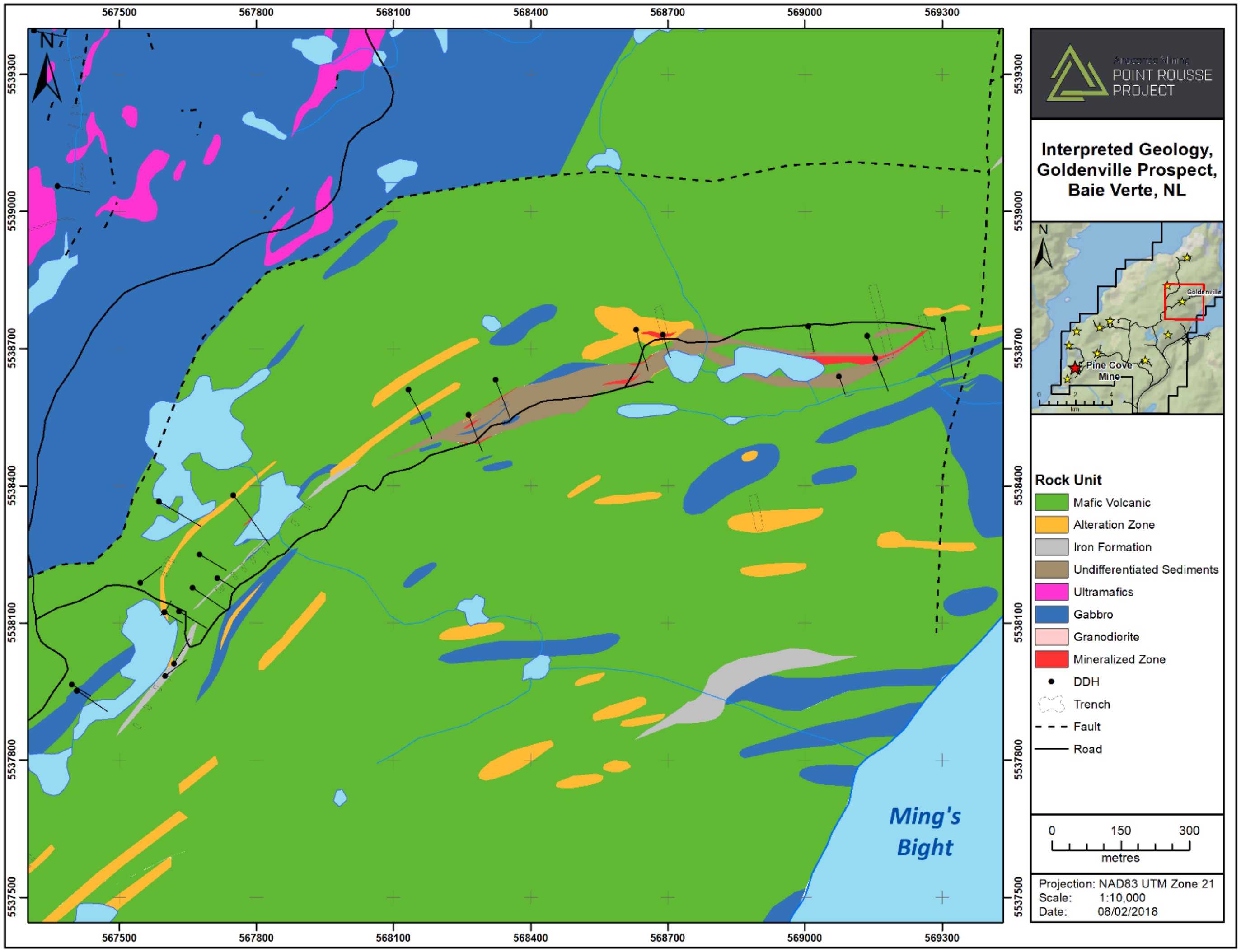

Figure 17: Geology of the Goldenville-Maritec Prospect Are

Plate 7: Grab Sample from Goldenville Mine Dump Showing Coarse Pyrite Mantling Quartz Veining Developed within Magnetite-Rich Iron Formation.

7.4.2 Corkscrew

The geological setting of the Corkscrew prospect is characterized by mafic volcanic and intrusive rocks of the Snooks Arm Group of the Point Rousse Complex (Figure 18). Outcrop hosting the Corkscrew prospect comprises a white weathering, fine to coarse grained, granodiorite. The host rock is a strongly sericite, Fe-carbonate, albite altered granodiorite of unknown affinity. The granodiorite is hosted within massive, pillowed and flow-breccia mafic volcanics of the Cambrian Mount Misery Formation.

The mineralization consists of small fracture-controlled quartz veins, locally up to 1 cm thick which trend 45 to 50° and dip 75 to 80° to the north and contain rare euhedral pyrite. The veining locally forms anastomosing zones up to 1 m wide, comprised of strongly fractured and altered wall rock with abundant disseminated euhedral pyrite. Both the massive unmineralized wall rock and the mineralized zones are cut by late quartz veins which locally contain epidote. Bailey (1999) described a mineralized hand sample from the prospect as buff white to green, highly fractured with hematization along fractures. The sample exhibited vuggy quartz and contained 1-2% disseminated magnetite.

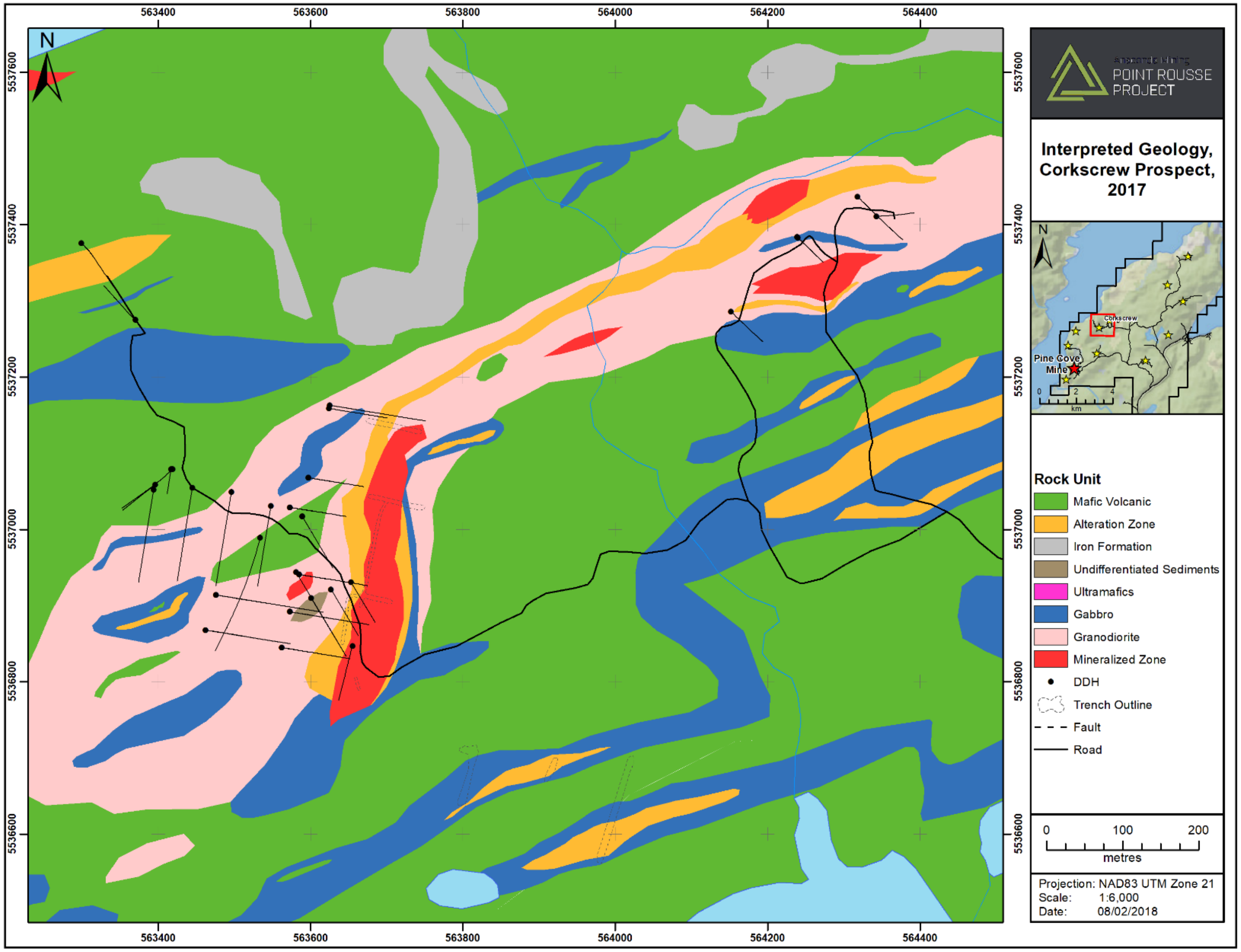

Figure 18: Geology of the Corkscrew-Big Bear Prospect Area.

7.5 THE DEER COVE TREND

The Deer Cove Trend is located in the northern part of the Point Rousse Project (Figure 6) and defined by the alignment of numerous gold occurrences with a significant structure referred to as the Deer Cove thrust fault and extends for at least 3 km. The Deer Cove trend includes a suite of 16 showings and prospects, as well as the Deer Cove Main Zone, a small vein style Deposit. Mineralization is generally hosted within the mafic volcanic hanging wall of the thrust fault within the Betts Cove Complex.

7.5.1 Deer Cove

The Deer Cove Deposit and similar prospects and showings associated with the Deer Cove trend are hosted within mafic volcanic, volcaniclastic and clastic rocks which form the upper part of an overturned, south-facing ophiolite (Gower et al., 1990; Figure 19). To the south the ophiolite abuts talc-carbonate and serpentinized ultramafic rocks along the Deer Cove Thrust. This thrust trends approximately east-northeast, dipping 50° to 60° north-northwest and has a south-directed vergence.

The mafic volcanic rocks are interpreted to exhibit a calc-alkaline affinity which implies formation in an island-arc or back-arc tectonic setting. Gabbroic intrusive rocks, within the mafic volcanic sequence, are geochemically dissimilar to ophiolitic gabbroic rocks of the Deer Cove area and are similar to the gabbroic rocks which host the Stog'er Tight Deposit (Patey, 1990).

Mineralization in the Deer Cove area is associated with two styles of quartz veining: quartz breccia veins at the Main Zone; and shear parallel, quartz breccia veins at several sites within the cover sequences rocks parallel to and above the Deer Cove Thrust. At the Main Zone gold is hosted by discontinuous lenses of brecciated quartz developed within an approximately north-south striking, 45°-55° west-dipping structure that cuts the mafic volcanic and volcaniclastic rocks. The breccia lenses average less than 1 m in width but locally they may reach up to 3 m. Pyrite with lessor chalcopyrite and arsenopyrite occur disseminated in the wall rock, breccia fragments and quartz veins. The zone has been traced by trenching and diamond drilling over a 500 m strike length, but is still open along strike to the north and down-dip.

At the Main Zone gold occurs both as: 1) free gold within the quartz veins and the altered wall rock (Plate 8), and 2) disseminated within the sulphide minerals. Noranda reported that the best grades were from the most deformed sections of the zone, closest to the sole thrust where the zone abuts a jasper-rich volcaniclastic unit. This southernmost 32 m of the zone contained abundant visible gold and averaged 14.25 g/t gold over a width of 2.9 m (Gower, 1988).

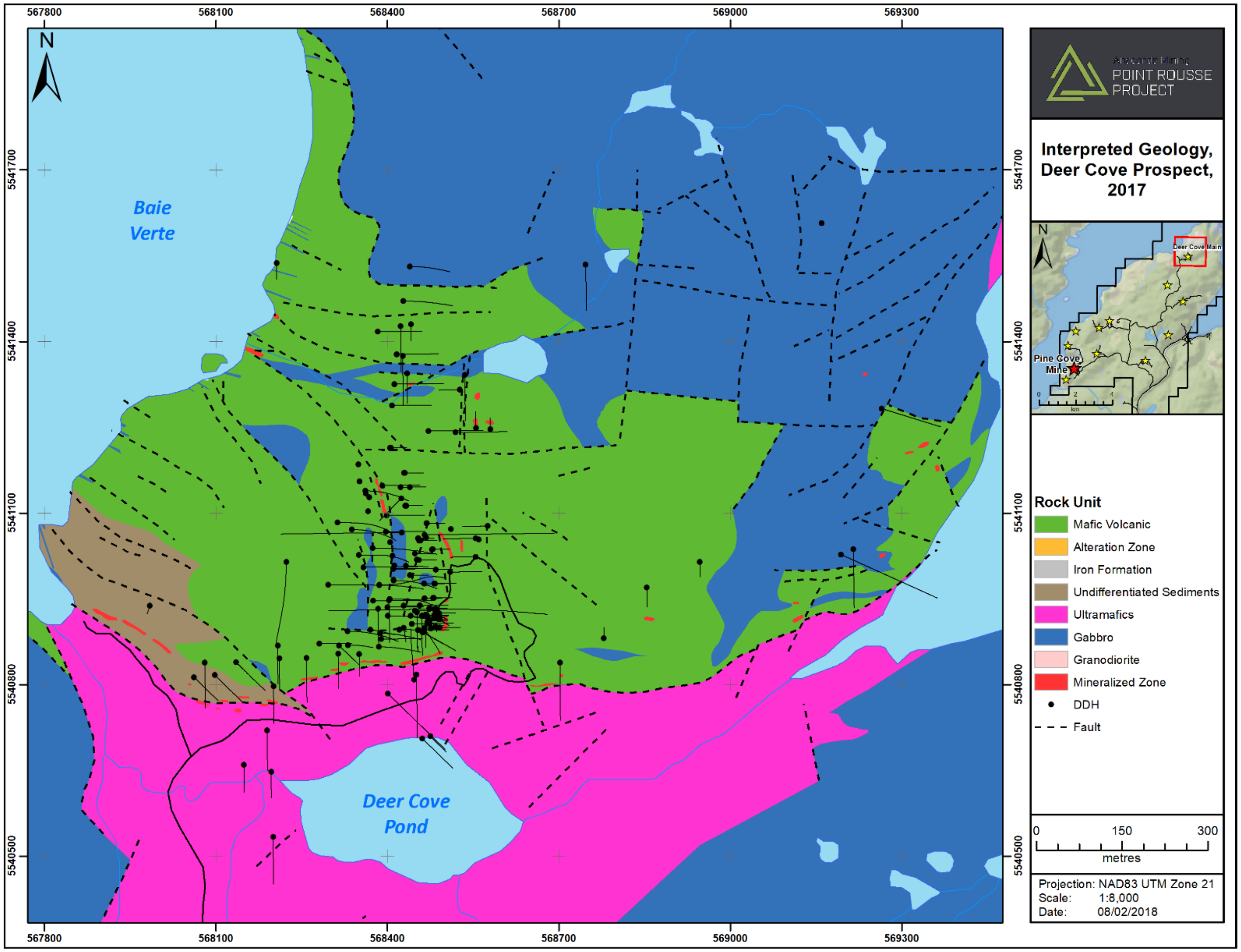

Figure 19: Geological Map of the Deer Cove Area, Showing the Distribution of Mineralized Quartz Veins.

Plate 8: Coarse Gold Marginal to Quartz Veining, Deer Cove

The brecciated quartz vein zones exhibit a chlorite and carbonate alteration assemblage. Vein selvages are characterized by a zone of sericitic alteration in the mafic volcanic wall rock, which grades outwards into a wide zone of propylitic alteration characterized by chlorite, epidote, carbonate and accessory leucoxene. Quartz and carbonate concentrations decrease, and chlorite and epidote become finer grained, with increasing distance from the veins.

The AK-2 Zone is localized within a northwesterly striking, shear zone, developed within gabbroic rocks approximately 100 m west of the Main Zone. The zone is developed at the sheared contact between fine grained gabbro in the hanging wall and fine to medium grained plagioclase porphyritic gabbro in the footwall. Mineralization is hosted by a relatively undeformed breccia type vein containing up to 40% chloritic fragments and minor pyrite.

8 DEPOSIT TYPE

The Point Rousse Complex is host to orogenic-style gold mineralization. Mineralization comprises both vein-hosted and altered-wall rock or replacement styles of mineralization and both exhibit features common to orogenic gold deposits. The mineralization is typically structurally controlled and developed within subsidiary deformation zones, such as the Scrape Trust Fault, to major regional structures, like the Baie Verte – Brompton Line fault. Gold mineralization is intimately associated with disseminated and massive pyrite within the host rock indicating that iron rich rocks are an important precursor to mineralization. Alteration within mafic volcanic and gabbroic rocks can be is characterized by albitization and carbonitization. Iron and titanium rich lithologies associated with the Scrape Thrust are typical host rocks.

The Point Rousse gold mineralization exhibits relatively narrow, but distinctive alteration haloes dominated by Fe-carbonate, albite, sericite, chlorite and leucoxene (Plate 9). The ore mineralogy is relatively simple and is generally comprised of non-refractory gold either as free gold or as coatings on, or along fractures/grain boundaries in pyrite. Silver and base metals can be present in minor amounts and the deposits typically exhibit only trace arsenic.

Plate 9: Highly Visible and Characteristic Intense Fe-Carbonate Alteration Associated with Gold Mineralization, Argyle Zone.

Gold-bearing quartz veins can either be relatively "clean" milky-white quartz with free gold such at Romeo and Juliet or as pyritic, often brecciated quartz veins such as at the Deer Cove Main Zone. At the Goldenville Mine quartz veins with narrow auriferous-pyritic halos are developed within the oxide-facies banded-iron formation and are typical of Banded Iron Formation (BIF) gold Deposits.

The majority of known gold occurrences and all of the significant Deposits appear to be restricted to the cover sequence of the Point Rousse Complex and are best developed in titanomagnetite-rich mafic intrusive or volcanic rocks and oxide-facies banded-iron formation. Leucoxene is common to most of the occurrences and its presence and genesis is thought to play a crucial role in host rock preparation. Gold occurrences with the ophiolitic rocks of the Point Rousse Complex are few and typically small

Volcanic rocks of the cover sequence have the potential to host volcanogenic sulphide mineralization similar to the Rambler Deposits in the Pacquet Harbour Group. The Barry and

Cunningham prospect, which is located on the coast approximately 2.5 km north of the community of Ming's Bight, consists of small lenses of copper-rich massive sulphide mineralization. Zones of semi-massive to massive pyrite are also associated with the numerous bands of iron formation within the cover sequence.

Anaconda is exploring the three mineralized gold trends which are present within the Point Rousse Project targeting high-grade vein-hosted gold and lower-grade disseminated gold mineralization. The Company is focusing on brownfields exploration surrounding the known gold occurrences capitalizing on existing historical data. The Company is also focusing on more Greenfield areas by capitalizing on the vast collection of archived exploration data and by undertaking detailed geological mapping, prospecting and soil geochemical and geophysical surveys.

The gold mineralization is structurally controlled, often associated with subsidiary fault zones and is generally hosted by strongly Fe-carbonatized mafic rocks. Soil geochemical data in conjunction with ground geophysics has proven effective in delineating trenching and diamond-drill targets.

9 EXPLORATION

Systematic exploration was completed on the Point Rousse Project from late October 23, 2015 to December 31, 2017. Work included geological mapping at the prospect and license scale, but is primarily focused on diamond drilling using NQ and BQ sized core. This involves identifying drill targets through mapping, interpretation of ground geophysical surveys and designing drill holes to intersected the interpreted structures what could host gold mineralization. Work included follow-up of exploration targets generated within the 3 gold trends as part of a property wide data compilation and targeting exercise in mid-2015 (Figure 20). Since the 2015 Technical Report the Company has explored with the goal of expanding known resources adjacent to existing the Pine Cove and Stog'er Tight Deposits. The result includes an expansion of the Pine Cove Deposit, the discovery of the Argyle Deposit and the discovery of new zones of mineralization along strike from Stog'er Tight.

Exploration completed since 2015 includes:

- Geological mapping and prospecting (910 rock grab and float samples) throughout the Scrape, Goldenville and Deer Cove Trends during the summers of 2016 and 2017. Assays from trace to 618.3 g/t Au with 26 of the samples assaying >0.5 g/t gold.
- Trenching, geological mapping and channel sampling at the Stog'er Tight and Argyle Deposits (late 2015 and summer 2016)
- Linecutting, ground magnetic and induced polarization geophysical surveys at the Argyle Deposit (summer 2016)
- Diamond and percussion drilling programs at the Pine Cove, Stog'er Tight, Corkscrew Road, Argyle and Goldenville prospects.

All samples collected and referenced are considered representative for the type of sample collected and for the purpose with which they were collected. For example, grab samples are hand sized samples that represent interpreted mineralization as observed in outcrop. Drill core samples are representative of interpreted mineralization as intersected in diamond drill core during the drill program and are consistent with the geological interpretations at the time of collection. The geological interpretation may change as more information become available on any showing, prospect or deposit. Unless otherwise noted, the samples collected are considered representative.

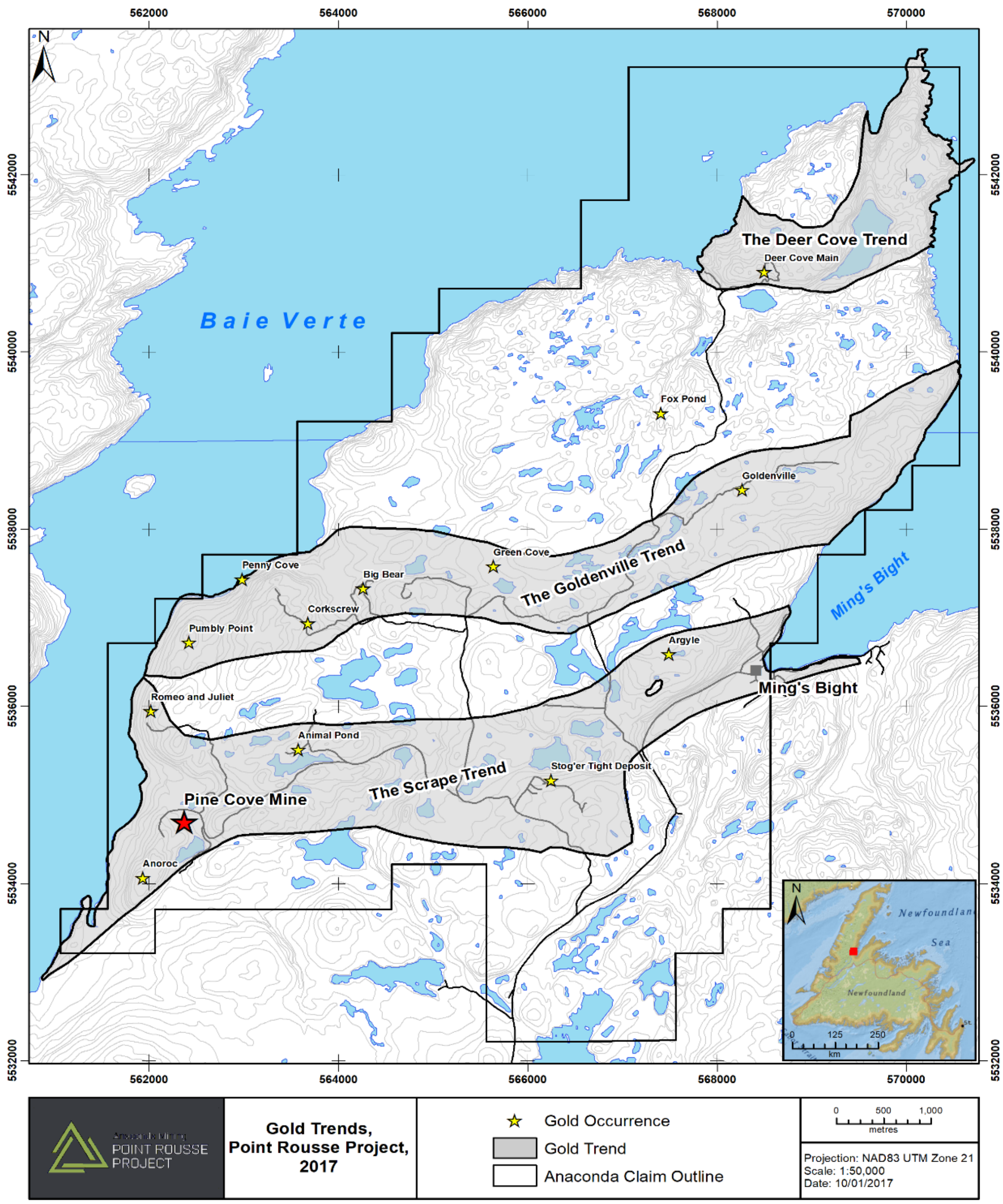

Figure 20: The Three Geological Trends with Associated Gold Mineralization, Ming's Bight Project.

9.1 PROPERTY WIDE PROSPECTING AND GEOLOGY

A property-wide program of prospecting and geological mapping was undertaken during the summers of 2016 and 2017. The goal of the prospecting and geology program was to follow up on the 180 priority exploration targets generated in 2015 from a comprehensive digital data compilation and targeting exercise. Emphasis was placed on understanding the nature of the recently re-interpreted stratigraphy published in 2015 by the GSC. Prospecting and geological mapping efforts were directly mainly at the Scrape and Goldenville trends with the goal of better understanding the extent of gold mineralization and alteration and nature of host stratigraphy prior to drill testing of these areas. Attention was directed in particular to the Stog'er Tight, Anoroc, Argyle, Godenville-Maritec and Corkscrew areas. Minor work was completed along the Deer Cove Trend. A total of 910 rock grab and float samples were collected over two years.

Highlight assays from prospecting include:

- 26 of the 910 samples assay greater than 0.5 g/t gold with a maximum value of 618.3 g/t gold from the Argyle Deposit area;
- 7 of the anomalous samples were from the Argyle Deposit with assays from 1.40 to 618.3 g/t gold. Other samples assaying 40.9, 45.7 and 62.5 g/t gold;
- 5 of the anomalous samples were from the Stog'er Tight Deposit with assays from 0.62 to 2.63 g/t gold;
- 5 of the anomalous samples were from the Corkscrew Prospect with assays from 0.72 to 9.86 g/t gold;
- 4 of the anomalous samples were from the Goldenville-Maritec Prospect with assays from 0.76 to 5.42 g/t Au
- Assays up to 2.73 g/t Au (Pumbly Point), 1.04 g/t gold (Penny Cove), 3.32 g/t gold (Bruce) and 0.55 and 6.39 g/t gold (Anoroc Prospect).

Follow-up exploration is warranted at each of these prospects in order to better define the extent of gold mineralization.

9.2 THE SCRAPE TREND

9.2.1 Stog'er Tight Deposit

In December of 2015, the Company announced the results of its fall exploration program at the Stog'er Tight Project, which was focused on continuing to expand mineral resources along strike and adjacent to the Stog'er Tight Deposit. The program included the excavation of 6 trenches and the collection of 219 one-metre channel samples in the East, West and Gabbro zones following up on historical mapping and trenching that indicated the presence of mineralization.

The primary goal of the program was to test the hypothesis that the East and West zones are continuous with the Stog'er Tight Deposit at surface and that the East Gabbro zone is a separate zone of mineralization. The Stog'er Tight Deposit has a known, near-surface strike length of approximately 300 metres. The results of the trenching and channel sampling program indicate that the East zone mineralization is contiguous with the Stog'er Tight Deposit over a distance of 100 metres. The West zone was confirmed to contain mineralization over a strike length of at least 80 metres, but appears to be offset by approximately 25-40 metres along a north-south striking fault at the west end of the Stog'er Tight Deposit. Consequently, the strike length of mineralization exposed at surface at Stog'er Tight, including the Deposit and the East and offset West zones, is now approximately 480 metres.

Excavation of an historic trench at the East Zone exposed high grade mineralization that returned high grades of significant widths (17.76 g/t gold over 11 m in trench STtr15-05). This area subsequently was taken as bulk sample and processed at the Pine Cove Mine.

Excavation of other historic trenches at the West Zone exposed altered and mineralized gabbro that assayed 4.38 g/t god over 9.0 metres (trench STtr15-10) and 0.98 g/t gold over 12.0 m (trench STtr15-09).

Highlights of the channel sampling include:

- 17.76 g/t gold over 11 m in channel STtr15-05-C
- 11.02 g/t gold over 12 m in channel STtr15-05-D
- 10.77 g/t gold over 8 m in channel STtr15-05-B
- 4.38 g/t gold over 9 m in channel STtr15-10
- 0.98 g/t gold over 12 m in channel STtr15-09

Trenches in this program included STtr15-05 to STtr15-10. Channels STtr15-06 and STtr15-07 did not contain significant intersections of gold. Composites are 80-95% of true thickness.

A limited geological mapping and prospecting program was completed along strike to the east and west of the Stog'er Tight Deposit to obtain a better control on geological units and structure to aid in the planning of diamond drillholes. Nineteen grab samples were collected during the mapping program and submitted for Au assay.

Diamond drilling totalling 3,526.2 m in 62 drill holes (BN-16-225 to BN-17-286) tested the greater Stog'er Tight area in two phases (see section 10.0 below for details). Drilling was largely exploratory in nature with the goal of expanding the along strike continuation of the Stog'er Tight Deposit and testing outcropping mineralization at the Gabbro, West, 278 and East Zones

9.2.2 Argyle Deposit

In late 2015 the Company completed a trenching and channel sampling program at the Argyle Deposit. The program consisted of the excavation of overburden along four trenches over 181 metres and channel sampling of 68 metres of the exposed bedrock. The goal of the program was to determine if two previously exposed zones of mineralization are contiguous and demonstrate geological continuity along the Argyle Deposit. Three of the four trenches tested the eastern portion of the prospect where it was previously constrained by a single trench. A fourth trench tested the western limits of the prospect.

In the eastern area, trench AEtr15-18 returned 1.89 g/t gold over 10 metres. It is located 40 metres west of trench AEtr14-12, which contained 1.31 g/t gold over 11 metres, and 160 metres east of trench AEtr14-08, which contained 3.75 g/t gold over 16 metres. Trench AEtr15-19 intersected anomalous mineralization and a broad alteration zone consistent with alteration throughout the prospect area, but was not sampled across the entire trench due to poor ground conditions. Trench AEtr15-17 did not intersect alteration or mineralization. Trench AEtr15-20 exposed anomalous gold mineralization and the continuation of the alteration zone at the most westerly end of the Argyle prospect.

Geological mapping and interpretation of the analytical results indicate that the two previously exposed zones of mineralization are contiguous and that there is geological continuity throughout the Argyle prospect over a minimum strike length of 300 metres. Gold grades and alteration character are similar in style and tenor to those observed at the Stog'er Tight Deposit.

12.8 line-km of grid was cut over the Argyle Prospect during November 2016 to facilitate ground IP and magnetic surveying (Figures 21 and 22). A four-man crew was used to cut the grid. Grid lines run north-south and are spaced 50 m apart, with station pickets every 25 m. The IP survey was completed by Abitibi Geophysics and comprised a 2D IP array using a dipole size of a = 25 m and reading dipole separations of n = 1-6 m on cut lines spaced 50 m apart. The depth of investigation of this array should approach 100 m which was judged to be sufficient at this stage of exploration.

The gold mineralization at the Argyle Zone is associated with altered, quartz veined and pyritized gabbro. The pyrite content is high enough that it was detectable by IP methods. No known ground geophysical surveys were conducted on Argyle and a program of IP and resistivity was planned to help delineate the known mineralization exposed from trenching and intersected from drilling, and to explore for chargeability and resistivity anomalies in the surrounding area both on strike and down dip.

The Argyle cut grid and all drill access roads were surveyed using a "walking" type, fast sampling magnetometer with GPS positioning. Minimal processing of the magnetic data was required and temporal variations of the Earth's magnetic field were monitored with a base station and removed. Interpolation of the data onto a regular grid used a natural neighbour's algorithm. The altered gabbros were detected as discreet zones of low magnetism that sit within an overall highly magnetic gabbro body.

From August 9, 2016 to December 3, 2017 Anaconda completed 63 diamond drillholes (AE-16-01 to 44 and AE-17-45 to 63) totalling 5,636.2 metres at the Argyle Deposit (see section 10.0 below for details).

The combined exploration work at Argyle from 2012 to present has resulted in the discovery of a shallow, northerly-dipping, near-surface (less than 100 vertical metres), mineralized gold system with a strike length of over 685 metres and a down-dip extension to at least 225 metres. Argyle remains open both along strike and down-dip.

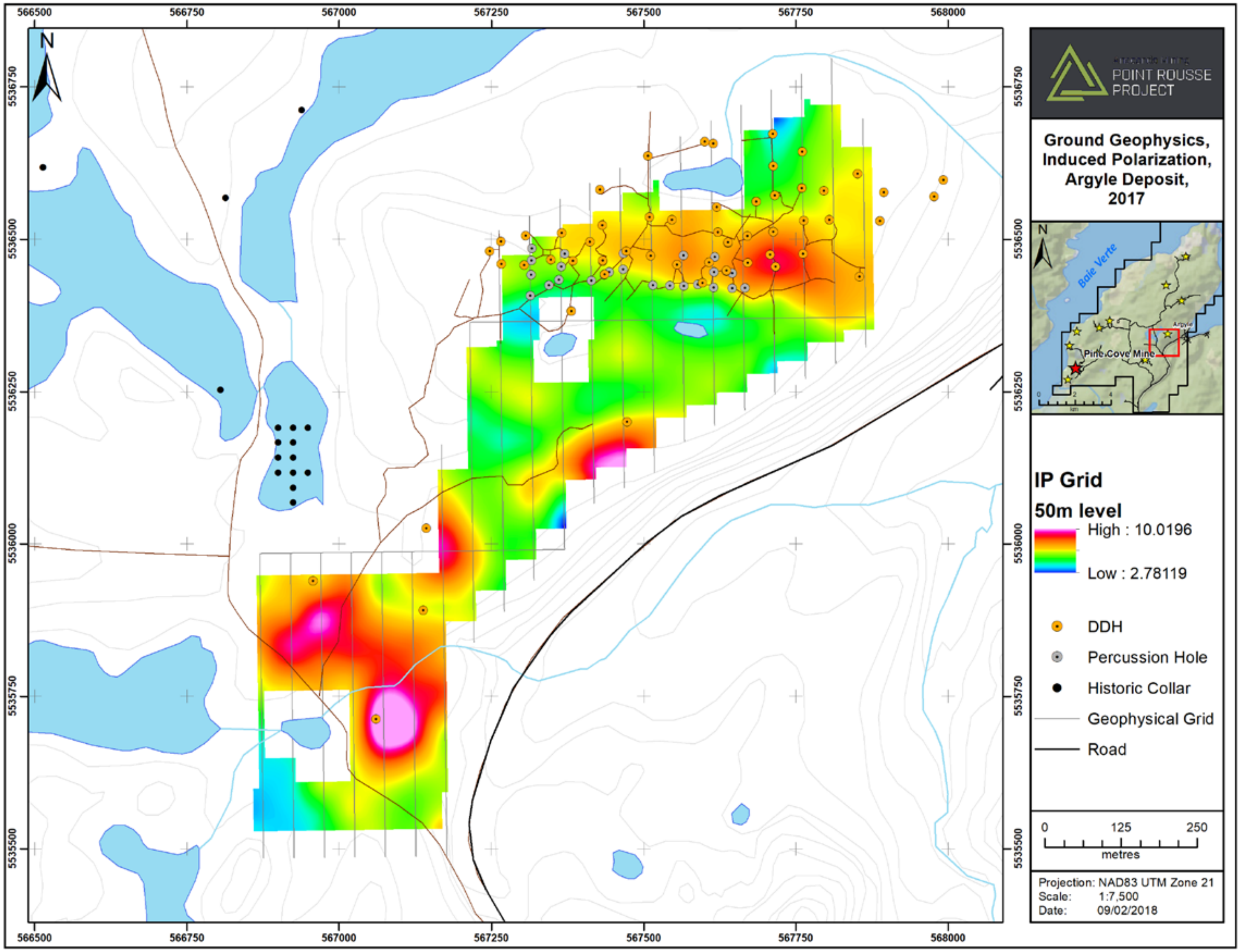

Figure 21: Induced Polarization Chargeability Level Plan (-50m), Argyle Deposit.

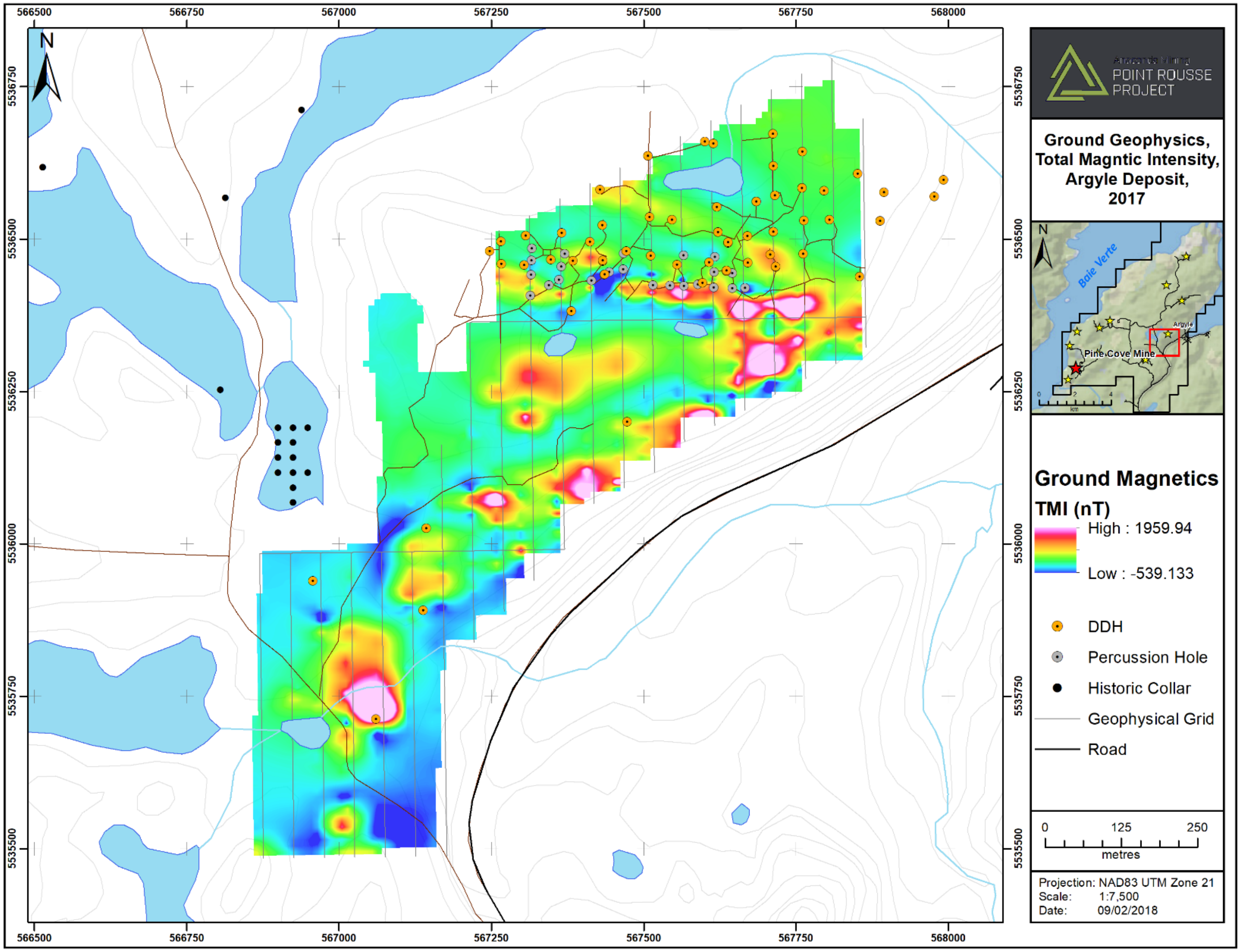

Figure 22: Ground magnetic contour map - Argyle Deposit

9.3 THE GOLDENVILLE TREND

From July 24 to August 12, 2016, Anaconda completed a systematic prospecting program over the Goldenville-Maritec area. The program was undertaken to follow-up on anomalous soil and rock sample locations, to generate new gold occurrences, and to verify surface geology prior to drill testing. Work was performed by Anaconda geologists and prospectors. Soil anomalies from previous programs were investigated where outcrop was available. A total of 64 rock grab and float samples were collected during program (Figure 23). Highlight assays from the prospecting program include four samples that assay greater than 0.5 g/t gold collected from the area of drilling. Assays of 5.42, 5.18, 4.49, and 0.76 g/t gold were taken from an area where a historic shaft exists. All samples were from pyrite bearing (up to 10%) magnetite iron formation and had associated gold in soil anomalies.

From September 6 to October 2, 2016 Anaconda completed a systematic reconnaissance style diamond drilling program in the Goldenville-Maritec area. A total 14 diamond drill holes (GV-16-01 to 13A) totalling 1,684.4 m were completed (see section 10.0 below for details). The target Deposit type of the drill program is a Nugget Pond-style iron formation hosted orogenic gold Deposit.

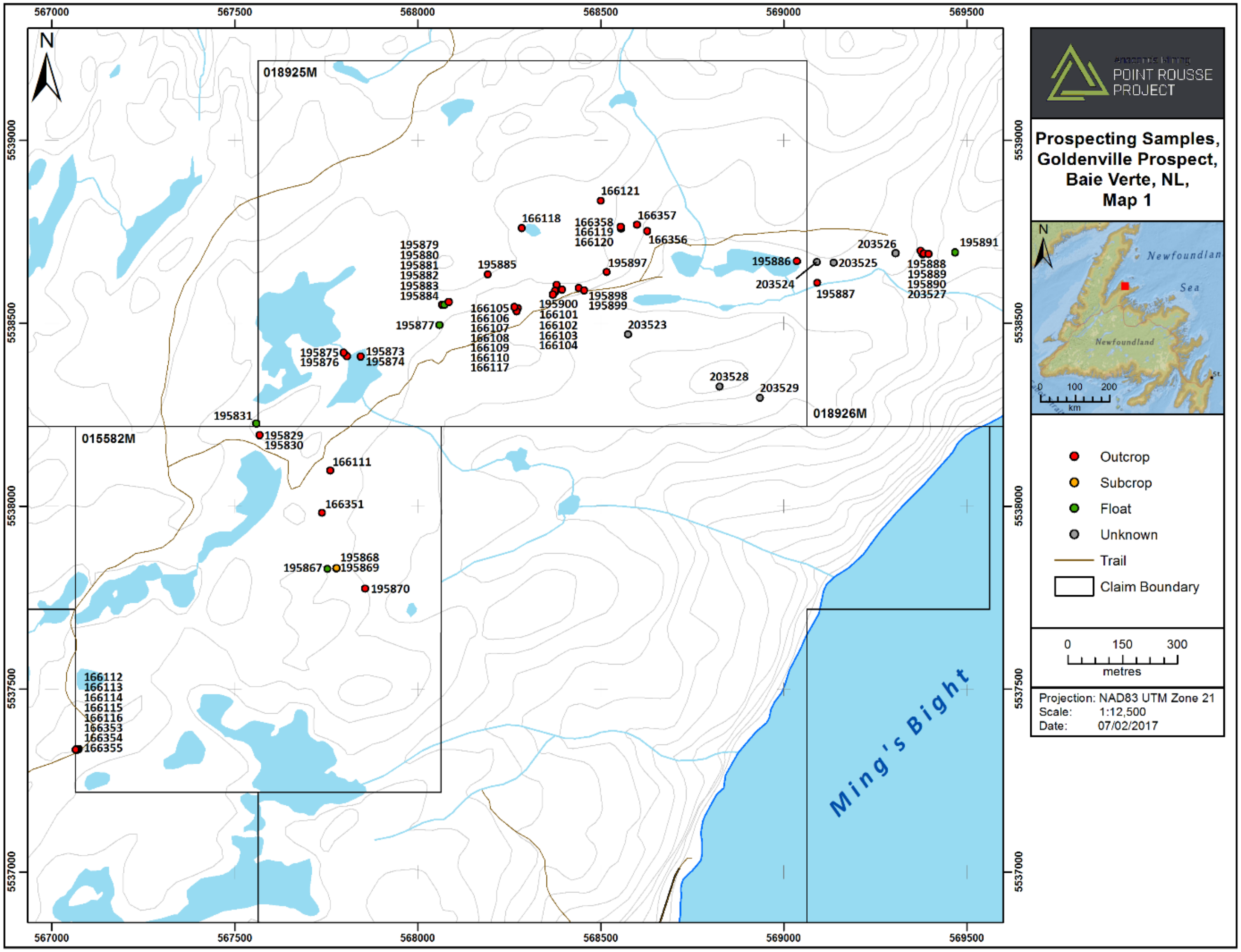

Figure 23: Goldenville 2016 rock samples map

10 DRILLING

The following section describes diamond drilling completed on the Point Rousse Project since October 23, 2015, when the most recent NI43-101 Technical Report was published on the Project (Copeland et al., 2015). Drilling during the current period on the Point Rousse Project consisted of 13,462 metres of diamond drilling in 162 holes and 3,657.8 metres of percussion drilling in 204 holes.

Historic drilling (diamond and percussion) on the Point Rousse Project comprises 907 holes totaling 78,720.7 metres that were completed prior to October 2015 and disclosed in the previous NI43-101 Technical Reports on the Property by Copeland et al. (2015; drill programs from 2005 to 2015) and Ewert et al. (2005; drill programs prior to 2005).

10.1 METHODOLOGY

All of the diamond drilling since late 2015 was completed by New Valley Drilling Company Ltd., a contract a drilling company based in Springdale, Newfoundland. Historically much of the drilling was comprised BQ-sized core (i.e. 36.5 mm diameter core). Most of the core drilled since 2015 has been NQ (47.6 mm core diameter) or BQTK (40.54 mm core diameter). Drill recoveries are typically very high on all the drill projects given the generally competent nature of the host rocks. Poor core recovery has not been a factor in the any of the diamond-drill programs carried out by Anaconda.

Drill collars are generally tied to and aligned with mine grids as at Pine Cove and Stog'er Tight and exploration grids as at Argyle and Goldenville. Drill collar locations are surveyed to sub-metre accuracy in-house by Anaconda staff using a differential GPS. Locations are recorded using Newfoundland Modified Transverse Mercator (MTM), Zone 2, NAD 83 datum and Universal Transverse Mercator (UTM) Zone 21, NAD83 coordinates. Downhole surveys are completed using a Reflex E-Z Shot that measures deviation and records the results digitally. On longer holes surveys are completed approximately every 30 m.

The core is collected from the drill sites daily by Anaconda personnel and transported to the Stog'er Tight mine site where Anaconda's core logging, sawing and storage facilities are located. The core is reoriented, the boxes measured and tags prepared. Geotechnical data is recorded in spreadsheet format including core recovery, rock quality designation (RQD) and fracture orientations. Representative samples of wall rock and ore are collected for specific gravity measurements. The core is photographed prior to logging by a geologist.

Once the core has been logged, it is marked for sampling. Sample intervals are generally 1 meter in wall rock or in disseminated ore or 0.5 m (or less) in quartz vein-hosted mineralization. Sample intervals are marked by metal tags which are stapled in the core box at the start of each interval. Samples selected for analyses are sawn using an electric core saw. Half of the sample is placed in a sealed plastic bag. Several of these individual samples are then placed in a large rice bag which is also sealed. As part of the QA/QC protocol, standards (Standard Reference Material purchased from a reputable laboratory) and blanks are randomly inserted during the sampling process. The remaining core is stored on metal racks at the exploration site. The samples for assaying are transported directly to the assay laboratory by Anaconda personnel.

All diamond-drill hole data (collar locations, survey data, and analytical data) is stored in a Microsoft Access database. Unless otherwise stated assay intervals are reported as core length, and no true thickness is implied.

10.2 THE SCRAPE TREND

10.2.1 Pine Cove Mine

A total of 251 diamond drill holes totaling 28,642.8 m were drilled on and adjacent to the Pine Cove Deposit between 1988 and September 2015. In addition to the diamond drilling, 1,507.9 m of percussion grade control drilling in 61 drill holes and 758.7 m of reverse circulation drilling in 33 holes was completed. Collectively this data was used in the previous NI 43-101 technical report and resource estimate by Copeland et al. (2015).

Since late 2015, Anaconda has completed 20 holes (PC-15-250 to PC-17-268) totalling 1,588.2 metres of diamond drilling and an additional 99 holes (PCp-16-78 to PCp-17-151) totalling 1,647.3 metres of percussion drilling (Figure 24; Tables 7 and 8). Both data sets were used to support the current resource and reserve update presented in Section 14 below. Assay highlights are presented in Table 11.

Diamond drilling since late 2015 has focussed largely on expanding resource around the Pine Cove pit with much of the work completed south of the mine in the Pine Cove Pond area.

Geological and geophysical evidence suggest that the Pine Cove Pond area may contain the easterly and westerly continuation of the southern portion of the Pine Cove Deposit. The goal of the drill program was to understand the limits of known mineralization and establish Mineral Reserves in the Pine Cove Pond area to extend the mine life of the Pine Cove Deposit. The results of this drill program indicate the southern portion of the Pine Cove Deposit is open for expansion to the west, near surface, in the area of the hole PC-15-257 intersection, and open for expansion east and west of the hole PC-15-252 intersection.

Highlights of the drilling include:

- 2.11 g/t gold over 10.5 metres from 9.5 – 20.0 metres and 1.4 g/t gold over 9.0 metres from 24.0 – 33.0 metres in hole PC-15-256
- 2.68 g/t gold over 15.9 metres from 6.1 – 21.0 metres in hole PC-15-257
- 3.16 g/t gold over 5.5 metres from 3.5 – 9.0 metres in hole PC-15-252
- 1.14 g/t gold over 4.0 metres from 41.0 – 45.0 metres in hole PC-15-259
- 1.47 g/t gold over 2.8 metres from 38.0 - 41.8 metres in hole PC-15-253

Table 7: Diamond drill hole collar locations and orientations, Pine Cove Mine, 2015-2017.

Hole ID	Easting	Northing	Elevation	Length	Dip	Azimuth	Start Date	Finish Date	Core Size
PC-15-250	295384.42	5535804.71	5076.11	101.3	-45	180	23-Oct-15	25-Oct-15	NQ
PC-15-251	295396.19	5535773.54	5074.22	84.4	-45	180	25-Oct-15	26-Oct-15	NQ
PC-15-252	295450.33	5535725.40	5065.10	72.9	-45	180	26-Oct-15	27-Oct-15	NQ
PC-15-253	295510.43	5535786.24	5063.04	19.4	-45	185	27-Oct-15	28-Oct-15	NQ
PC-15-253A	295510.43	5535786.24	5063.04	142.3	-45	185	28-Oct-15	30-Oct-15	NQ
PC-15-254	295511.56	5535787.05	5063.18	74.3	-50	140	30-Oct-15	31-Oct-15	NQ
PC-15-255	295360.00	5535784.12	5076.90	100.1	-45	185	31-Oct-15	02-Nov-15	NQ
PC-15-256	295379.81	5535838.45	5075.65	111.3	-45	230	02-Nov-15	10-Nov-15	NQ
PC-15-257	295380.34	5535838.79	5075.65	51.2	-70	230	10-Nov-15	11-Nov-15	NQ
PC-15-258	295603.46	5535897.79	5063.00	90.0	-45	215	11-Nov-15	12-Nov-15	NQ
PC-15-259	295603.46	5535897.79	5063.00	78.4	-45	215	12-Nov-15	14-Nov-15	NQ
PC-15-260	295617.15	5535831.48	5062.74	74.1	-45	180	14-Nov-15	15-Nov-15	NQ
PC-15-261	295602.67	5535896.24	5061.79	102.7	-90	0	15-Nov-15	17-Nov-15	NQ
PC-15-262	295656.09	5535913.72	5073.23	53.9	-45	180	17-Nov-15	18-Nov-15	NQ
PC-16-263	295625.10	5536088.00	5023.16	102.0	-45	45	31-Jan-16	31-Jan-16	NQ
PC-17-264	295459.04	5536134.81	4951.84	62.0	-45	225	14-Oct-17	15-Oct-17	BQTK
PC-17-265	295551.66	5536063.52	4944.82	85.0	-45	225	14-Oct-17	15-Oct-17	BQTK
PC-17-266A	295523.84	5536095.80	4945.41	80.0	-45	225	16-Oct-17	17-Oct-17	BQTK
PC-17-267	295526.18	5536099.03	4945.72	23.0	-90	225	17-Oct-17	17-Oct-17	BQTK
PC-17-268	295500.20	5536124.42	4945.89	80.0	-45	225	17-Oct-17	18-Oct-17	BQTK

Table 8: Percussion drill hole locations and orientations, Pine Cove Mine, 2015-2017.

Hole ID	Easting	Northing	Elevation	Length	Dip	Azimuth	Start Date	Finish Date	Core Size
PCP-16-100	295523.75	5536094.17	4981.75	22.0	-90	0	01-Oct-16	01-Oct-16	Percussion
PCP-16-101	295511.82	5536100.86	4981.62	18.0	-90	0	01-Oct-16	01-Oct-16	Percussion
PCP-16-102	295515.48	5536060.61	4981.51	19.0	-90	0	01-Oct-16	01-Oct-16	Percussion
PCP-16-103	295494.94	5536098.68	4981.77	19.0	-90	0	01-Oct-16	01-Oct-16	Percussion
PCP-16-104	295487.64	5536124.60	4981.72	5.0	-90	0	01-Oct-16	01-Oct-16	Percussion
PCP-16-105	295472.36	5536127.03	4981.66	21.0	-90	0	01-Oct-16	01-Oct-16	Percussion
PCP-16-106	295475.10	5536140.07	4981.01	22.0	-90	0	01-Oct-16	01-Oct-16	Percussion
PCP-16-53	295362.16	5535889.88	5065.92	19.0	-90	0	27-Feb-16	27-Feb-16	Percussion
PCP-16-54	295369.23	5535880.60	5068.68	18.0	-90	0	27-Feb-16	27-Feb-16	Percussion
PCP-16-55	295373.75	5535869.71	5071.10	18.0	-90	0	27-Feb-16	27-Feb-16	Percussion
PCP-16-56	295376.06	5535858.08	5072.87	18.0	-90	0	27-Feb-16	27-Feb-16	Percussion
PCP-16-57	295374.74	5535846.48	5074.32	18.0	-90	0	27-Feb-16	27-Feb-16	Percussion
PCP-16-58	295372.77	5535835.69	5075.22	17.0	-90	0	27-Feb-16	27-Feb-16	Percussion
PCP-16-59	295374.48	5535823.29	5076.04	18.0	-90	0	27-Feb-16	27-Feb-16	Percussion
PCP-16-60	295383.15	5535819.61	5076.50	18.0	-90	0	27-Feb-16	27-Feb-16	Percussion
PCP-16-61	295379.90	5535812.08	5076.67	17.0	-90	0	27-Feb-16	27-Feb-16	Percussion
PCP-16-62	295380.16	5535802.51	5076.54	19.0	-90	0	27-Feb-16	27-Feb-16	Percussion
PCP-16-63	295370.78	5535800.20	5076.91	10.0	-90	0	27-Feb-16	27-Feb-16	Percussion
PCP-16-64	295365.74	5535791.95	5076.44	17.0	-90	0	27-Feb-16	27-Feb-16	Percussion
PCP-16-65	295379.40	5535790.02	5075.82	18.0	-90	0	27-Feb-16	27-Feb-16	Percussion
PCP-16-66	295389.43	5535790.09	5075.64	18.0	-90	0	28-Feb-16	28-Feb-16	Percussion
PCP-16-67	295433.14	5535732.59	5067.07	18.0	-90	0	28-Feb-16	28-Feb-16	Percussion
PCP-16-68	295444.82	5535728.35	5065.38	19.0	-90	0	28-Feb-16	28-Feb-16	Percussion
PCP-16-69	295457.67	5535723.22	5065.09	18.0	-90	0	28-Feb-16	28-Feb-16	Percussion
PCP-16-70	295457.80	5535731.78	5065.24	18.0	-90	0	28-Feb-16	28-Feb-16	Percussion
PCP-16-71	295466.02	5535728.76	5065.13	18.0	-90	0	28-Feb-16	28-Feb-16	Percussion
PCP-16-72	295471.98	5535733.46	5064.85	18.0	-90	0	28-Feb-16	28-Feb-16	Percussion

Hole ID	Easting	Northing	Elevation	Length	Dip	Azimuth	Start Date	Finish Date	Core Size
PCP-16-73	295473.88	5535743.06	5065.26	18.0	-90	0	28-Feb-16	28-Feb-16	Percussion
PCP-16-74	295481.27	5535755.34	5064.80	18.0	-90	0	28-Feb-16	28-Feb-16	Percussion
PCP-16-75	295488.48	5535764.66	5064.00	17.0	-90	0	28-Feb-16	28-Feb-16	Percussion
PCP-16-76	295549.30	5536092.83	4994.18	19.7	-90	0	01-Aug-16	01-Aug-16	Percussion
PCP-16-77	295528.33	5536100.55	4994.31	16.7	-90	0	01-Aug-16	01-Aug-16	Percussion
PCP-16-78	295557.17	5536043.82	5012.47	22.5	-90	0	01-Feb-16	01-Feb-16	Percussion
PCP-16-79	295572.10	5536046.69	5012.52	20.0	-90	0	02-Feb-16	02-Feb-16	Percussion
PCP-16-80	295569.92	5536055.01	5011.87	20.5	-90	0	03-Feb-16	03-Feb-16	Percussion
PCP-16-81	295564.21	5536042.99	5012.27	20.0	-90	0	04-Feb-16	04-Feb-16	Percussion
PCP-16-82	295538.20	5535873.79	5062.10	19.0	-90	0	05-Feb-16	05-Feb-16	Percussion
PCP-16-83	295550.12	5535882.39	5062.21	23.5	-90	0	06-Feb-16	06-Feb-16	Percussion
PCP-16-84	295549.74	5536076.86	4999.94	12.3	-90	0	01-Jul-16	01-Jul-16	Percussion
PCP-16-85	295552.27	5536064.62	4999.70	12.3	-90	0	02-Jul-16	02-Jul-16	Percussion
PCP-16-86	295572.25	5536062.88	4999.94	12.3	-90	0	03-Jul-16	03-Jul-16	Percussion
PCP-16-87	295589.25	5536036.86	5000.69	12.3	-90	0	04-Jul-16	04-Jul-16	Percussion
PCP-16-88	295589.18	5536044.25	5000.65	12.3	-90	0	05-Jul-16	05-Jul-16	Percussion
PCP-16-89	295602.05	5536054.13	4999.74	11.4	-90	0	06-Jul-16	06-Jul-16	Percussion
PCP-16-90	295602.51	5536040.94	5000.43	13.3	-90	0	06-Jul-16	06-Jul-16	Percussion
PCP-16-91	295555.16	5536052.16	4987.84	18.4	-90	0	01-Oct-16	01-Oct-16	Percussion
PCP-16-92	295570.05	5536058.26	4988.15	19.4	-90	0	01-Oct-16	01-Oct-16	Percussion
PCP-16-93	295480.53	5536133.40	4981.62	17.8	-90	0	01-Oct-16	01-Oct-16	Percussion
PCP-16-94	295462.74	5536133.15	4981.47	18.7	-90	0	01-Oct-16	01-Oct-16	Percussion
PCP-16-95	295534.91	5536038.49	4982.06	22.0	-90	0	01-Oct-16	01-Oct-16	Percussion
PCP-16-96	295546.04	5536085.37	4981.80	22.0	-90	0	01-Oct-16	01-Oct-16	Percussion
PCP-16-97	295534.90	5536085.35	4981.87	22.0	-90	0	01-Oct-16	01-Oct-16	Percussion
PCP-16-98	295495.78	5536088.62	4981.46	19.0	-90	0	01-Oct-16	01-Oct-16	Percussion
PCP-16-99	295497.94	5536082.35	4981.31	19.0	-90	0	01-Oct-16	01-Oct-16	Percussion
PCP-17-107	295510.06	5536055.99	4976.15	25.0	-90	0	01-Jan-17	01-Jan-17	Percussion
PCP-17-108	295523.45	5536058.26	4976.09	25.0	-90	0	01-Jan-17	01-Jan-17	Percussion

Hole ID	Easting	Northing	Elevation	Length	Dip	Azimuth	Start Date	Finish Date	Core Size
PCP-17-109	295533.86	5536069.18	4975.77	25.0	-90	0	01-Jan-17	01-Jan-17	Percussion
PCP-17-110	295523.33	5536075.65	4975.78	25.0	-90	0	01-Jan-17	01-Jan-17	Percussion
PCP-17-111	295509.94	5536104.80	4975.95	25.0	-90	0	01-Jan-17	01-Jan-17	Percussion
PCP-17-112	295496.08	5536119.19	4975.41	25.0	-90	0	01-Jan-17	01-Jan-17	Percussion
PCP-17-113	295500.65	5536065.74	4970.81	17.0	-90	0	07-Mar-17	07-Mar-17	Percussion
PCP-17-114	295510.06	5536080.66	4970.19	5.0	-90	0	07-Mar-17	07-Mar-17	Percussion
PCP-17-115	295471.79	5536088.37	4970.30	18.0	-90	0	07-Mar-17	07-Mar-17	Percussion
PCP-17-116	295483.43	5536093.13	4970.41	19.0	-90	0	07-Mar-17	07-Mar-17	Percussion
PCP-17-117	295478.93	5536102.10	4970.33	18.0	-90	0	07-Mar-17	07-Mar-17	Percussion
PCP-17-118	295499.62	5536104.89	4970.88	18.0	-90	0	07-Mar-17	07-Mar-17	Percussion
PCP-17-119	295471.44	5536110.99	4969.84	11.0	-90	0	07-Mar-17	07-Mar-17	Percussion
PCP-17-120	295484.58	5536117.62	4970.36	18.0	-90	0	07-Mar-17	07-Mar-17	Percussion
PCP-17-121	295460.50	5536121.56	4969.79	9.0	-90	0	07-Mar-17	07-Mar-17	Percussion
PCP-17-122	295472.33	5536128.50	4970.04	5.0	-90	0	07-Mar-17	07-Mar-17	Percussion
PCP-17-123	295537.45	5536076.86	4976.40	22.0	-90	0	20-Mar-17	20-Mar-17	Percussion
PCP-17-124	295551.27	5536076.86	4976.40	22.0	-90	0	20-Mar-17	20-Mar-17	Percussion
PCP-17-125	295544.03	5536069.94	4976.61	22.0	-90	0	20-Mar-17	20-Mar-17	Percussion
PCP-17-126	295567.98	5536051.18	4976.50	23.0	-90	0	20-Mar-17	20-Mar-17	Percussion
PCP-17-127	295556.60	5536052.30	4976.62	22.0	-90	0	20-Mar-17	20-Mar-17	Percussion
PCP-17-128	295499.99	5536102.51	4970.58	6.0	-90	0	20-Mar-17	20-Mar-17	Percussion
PCP-17-129	295498.02	5536104.77	4970.59	7.0	-90	0	20-Mar-17	20-Mar-17	Percussion
PCP-17-130	295496.19	5536107.30	4970.52	7.0	-90	0	20-Mar-17	20-Mar-17	Percussion
PCP-17-131	295494.42	5536109.36	4970.62	7.0	-90	0	20-Mar-17	20-Mar-17	Percussion
PCP-17-132	295492.42	5536111.89	4970.45	7.5	-90	0	20-Mar-17	20-Mar-17	Percussion
PCP-17-133	295455.51	5536143.85	4969.71	4.5	-90	0	20-Mar-17	20-Mar-17	Percussion
PCP-17-134	295457.30	5536141.64	4969.74	6.0	-90	0	20-Mar-17	20-Mar-17	Percussion
PCP-17-135	295459.16	5536139.34	4969.75	6.0	-90	0	20-Mar-17	20-Mar-17	Percussion
PCP-17-136	295460.94	5536136.97	4969.75	6.0	-90	0	20-Mar-17	20-Mar-17	Percussion
PCP-17-137	295463.00	5536134.70	4969.57	6.0	-90	0	20-Mar-17	20-Mar-17	Percussion

Hole ID	Easting	Northing	Elevation	Length	Dip	Azimuth	Start Date	Finish Date	Core Size
PCP-17-138	295464.68	5536132.41	4969.78	6.0	-90	0	20-Mar-17	20-Mar-17	Percussion
PCP-17-139	295466.64	5536129.86	4969.85	5.5	-90	0	20-Mar-17	20-Mar-17	Percussion
PCP-17-140	295468.45	5536103.66	4958.47	11.0	-90	0	01-Jul-17	01-Jul-17	Percussion
PCP-17-141	295492.20	5536086.02	4958.11	25.0	-90	0	01-Jul-17	01-Jul-17	Percussion
PCP-17-142	295524.09	5536065.51	4940.90	15.5	-90	0	01-Nov-17	01-Nov-17	Percussion
PCP-17-143	295546.43	5536054.75	4942.76	21.0	-90	0	01-Nov-17	01-Nov-17	Percussion
PCP-17-144	295550.15	5536038.83	4944.05	6.4	-90	0	01-Nov-17	01-Nov-17	Percussion
PCP-17-145	295530.48	5536032.83	4946.58	21.0	-90	0	01-Nov-17	01-Nov-17	Percussion
PCP-17-146	295506.01	5536023.91	4948.75	21.0	-90	0	01-Nov-17	01-Nov-17	Percussion
PCP-17-147	295497.01	5536020.76	4949.93	21.0	-90	0	01-Nov-17	01-Nov-17	Percussion
PCP-17-148	295511.41	5536047.15	4946.59	21.0	-90	0	01-Nov-17	01-Nov-17	Percussion
PCP-17-149	295476.46	5536047.30	4945.78	11.0	-90	0	01-Nov-17	01-Nov-17	Percussion
PCP-17-150	295495.20	5536039.52	4946.22	21.0	-90	0	01-Nov-17	01-Nov-17	Percussion
PCP-17-151	295522.81	5536043.93	4946.44	21.0	-90	0	01-Nov-17	01-Nov-17	Percussion

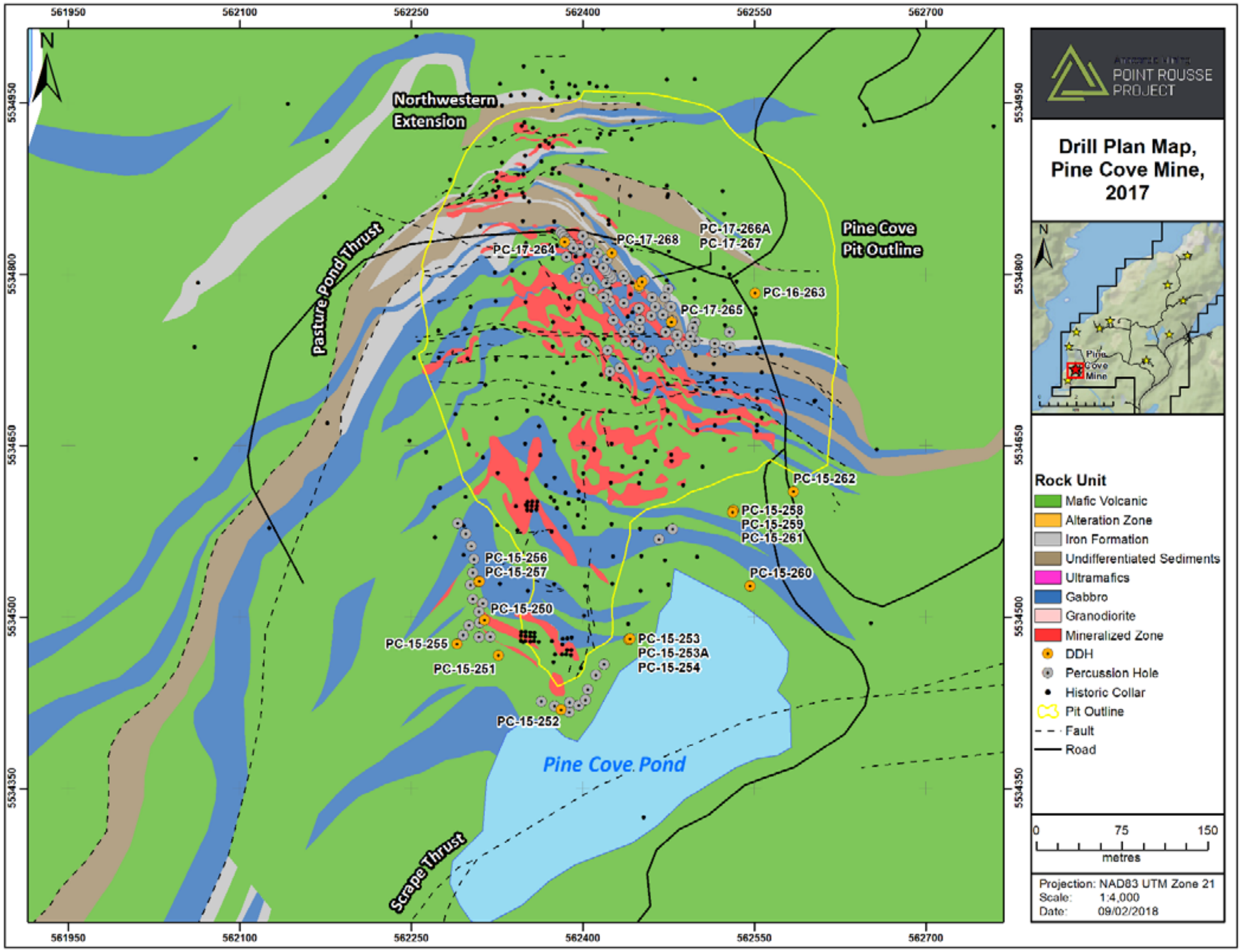

Figure 24: Drill hole locations and geology, Pine Cove Mine.

10.2.2 Stog'er Tight Deposit

The Stog'er Tight Deposit was discovered in 1988 by Noranda. Since then 14,821.54 m (224 holes) have been completed that outline the current resource at the Stog'er Tight Deposit (Copeland et al., 2015).

Diamond drilling since late 2015 totalling 3,526.2 m in 62 drill holes (BN-16-225 to BN-17-286) tested the greater Stog'er Tight area in two phases (Figure 25; Table 8). Drilling was largely exploratory in nature with the goal of expanding the along strike continuation of the Stog'er Tight Deposit and testing outcropping mineralization at the Gabbro, West, 278 and East Zones. An additional 3 drill holes totalling 243.5 m (CR-17-01 to 03) tested the Corkscrew Road Zone. Four drillholes (BN-17-283 to 286) were completed in 2017 as condemnation drill holes for a proposed waste rock storage area south of the planned Stog'er Tight Mine. All drilling was completed by New Valley Drilling from Springdale, NL using a Muskeg mounted JKS 300 diamond drill. All core is BQTK size and is stored in wooden core trays at the core shed at the Stog'er Tight mine site.

A total of 80 shallow percussion drill holes totalling 1,519.4 metres were completed in the Stog'er Tight area. The percussion drilling was completed in order to test for lateral continuity of the Gabbro Zone and for general grade control testing prior to collection of a bulk sample from the Stog'er Tight East Pit (Figure 25, Table 10).

The primary goal of the phase one program was to determine if surface mineralization, exposed during 2015 trenching and channel sampling, continues down-dip. Specifically, the previous program indicated that the East Zone surface mineralization is contiguous with the Stog'er Tight Deposit over a distance of 100 m and the West Zone surface mineralization was confirmed over a strike length of at least 80 m, though offset by approximately 25 m to 40 m along a fault south of the main trend of the Stog'er Tight Deposit. A secondary goal of the program was to test the hypothesis that a third zone of mineralization, the Gabbro Zone, is geologically contiguous with the West Zone. All drill holes were planned with the goal of increasing mineral resources at Stog'er Tight. The West and Gabbro Zones were determined to be two separate zones of mineralization and both zones continue at depth. The Gabbro Zone dips shallowly to the north beneath the West Zone and is within 20 m of surface. Both the West and Gabbro Zones are the folded extensions of the Stog'er Tight Deposit, which extended the strike length 100 m for a total of 500 m. Assay highlights from the drilling program are presented in Table 11 below.

Phase two drilling was completed from June to August with a total of 1,652.70 m drilled in 28 drill holes and focused along a southwestern strike of 850 m and a width of 300 m ("Stog'er Tight Extension Area"). The results of the phase one drill program indicate that key targets of mineralization exist near surface at three areas to the west and southwest of the Stog'er Tight Deposit: the 278 Zone, the West Zone, and the Massive Sulfide Zone. The goal of the phase two program was to test the most prospective areas in the Stog'er Tight Extension Area to determine if mineralization exposed at surface extends to depth. The program was successful in extending the strike length and dip extent at the West Zone and discovering a new zone called the 278 Zone.

The Massive Sulfide Zone is also intriguing as it has led to a potentially larger target in the Cork Screw Road area.

The 278 Zone

The 278 Zone (formerly known as the Gabbro West Extension) refers to a zone of near surface, Stog'er Tight style mineralization located between approximately 280 m and 550 m west-southwest of the Stog'er Tight Deposit. Anaconda designed eight drill holes to test mineralization at surface that was previously identified through historical prospecting, geological mapping, and limited diamond drilling. Of the eight drill holes, six intersected mineralization and alteration. The diamond drill results demonstrated that the 278 Zone extends at least 180 m along strike (between holes BN-16-278 and BN-16-279) and 80 m down dip from surface. The zone remains open to the southwest and further drilling between widely spaced holes is warranted at shallow depths. Highlights of the phase two drilling program testing the 278 Zone are shown in Table 11 below.

The West Zone

The West Zone, which has been previously drilled, is adjacent to the Stog'er Tight Deposit and is thought to be the faulted offset and western extension of the Deposit. Prior to the phase two drilling program, the strike length and the dip extent of the West Zone was approximately 100 m. During the phase two drilling program, Anaconda tested the extents of the West Zone with 8 diamond drill holes (BN-16-265 to BN-16-272), five of which intersected mineralization and alteration. The results of the program indicate that the mineralization within the West Zone extend farther westward at least 50 m along strike and at least 40 m down dip to the north. The West Zone now has a dip extent of approximately 150 m and a strike extent of approximately 150 m and is generally within 50 m of surface. Between the West Zone and the Stog'er Tight Deposit, the combined strike length is approximately 550 m. Highlights from the phase two drilling program for the West Zone are shown in Table 11 below.

The Massive Sulfide, Corkscrew Road, and the Mine Road Zones

The Massive Sulfide Zone, located in the Stog'er Tight Extension Area approximately 250 m west of the Stog'er Tight Deposit, is characterized by the presence of an iron formation, which is different than the typical gabbro hosted mineralization seen in other areas of Stog'er Tight. Anaconda tested the extent of the Massive Sulfide Zone with three diamond drill holes (BN-16-269 (top portion), -273, -277). The three holes, plus a fourth historic hole (BN-88-08), intersected the iron formation with associated sulfides containing widths of 2.0 m to 3.4 m over a strike length of 150 m near surface. Hole BN-88-08 intersected mineralization of 3.10 g/t over 1.0 m and hole BN-16-273 intersected mineralization of 2.10 g/t over 1.3 m. More significantly, an iron formation trends northwestwardly, for approximately 1 km, away from the Stog'er Tight Extension Area.

Anaconda believes the iron formation trend, referred to as the Corkscrew Road Zone, and may be the northwesterly continuation of the Massive Sulfide Zone. Compilation of historical soil geochemistry and ground IP data indicates that the Corkscrew Road Zone is also host to a convergence of anomalous gold-in-soil anomalies and a series of IP chargeability anomalies.

Coincident gold-in-soil and chargeability anomalies such as these are also characteristics of both the Pine Cove and Stog'er Tight Deposits.

This iron formation sequence was tested with 3 drill holes (CR-17-01 to 03; 243.5 metres) in late 2017 (Figure 25). Drilling successfully intersected the iron formation and there was local evidence of narrow quartz veins and pyrite mineralization, but sampling of these sections did not return anomalous gold.

Table 9: Diamond drill hole locations and orientations – Stog'er Tight Deposit, 2015-2017.

Hole ID	Easting	Northing	Elevation	Length	Dip	Azimuth	Start Date	Finish Date	Core Size
BN-16-225	299096.38	5536507.34	125.97	49.5	-55	205	13-Jan-16	14-Jan-16	BTW
BN-16-226	299068.22	5536509.94	124.44	50.0	-45	205	14-Jan-16	15-Jan-16	BQTK
BN-16-227	299068.74	5536510.97	124.50	52.0	-85	205	15-Jan-16	16-Jan-16	BQTK
BN-16-228	299044.24	5536522.35	120.23	50.0	-55	205	16-Jan-16	17-Jan-16	BQTK
BN-16-229	299018.28	5536522.22	118.85	55.2	-50	205	17-Jan-16	20-Jan-16	BQTK
BN-16-230	298992.73	5536523.16	118.83	82.5	-50	205	20-Jan-16	22-Jan-16	BQTK
BN-16-231	299002.82	5536488.58	121.15	46.0	-85	205	22-Jan-16	23-Jan-16	BQTK
BN-16-232	298952.86	5536434.05	126.48	39.0	-45	205	23-Jan-16	25-Jan-16	BQTK
BN-16-233	299003.28	5536489.32	121.37	23.0	-45	25	25-Jan-16	26-Jan-16	BQTK
BN-16-234	298979.99	5536437.78	128.50	38.0	-45	205	26-Jan-16	26-Jan-16	BQTK
BN-16-235	298997.46	5536429.76	133.18	40.0	-45	205	27-Jan-16	27-Jan-16	BQTK
BN-16-236	299015.83	5536419.30	134.70	38.5	-45	205	27-Jan-16	28-Jan-16	BQTK
BN-16-237	299040.48	5536407.62	137.93	53.5	-45	205	28-Jan-16	02-Feb-16	BQTK
BN-16-238	299109.18	5536488.82	130.11	71.0	-45	205	02-Feb-16	02-Feb-16	BQTK
BN-16-239	299109.65	5536489.40	130.18	47.0	-85	205	02-Feb-16	03-Feb-16	BQTK
BN-16-240	299126.98	5536514.12	127.27	75.0	-45	160	03-Feb-16	04-Feb-16	BQTK
BN-16-241	299136.58	5536536.95	123.31	23.5	-45	160	04-Feb-16	04-Feb-16	BQTK
BN-16-242	299298.18	5536533.61	120.39	97.0	-45	205	04-Feb-16	04-Feb-16	BQTK
BN-16-243	299470.83	5536451.09	139.08	80.0	-65	205	06-Feb-16	07-Feb-16	BQTK
BN-16-244	299460.37	5536401.60	154.39	50.0	-45	205	07-Feb-16	08-Feb-16	BQTK
BN-16-245	299480.54	5536391.53	157.30	51.5	-65	205	08-Feb-16	09-Feb-16	BQTK
BN-16-246	299447.51	5536381.22	155.34	28.0	-45	205	09-Feb-16	10-Feb-16	BQTK
BN-16-247	299504.59	5536380.38	158.52	33.5	-45	205	10-Feb-16	11-Feb-16	BQTK
BN-16-248	299505.02	5536381.12	158.56	28.0	-85	205	11-Feb-16	11-Feb-16	BQTK
BN-16-249	299538.39	5536335.04	163.37	50.0	-45	205	16-Feb-16	17-Feb-16	BQTK
BN-16-250	299551.81	5536359.20	163.14	67.0	-45	205	17-Feb-16	18-Feb-16	BQTK

Hole ID	Easting	Northing	Elevation	Length	Dip	Azimuth	Start Date	Finish Date	Core Size
BN-16-251	299465.62	5536313.99	156.81	50.0	-65	225	18-Feb-16	27-Feb-16	BQTK
BN-16-252	299558.96	5536380.05	160.83	98.0	-70	205	27-Feb-16	28-Feb-16	BQTK
BN-16-253	299545.97	5536404.83	155.60	81.0	-45	205	27-Feb-16	28-Feb-16	BQTK
BN-16-254	299598.43	5536334.21	165.09	51.9	-45	205	28-Feb-16	29-Feb-16	BQTK
BN-16-255	299403.24	5536359.35	150.95	25.0	-45	049	20-Jun-16	20-Jun-16	BQ
BN-16-256	299402.64	5536358.69	150.89	35.0	-75	040	21-Jun-16	21-Jun-16	BQ
BN-16-257	299421.59	5536345.64	152.78	25.0	-45	040	21-Jun-16	22-Jun-16	BQ
BN-16-258	299440.52	5536326.25	153.36	25.0	-45	040	22-Jun-16	23-Jun-16	BQ
BN-16-259	299439.89	5536325.56	153.51	35.0	-75	040	23-Jun-16	23-Jun-16	BQ
BN-16-260	299459.10	5536308.69	155.52	32.0	-45	040	23-Jun-16	23-Jun-16	BQ
BN-16-261	299478.19	5536295.17	158.97	25.0	-45	040	23-Jun-16	24-Jun-16	BQ
BN-16-262	299477.67	5536294.42	158.95	29.4	-65	040	25-Jun-16	25-Jun-16	NQ
BN-16-263	299498.20	5536295.78	159.64	21.3	-65	220	26-Jun-16	26-Jun-16	NQ
BN-16-264	299511.34	5536286.08	161.75	35.9	-65	220	26-Jun-16	26-Jun-16	BQ
BN-16-265	299080.71	5536559.19	117.51	93.0	-65	205	05-Jul-16	07-Jul-16	NQ
BN-16-266	299065.57	5536539.25	117.28	75.0	-65	205	07-Jul-16	08-Jul-16	BQ
BN-16-267	299093.69	5536523.27	121.32	75.0	-65	205	08-Jul-16	08-Jul-16	BQ
BN-16-268	299109.22	5536488.70	129.84	50.0	-65	205	08-Jul-16	08-Jul-16	BQ
BN-16-269	298946.01	5536520.92	117.77	71.0	-65	205	09-Jul-16	09-Jul-16	BTW
BN-16-270	298880.55	5536497.00	112.21	83.0	-65	205	10-Jul-16	10-Jul-16	BQ
BN-16-271	298911.13	5536486.42	115.50	68.0	-65	205	10-Jul-16	11-Jul-16	BQ
BN-16-272	298901.69	5536453.36	120.58	53.0	-65	205	11-Jul-16	11-Jul-16	BTW
BN-16-273	298885.07	5536552.59	106.33	73.0	-65	205	12-Jul-16	12-Jul-16	BQ
BN-16-274	298795.02	5536466.24	106.54	89.6	-50	180	18-Jul-16	19-Jul-16	BQ
BN-16-275	298743.43	5536458.47	107.07	101.0	-50	180	19-Jul-16	20-Jul-16	BQ
BN-16-276	298688.16	5536455.80	108.48	52.5	-50	180	20-Jul-16	20-Jul-16	BQ
BN-16-277	298851.30	5536569.13	103.70	41.0	-65	205	22-Jul-16	22-Jul-16	BQ
BN-16-278	298669.94	5536406.18	106.54	71.0	-50	180	22-Jul-16	23-Jul-16	BQ
BN-16-279	298816.75	5536518.00	108.29	82.0	-45	205	22-Jul-16	23-Jul-16	BQ

Hole ID	Easting	Northing	Elevation	Length	Dip	Azimuth	Start Date	Finish Date	Core Size
BN-16-280	298410.60	5536234.91	109.40	113.0	-50	180	24-Jul-16	25-Jul-16	BQ
BN-16-281	298411.19	5536122.96	114.61	100.0	-50	180	26-Jul-16	26-Jul-16	BQ
BN-16-282	298617.50	5536229.51	113.21	73.0	-50	180	26-Jul-16	27-Jul-16	BQ
BN-17-283	299228.00	5536376.00	142.00	74.0	-45	180	09-Oct-17	10-Oct-17	BQTK
BN-17-284	299230.00	5536341.00	176.00	75.0	-45	205	10-Oct-17	12-Oct-17	BQTK
BN-17-285	299331.00	5536255.00	162.00	64.0	-45	205	12-Oct-17	13-Oct-17	BQTK
BN-17-286	299272.00	5536260.00	163.00	61.0	-45	205	13-Oct-17	14-Oct-17	BQTK
CR-17-01	298609.00	5537015.00	0.00	80.5	-50	200	12-Dec-17	13-Dec-17	NQ
CR-17-02	298772.00	5536955.00	117.00	92.0	-50	200	14-Dec-17	15-Dec-17	NQ
CR-17-03	298351.00	5537211.00	104.00	71.0	-50	200	16-Dec-17	17-Dec-17	NQ

Table 10: Percussion drill hole locations and orientations - Stog'er Tight Deposit, 2016.

Hole ID	Easting	Northing	Elevation	Length	Dip	Azimuth	Start Date	Finish Date	Core Size
BNP-16-01	299137.82	5536429.94	133.57	20.0	-90	0	19-Feb-16	19-Feb-16	Percussion
BNP-16-02	299128.03	5536412.55	135.69	23.0	-90	0	19-Feb-16	19-Feb-16	Percussion
BNP-16-03	299116.47	5536396.22	136.82	19.0	-90	0	19-Feb-16	19-Feb-16	Percussion
BNP-16-04	299104.19	5536380.70	137.33	19.0	-90	0	19-Feb-16	19-Feb-16	Percussion
BNP-16-05	299092.61	5536364.86	137.29	18.0	-90	0	19-Feb-16	19-Feb-16	Percussion
BNP-16-06	299071.40	5536329.64	138.18	18.0	-90	0	19-Feb-16	19-Feb-16	Percussion
BNP-16-07	299062.46	5536313.24	139.31	19.0	-90	0	19-Feb-16	19-Feb-16	Percussion
BNP-16-08	299050.55	5536296.95	139.68	19.0	-90	0	19-Feb-16	19-Feb-16	Percussion
BNP-16-09	299037.01	5536282.55	138.81	18.0	-90	0	19-Feb-16	19-Feb-16	Percussion
BNP-16-10	299001.37	5536246.80	137.97	19.0	-90	0	19-Feb-16	19-Feb-16	Percussion
BNP-16-11	299173.96	5536264.12	151.26	18.0	-90	0	20-Feb-16	20-Feb-16	Percussion
BNP-16-12	299169.02	5536260.89	151.43	18.0	-90	0	20-Feb-16	20-Feb-16	Percussion
BNP-16-13	299172.54	5536270.32	151.11	19.0	-90	0	20-Feb-16	20-Feb-16	Percussion
BNP-16-14	299165.73	5536267.12	151.61	17.0	-90	0	20-Feb-16	20-Feb-16	Percussion
BNP-16-15	299160.36	5536264.82	151.62	18.0	-90	0	20-Feb-16	20-Feb-16	Percussion
BNP-16-16	299161.66	5536273.86	151.28	18.0	-90	0	20-Feb-16	20-Feb-16	Percussion
BNP-16-17	299156.40	5536270.57	150.15	18.0	-90	0	20-Feb-16	20-Feb-16	Percussion
BNP-16-18	299150.23	5536268.98	149.68	18.0	-90	0	20-Feb-16	20-Feb-16	Percussion
BNP-16-19	299153.59	5536278.08	148.95	17.0	-90	0	20-Feb-16	20-Feb-16	Percussion
BNP-16-20	299146.47	5536273.39	148.32	18.0	-90	0	20-Feb-16	20-Feb-16	Percussion
BNP-16-21	299140.44	5536271.28	147.57	18.0	-90	0	21-Feb-16	21-Feb-16	Percussion
BNP-16-22	299143.69	5536280.92	147.50	19.0	-90	0	21-Feb-16	21-Feb-16	Percussion
BNP-16-23	299138.06	5536276.46	147.17	17.0	-90	0	21-Feb-16	21-Feb-16	Percussion
BNP-16-24	299134.35	5536283.08	147.09	18.0	-90	0	21-Feb-16	21-Feb-16	Percussion
BNP-16-25	299131.64	5536274.34	146.76	18.0	-90	0	21-Feb-16	21-Feb-16	Percussion
BNP-16-26	299128.70	5536279.35	146.36	18.0	-90	0	21-Feb-16	21-Feb-16	Percussion
BNP-16-27	299439.78	5536341.59	154.44	18.0	-90	0	21-Feb-16	21-Feb-16	Percussion

Hole ID	Easting	Northing	Elevation	Length	Dip	Azimuth	Start Date	Finish Date	Core Size
BNP-16-28	299445.66	5536336.93	156.41	18.0	-90	0	21-Feb-16	21-Feb-16	Percussion
BNP-16-29	299452.01	5536332.59	156.01	17.0	-90	0	21-Feb-16	21-Feb-16	Percussion
BNP-16-30	299459.30	5536327.95	156.02	18.0	-90	0	21-Feb-16	21-Feb-16	Percussion
BNP-16-31	299466.60	5536323.32	155.46	18.0	-90	0	22-Feb-16	22-Feb-16	Percussion
BNP-16-32	299472.11	5536319.06	156.63	18.0	-90	0	22-Feb-16	22-Feb-16	Percussion
BNP-16-33	299477.85	5536315.42	157.38	18.0	-90	0	22-Feb-16	22-Feb-16	Percussion
BNP-16-34	299491.86	5536306.36	159.61	20.0	-90	0	22-Feb-16	22-Feb-16	Percussion
BNP-16-35	299485.30	5536310.01	158.76	18.0	-90	0	22-Feb-16	22-Feb-16	Percussion
BNP-16-36	299488.29	5536319.89	160.74	18.0	-90	0	22-Feb-16	22-Feb-16	Percussion
BNP-16-37	299475.56	5536323.76	157.12	18.0	-90	0	22-Feb-16	22-Feb-16	Percussion
BNP-16-38	299476.16	5536310.04	158.12	19.0	-90	0	22-Feb-16	22-Feb-16	Percussion
BNP-16-39	299438.66	5536317.67	155.76	15.0	-90	0	22-Feb-16	22-Feb-16	Percussion
BNP-16-40	299448.99	5536346.64	155.82	17.0	-90	0	22-Feb-16	22-Feb-16	Percussion
BNP-16-41	299370.38	5536432.54	133.90	21.0	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-42	299370.83	5536427.21	134.42	18.0	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-43	299310.97	5536446.58	133.64	20.8	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-44	299363.46	5536412.72	134.12	21.7	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-45	299306.86	5536432.70	134.10	21.0	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-46	299303.23	5536420.49	133.39	17.7	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-47	299319.30	5536412.45	131.93	19.0	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-48	299337.75	5536412.44	130.90	21.7	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-49	299288.91	5536439.19	133.94	28.3	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-50	299280.24	5536441.74	133.75	28.3	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-51	299295.05	5536453.82	132.25	21.3	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-52	299285.68	5536455.87	131.29	21.4	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-53	299367.79	5536416.04	133.94	28.3	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-54	299372.56	5536431.50	134.56	28.3	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-55	299365.84	5536415.86	134.01	21.7	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-56	299349.20	5536407.28	132.79	20.1	-90	0	01-Jan-16	01-Jan-16	Percussion

Hole ID	Easting	Northing	Elevation	Length	Dip	Azimuth	Start Date	Finish Date	Core Size
BNP-16-57	299378.49	5536397.78	138.85	20.1	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-58	299402.91	5536386.12	149.37	20.2	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-59	299414.93	5536380.48	151.01	20.1	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-60	299407.42	5536400.88	151.58	20.3	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-61	299387.60	5536405.47	139.63	20.1	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-62	299371.99	5536410.57	135.16	20.1	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-63	299347.49	5536464.40	134.38	20.1	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-64	299292.24	5536444.69	132.40	20.1	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-65	299274.10	5536449.65	131.48	20.1	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-66	299341.69	5536448.20	134.08	18.0	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-67	299342.85	5536450.77	134.37	14.4	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-68	299346.87	5536443.21	134.27	1.0	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-69	299347.22	5536445.78	134.31	21.6	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-70	299358.44	5536416.67	137.46	21.6	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-71	299349.54	5536419.82	136.26	21.6	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-72	299351.13	5536424.17	136.07	21.6	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-73	299307.92	5536439.41	133.67	11.0	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-74	299257.56	5536447.86	134.53	21.6	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-75	299401.73	5536422.31	150.31	3.0	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-76	299393.83	5536414.98	150.76	18.0	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-77	299397.65	5536429.64	148.99	19.0	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-78	299375.46	5536433.98	139.80	20.0	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-79	299374.32	5536426.38	139.87	19.0	-90	0	01-Jan-16	01-Jan-16	Percussion
BNP-16-80	299371.79	5536416.66	139.86	19.0	-90	0	01-Jan-16	01-Jan-16	Percussion

Table 11: Assay Highlights from the 2014 and 2015 Diamond-Drill Programs, Stog'er Tight Deposit.

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)
BN-16-225	21.8	24.0	2.2	1.76
BN-16-226	6.0	7.0	1.0	1.99
and	**14.0**	**19.0**	**5.0**	**1.42**
BN-16-227	17.0	19.0	2.0	1.08
and	**22.0**	**28.0**	**6.0**	**1.81**
including	**23.0**	**26.0**	**3.0**	**3.04**
BN-16-228	**9.0**	**13.0**	**4.0**	**2.28**
BN-16-229	18.5	22.0	3.5	0.63
BN-16-230	**35.5**	**38.5**	**3.0**	**2.46**
BN-16-231	14.0	15.0	1.0	0.69
BN-16-232	14.0	15.0	1.0	0.67
BN-16-233	20.0	21.0	1.0	1.10
BN-16-234	**26.0**	**30.0**	**4.0**	**2.04**
BN-16-235	**16.0**	**20.0**	**4.0**	**6.70**
including	**16.0**	**19.0**	**3.0**	**8.85**
BN-16-236	**6.0**	**10.0**	**4.0**	**3.72**
and	**18.0**	**21.0**	**3.0**	**2.27**
BN-16-238	43.0	44.0	1.0	0.54
BN-16-242	38.0	39.0	1.0	1.17
BN-16-252	31.0	38.0	7.0	0.55
BN-16-253	32.0	34.0	2.0	2.73
BN-16-258	19.0	20.2	1.2	0.67
BN-16-261	11.0	11.8	0.8	0.57
BN-16-265	**28.7**	**33.0**	**4.3**	**1.20**
BN-16-266	**27.6**	**31.8**	**4.2**	**1.61**
BN-16-268	4.9	6.0	1.1	0.78
BN-16-269	31.0	32.0	1.0	0.89
and	47.7	49.5	1.8	3.93
and	53.5	54.5	1.0	1.00
BN-16-271	16.0	16.8	0.8	0.50
BN-16-273	53.0	54.3	1.3	2.10
BN-16-275	26.0	30.0	4.0	0.56
BN-16-276	29.0	33.0	4.0	1.13
BN-16-278	**21.0**	**29.8**	**8.8**	**1.28**
including	**25.0**	**29.8**	**4.8**	**1.82**

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)
including	**25.0**	**26.0**	**1.0**	**5.91**
BN-16-279	**49.9**	**52.9**	**3.0**	**3.81**
BN-16-281	27.7	30.0	2.3	1.46

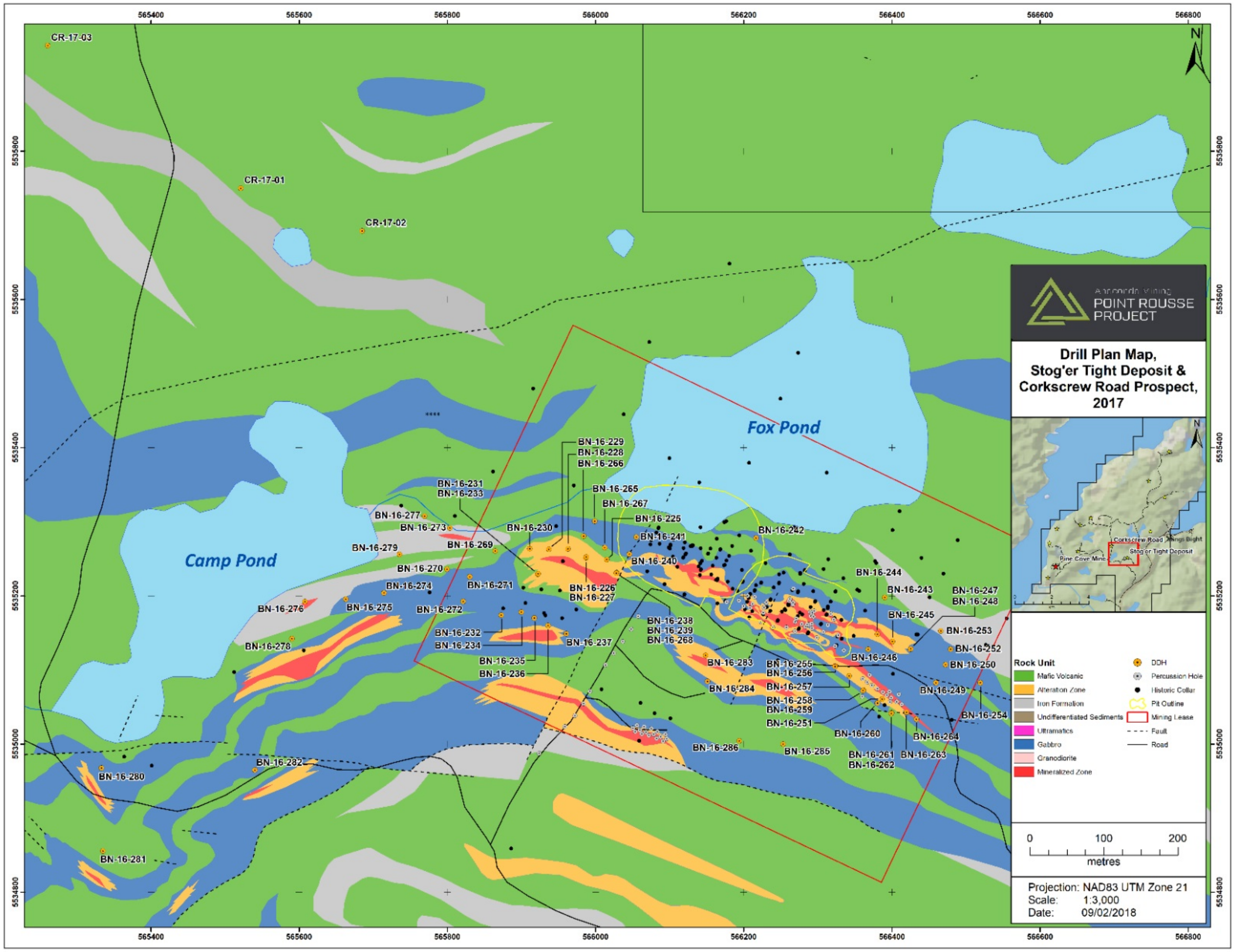

Figure 25: Diamond drill hole locations and geology, Stog'er Tight Deposit.

10.2.3 Argyle Deposit

The Argyle Deposit is located 4.5 kilometres from the Pine Cove Mine and Mill Complex near the community of Ming's Bight, Newfoundland and Labrador.

From August 9, 2016 to December 3, 2017 Anaconda completed 63 diamond drill holes (AE-16-01 to 44 and AE-17-45 to 63) totalling 5,636.2 metres at the Argyle Deposit (Figure 26, 27 and 28; Table 11). Drilling has outlined a zone of mineralization over a total strike length of 685 metres and down-dip 225 metres. The gold bearing zone consists of quartz veins with, albite, rutile, sericite and pyrite altered gabbro that varies in thickness from 5 to 40 m. The alteration generally sits medial to the gabbro. The zone dips gently north at 25 degrees and is east-west striking and is bounded in the footwall and hanging wall by mafic volcanic tuffs and flows. The Argyle alteration, mineralization and host rock are similar in character to the nearby Stog'er Tight Deposit.

Highlight gold assays from the Argyle drilling are as follows (see Table 13):

- 5.52 g/t gold over 15.0 metres (34.0 to 49.0 metres) in hole AE-16-40;
- 9.31 g/t gold over 6.0 metres (86.8 to 92.8 metres) in hole AE-16-39;
- 2.95 g/t gold over 15.0 metres (94.0 to 109.0 metres) in hole AE-16-43;
- 2.91 g/t gold over 12.1 metres (68.3 to 80.4 metres) in hole AE-16-33;
- 3.63 g/t gold over 12.0 metres (58.0 to 70.0 metres) in hole AE-17-46; and
- 12.47 g/t gold over 5.0 metres (54.4 to 59.5 metres) in hole AE-17-58.

The first 57 drill holes (AE-16-01 to AE-17-57) were BQTK-sized and the remaining 6 drill holes (AE-17-58 to AE-17-63) were NQ-sized (Table 11). The majority of the drill holes were collared from north to south and drill hole spacing ranges from 25 to 100 metres, averaging 50 m.

A 25 hole, 491 m percussion drilling program was completed in the fall 2017 to test the near surface projection of the Argyle Deposit (Figure 29; Table 13). The percussion drilling was undertaken to better outline the geometry and grade of the near surface part of the Argyle Deposit, with the majority of the percussion drilling accurately reproducing the grade and extent of the current modelled resource. The holes were drilled over a 400 m strike length of the Deposit. In total, 480, 0.91-metre samples were collected from the percussion drill and were analyzed for Au by fire assay. Percussion drilling was completed by Newfoundland Hard-Rok Limited ("NL Hardrok") and all assaying was conducted at Eastern Analytical in Springdale, NL Assay highlights of the percussion drilling program are presented in Table 15.

Table 12: Diamond drill hole locations and orientations - Argyle Deposit, 2016-2017.

Hole ID	Easting	Northing	Elevation	Length	Dip	Azimuth	Start Date	Finish Date	Core Size
AE-16-01	300478.27	5537622.16	149.71	95.0	-45	360	09-Aug-16	10-Aug-16	BQTK
AE-16-02	300478.27	5537622.17	149.70	109.0	-75	360	10-Aug-16	11-Aug-16	BQTK
AE-16-03	300533.22	5537681.40	149.83	46.0	-45	180	11-Aug-16	12-Aug-16	BQTK
AE-16-04	300530.32	5537703.44	149.63	50.0	-45	180	12-Aug-16	13-Aug-16	BQTK
AE-16-05	300530.38	5537704.56	149.56	70.0	-90	0	12-Aug-16	13-Aug-16	BQTK
AE-16-06	300481.62	5537704.56	148.14	50.0	-45	180	13-Aug-16	14-Aug-16	BQTK
AE-16-07	300510.23	5537735.40	147.36	70.0	-45	180	14-Aug-16	15-Aug-16	BQTK
AE-16-08	300694.06	5537665.36	148.09	51.0	-45	180	15-Aug-16	15-Aug-16	BQTK
AE-16-09	300733.61	5537684.20	149.06	65.4	-45	180	15-Aug-16	16-Aug-16	BQTK
AE-16-10	300733.33	5537684.93	149.15	67.0	-80	180	16-Aug-16	17-Aug-16	BQTK
AE-16-11	300736.74	5537730.61	144.74	67.0	-45	180	16-Aug-16	17-Aug-16	BQTK
AE-16-12	300736.82	5537731.49	144.73	70.0	-80	180	18-Aug-16	29-Aug-16	BQTK
AE-16-13	300814.20	5537690.68	143.44	101.0	-45	180	22-Aug-16	23-Aug-16	BQTK
AE-16-14	300805.81	5537710.18	142.69	75.0	-45	180	23-Aug-16	24-Aug-16	BQTK
AE-16-15	300705.03	5537699.10	149.22	60.0	-45	180	24-Aug-16	25-Aug-16	BQTK
AE-16-16	300652.28	5537695.78	145.80	51.0	-45	180	25-Aug-16	25-Aug-16	BQTK
AE-16-17	300645.20	5537769.85	137.66	152.0	-45	180	25-Aug-16	27-Aug-16	BQTK
AE-16-18	300569.66	5537719.31	146.55	49.5	-45	180	27-Aug-16	28-Aug-16	BQTK
AE-16-19	300445.26	5537706.89	153.10	50.0	-45	180	28-Aug-16	28-Aug-16	BQTK
AE-16-20	300401.64	5537698.87	156.76	74.0	-45	180	28-Aug-16	29-Aug-16	BQTK
AE-16-21	300530.85	5537762.48	144.63	116.0	-45	180	29-Aug-16	30-Aug-16	BQTK
AE-16-22	300404.50	5537746.95	148.80	101.0	-45	180	30-Aug-16	31-Aug-16	BQTK
AE-16-23	300364.13	5537700.95	158.58	101.0	-50	180	14-Nov-16	15-Nov-16	BQTK
AE-16-24	300364.08	5537738.05	154.67	76.0	-50	180	15-Nov-16	16-Nov-16	BQTK
AE-16-25	300345.48	5537722.39	159.56	98.0	-50	180	16-Nov-16	17-Nov-16	BQTK
AE-16-26	300859.55	5537710.99	128.65	95.0	-50	180	17-Nov-16	18-Nov-16	BQTK
AE-16-27	300862.02	5537765.55	130.54	101.0	-50	180	18-Nov-16	20-Nov-16	BQTK

Hole ID	Easting	Northing	Elevation	Length	Dip	Azimuth	Start Date	Finish Date	Core Size
AE-16-28	300903.91	5537766.20	128.21	98.0	-50	180	20-Nov-16	21-Nov-16	BQTK
AE-16-29	300952.01	5537672.39	115.82	112.0	-50	180	21-Nov-16	23-Nov-16	BQTK
AE-16-30	300811.17	5537747.46	139.06	88.0	-50	180	23-Nov-16	24-Nov-16	BQTK
AE-16-31	300768.45	5537697.77	145.24	62.0	-50	180	24-Nov-16	25-Nov-16	BQTK
AE-16-32	300527.50	5537820.52	132.44	86.0	-50	180	25-Nov-16	26-Nov-16	BQTK
AE-16-33	300784.29	5537797.94	136.38	95.0	-50	180	28-Nov-16	29-Nov-16	BQTK
AE-16-34	300720.44	5537748.47	143.38	86.0	-50	180	29-Nov-16	30-Nov-16	BQTK
AE-16-35	300609.23	5537711.34	145.78	74.0	-50	180	01-Dec-16	02-Dec-16	BQTK
AE-16-36	300608.20	5537774.47	136.56	68.3	-50	180	02-Dec-16	03-Dec-16	BQTK
AE-16-37	300463.81	5537750.55	148.25	69.0	-50	180	03-Dec-16	04-Dec-16	BQTK
AE-16-38	300607.00	5537875.00	136.00	126.0	-50	180	04-Dec-16	06-Dec-16	BQTK
AE-16-39	300607.00	5537875.00	136.00	115.0	-90	0	06-Dec-16	07-Dec-16	BQTK
AE-16-40	300720.44	5537748.47	143.38	92.0	-90	0	09-Dec-16	10-Dec-16	BQTK
AE-16-41	300811.17	5537747.46	139.06	95.0	-90	0	11-Dec-16	11-Dec-16	BQTK
AE-16-42	300784.29	5537797.94	136.38	123.0	-90	0	12-Dec-16	13-Dec-16	BQTK
AE-16-43	300859.00	5537819.00	136.00	134.0	-45	180	13-Dec-16	14-Dec-16	BQTK
AE-16-44	300859.00	5537819.00	136.00	143.0	-90	0	14-Dec-16	15-Dec-16	BQTK
AE-17-45	300768.51	5537741.22	148.21	82.0	-50	180	13-Jun-17	14-Jun-17	NQ
AE-17-46	300719.34	5537789.55	139.12	94.0	-90	360	14-Jun-17	16-Jun-17	NQ
AE-17-47	300814.83	5537807.16	142.38	119.0	-80	180	17-Jun-17	18-Jun-17	NQ
AE-17-48	300812.88	5537855.86	136.38	126.0	-80	180	18-Jun-17	21-Jun-17	NQ
AE-17-49	300813.11	5537908.20	135.10	143.0	-80	180	21-Jun-17	23-Jun-17	NQ
AE-17-50	300860.72	5537878.53	134.96	145.0	-80	180	23-Jun-17	25-Jun-17	NQ
AE-17-51	300895.63	5537813.96	133.33	149.0	-65	180	25-Jun-17	27-Jun-17	NQ
AE-17-52	300715.00	5537894.00	92.00	41.0	-45	180	27-Jun-17	28-Jun-17	NQ
AE-17-52A	300701.12	5537897.18	134.98	144.0	-45	180	28-Jun-17	29-Jun-17	NQ
AE-17-53	300048.00	5537185.00	125.00	150.0	-45	160	31-Oct-17	01-Nov-17	BQTK
AE-17-54	300148.00	5536957.00	121.50	150.0	-45	160	02-Nov-17	03-Nov-17	BQTK
AE-17-55	300235.00	5537269.00	125.00	176.0	-45	160	04-Nov-17	06-Nov-17	BQTK

Hole ID	Easting	Northing	Elevation	Length	Dip	Azimuth	Start Date	Finish Date	Core Size
AE-17-56	300228.00	5537134.00	121.30	175.6	-55	160	07-Nov-17	09-Nov-17	BQTK
AE-17-57	300567.00	5537439.00	129.50	145.0	-55	160	14-Nov-17	17-Nov-17	BQTK
AE-17-58	300987.00	5537763.00	123.70	107.0	-55	180	18-Nov-17	20-Nov-17	NQ
AE-17-59	300987.00	5537763.00	123.70	146.0	-90	180	20-Nov-17	21-Nov-17	NQ
AE-17-60	300951.00	5537841.00	128.10	173.0	-80	180	22-Nov-17	24-Nov-17	BQTK
AE-17-61	301076.00	5537802.00	112.00	125.0	-50	180	28-Nov-17	29-Nov-17	NQ
AE-17-62	301092.00	5537829.00	116.00	104.0	-50	160	30-Nov-17	01-Dec-17	NQ
AE-17-63	300994.00	5537810.00	126.30	161.0	-80	180	02-Dec-17	03-Dec-17	NQ

Table 13: Diamond Drill hole Assay Highlights – Argyle Deposit, 2016-2017.

Hole ID	From (m)	To (m)	Length (m)	Au g/t
AE-16-03	**4.5**	**16.5**	**12.0**	**1.32**
including	**5.5**	**15.5**	**10.0**	**1.52**
and	**5.5**	**7.5**	**2.0**	**4.71**
AE-16-04	3.1	6.0	2.9	1.02
AE-16-05	4.0	5.0	1.0	1.59
AE-16-06	**3.7**	**10.0**	**6.3**	**4.35**
including	**4.2**	**9.0**	**4.8**	**5.58**
AE-16-08	4.4	5.0	0.6	1.09
AE-16-09	23.4	28.0	4.6	1.42
including	25.0	28.0	3.0	1.95
AE-16-10	25.5	29.6	4.1	0.34
AE-16-11	**35.0**	**43.9**	**8.9**	**6.09**
including	**37.0**	**43.9**	**6.9**	**7.67**
AE-16-12	22.8	27.0	4.2	1.15
including	24.0	27.0	3.0	1.46
and	25.0	27.0	2.0	2.06
and	42.0	43.0	1.0	1.45
AE-16-13	22.8	23.4	0.6	0.57
AE-16-14	24.0	25.6	1.6	3.20
AE-16-15	34.0	37.0	3.0	0.74
AE-16-16	13.0	16.0	3.0	1.41
AE-16-17	43.0	45.1	2.1	1.25
AE-16-19	19.0	21.6	2.6	1.68
AE-16-20	**18.0**	**32.0**	**14.0**	**2.05**
including	**28.0**	**32.0**	**4.0**	**4.86**
AE-16-21	35.0	35.9	0.9	1.51
AE-16-23	25.5	27.7	2.2	1.10
and	44.6	45.8	1.2	0.56
AE-16-24	28.0	29.0	1.0	0.88
and	33.0	34.0	1.0	0.55
and	34.6	36.0	1.4	1.08
AE-16-26	**58.3**	**61.9**	**3.6**	**1.59**
AE-16-27	73.2	74.0	0.8	0.52
AE-16-28	69.5	69.7	0.2	0.50
AE-16-29	32.6	33.4	0.8	0.54
and	109.0	109.9	0.9	4.13
AE-16-30	**48.0**	**51.0**	**3.0**	**1.36**
and	53.5	55.0	1.5	0.80

Hole ID	From (m)	To (m)	Length (m)	Au g/t
and	56.0	57.0	1.0	0.74
and	62.0	63.0	1.0	0.81
AE-16-31	25.0	26.0	1.0	1.52
AE-16-32	50.0	52.0	2.0	1.27
AE-16-33	**68.3**	**80.4**	**12.1**	**2.91**
including	**72.0**	**75.0**	**3.0**	**8.55**
AE-16-34	**32.0**	**34.0**	**2.0**	**3.63**
AE-16-35	15.9	26.0	10.1	0.74
including	22.0	26.0	4.0	1.31
AE-16-37	33.4	36.0	2.6	0.95
AE-16-38	74.0	77.7	3.7	0.59
AE-16-39	**86.8**	**92.8**	**6.0**	**9.31**
including	**89.8**	**90.8**	**1.0**	**46.60**
AE-16-39	95.8	97.8	2.0	0.64
AE-16-39	100.8	101.8	1.0	1.07
AE-16-40	**34.0**	**49.0**	**15.0**	**5.52**
including	**39.0**	**43.0**	**4.0**	**14.01**
and	**39.0**	**40.0**	**1.0**	**34.50**
AE-16-41	49.0	50.0	1.0	0.50
AE-16-41	56.0	58.0	2.0	0.69
AE-16-42	**76.0**	**78.0**	**2.0**	**3.05**
AE-16-43	**94.0**	**109.0**	**15.0**	**2.95**
including	**94.0**	**108.0**	**14.0**	**3.14**
including	**103.0**	**106.0**	**3.0**	**6.94**
AE-16-44	59.0	60.0	1.0	0.50
AE-16-44	87.0	87.9	0.9	2.44
and	99.0	100.0	1.0	1.90
AE-17-45	**45.0**	**49.0**	**4.0**	**3.22**
AE-17-46	**58.0**	**70.0**	**12.0**	**3.63**
AE-17-47	77.0	80.0	3.0	1.56
and	94.0	95.0	1.0	1.11
AE-17-48	86.0	90.0	4.0	1.22
AE-17-49	104.0	106.0	2.0	1.71
and	110.0	118.0	8.0	1.45
including	111.0	116.0	5.0	2.11
AE-17-51	87.0	93.0	6.0	1.11
AE-17-58	**54.5**	**59.5**	**5.0**	**12.47**
including	**55.0**	**58.5**	**3.5**	**17.66**
and	102.0	103.0	1.0	0.83
AE-17-60	100.0	101.0	1.0	0.90

Hole ID	From (m)	To (m)	Length (m)	Au g/t
and	115.3	116.0	0.7	1.68

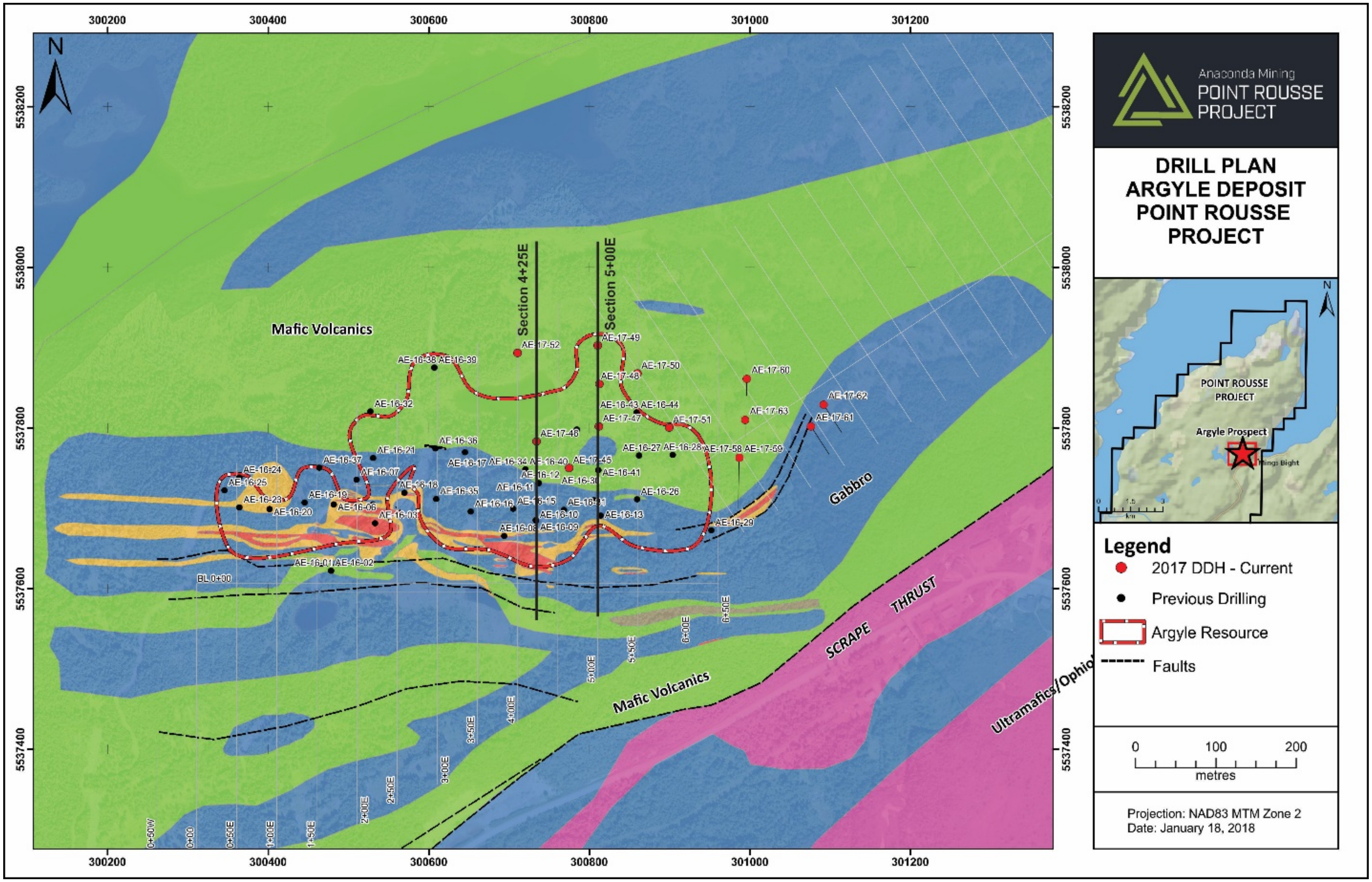

Figure 26. Drill plan map showing 2016 (black) and 2017 (red) diamond drill holes.

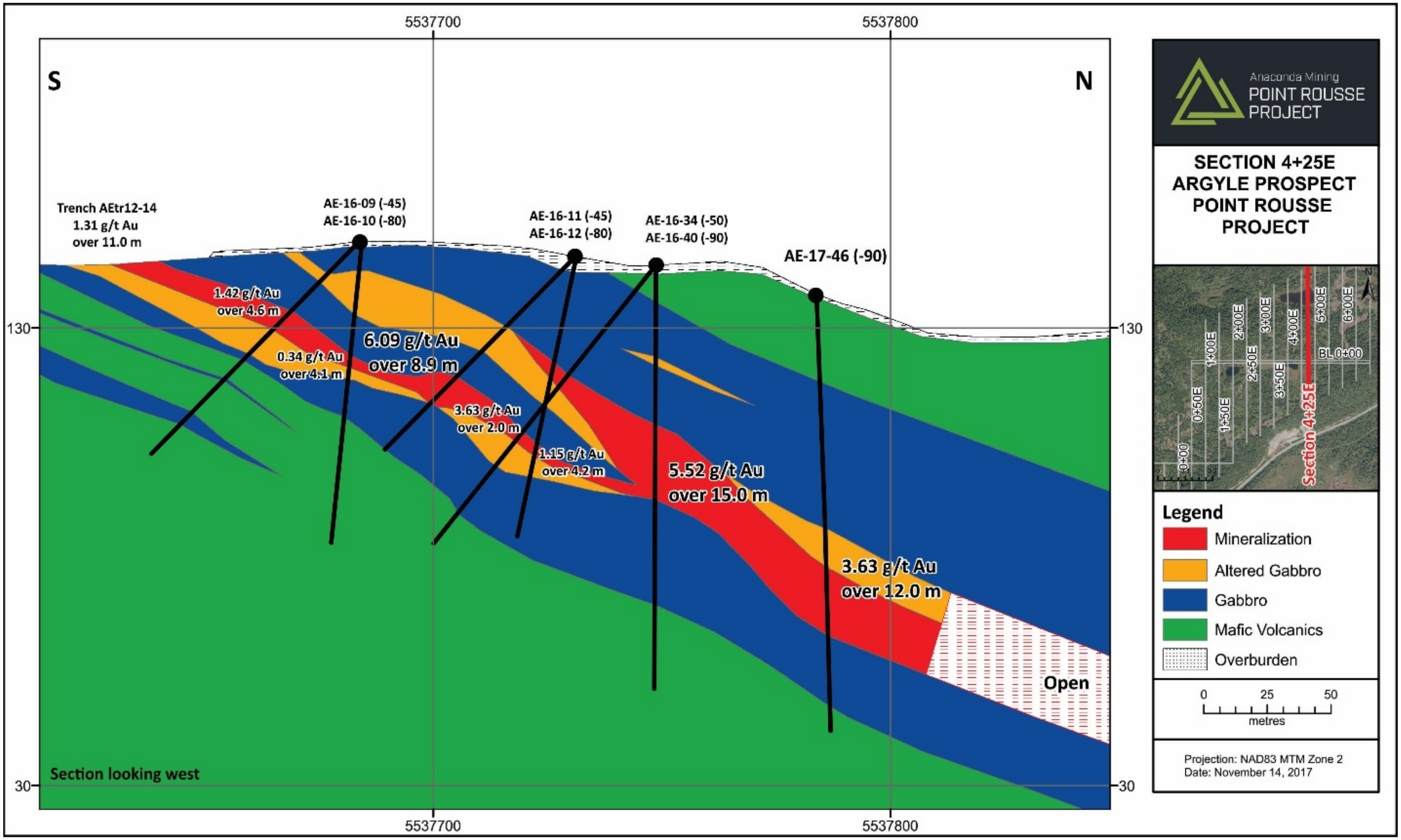

Figure 27. Cross section 4+25E (section location on Figure 26).

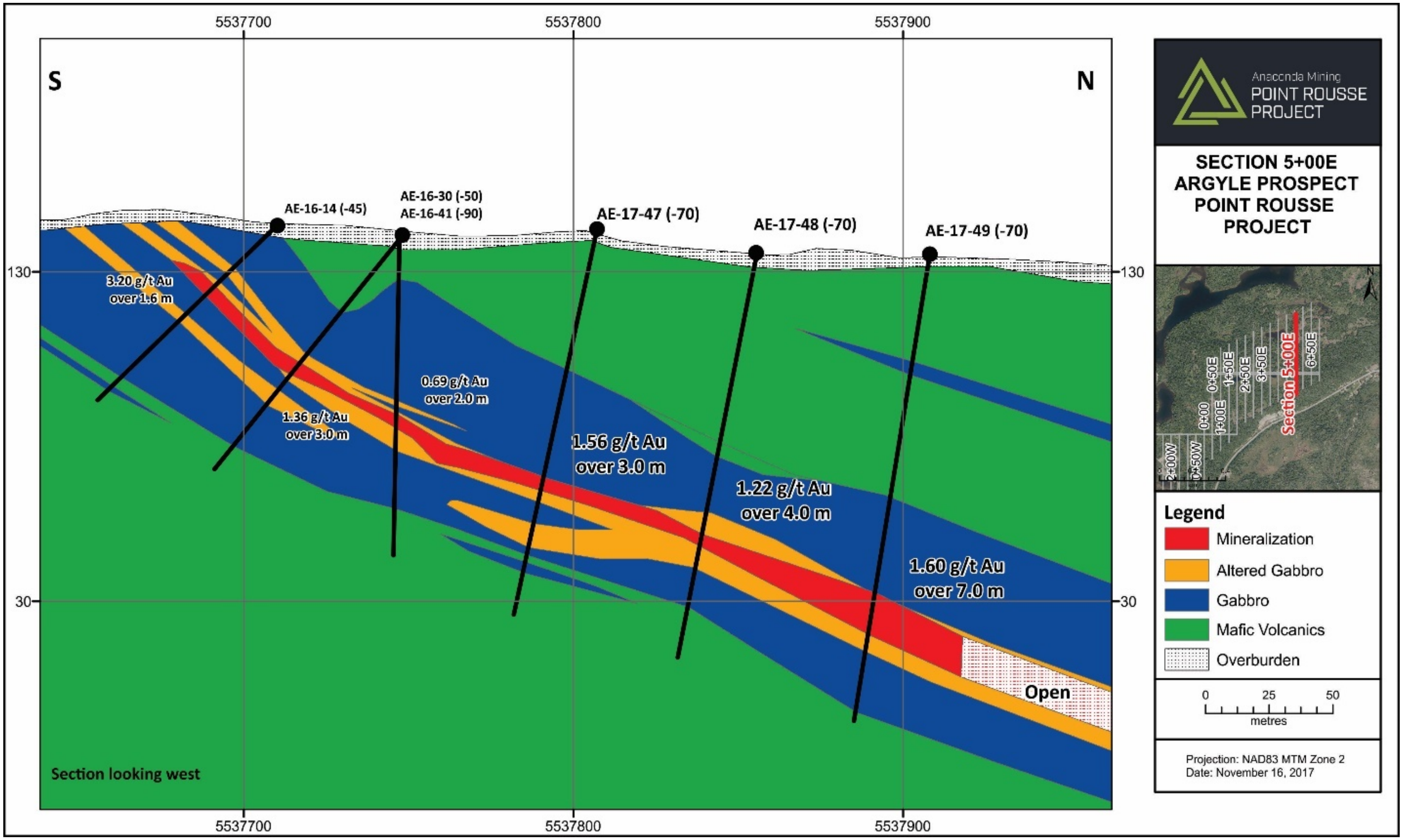

Figure 28. Cross section 5+00E (section location on Figure 26).

Table 14: Percussion drill hole collar locations and orientations – Argyle Deposit, 2017.

Hole ID	Easting	Northing	Elevation	Length	Dip	Azimuth	Start Date	Finish Date	Core Size
AEP-17-001	300410.92	5537648.19	157.75	21.0	-90	0	13-Sep-17	13-Sep-17	Percussion
AEP-17-002	300412.74	5537682.84	158.40	21.0	-90	0	13-Sep-17	13-Sep-17	Percussion
AEP-17-003	300413.98	5537706.01	156.08	21.0	-90	0	13-Sep-17	13-Sep-17	Percussion
AEP-17-004	300414.56	5537725.74	153.50	20.1	-90	0	13-Sep-17	13-Sep-17	Percussion
AEP-17-005	300468.21	5537716.34	149.39	13.7	-90	0	13-Sep-17	13-Sep-17	Percussion
AEP-17-006	300441.62	5537664.76	158.42	21.0	-90	0	14-Sep-17	14-Sep-17	Percussion
AEP-17-007	300458.38	5537673.88	155.36	21.0	-90	0	14-Sep-17	14-Sep-17	Percussion
AEP-17-008	300462.71	5537695.52	152.05	21.0	-90	0	14-Sep-17	14-Sep-17	Percussion
AEP-17-009	300511.64	5537671.45	153.65	21.0	-90	0	15-Sep-17	15-Sep-17	Percussion
AEP-17-010	300541.30	5537685.18	149.99	20.1	-90	0	15-Sep-17	15-Sep-17	Percussion
AEP-17-011	300564.33	5537689.63	148.27	7.3	-90	0	15-Sep-17	15-Sep-17	Percussion
AEP-17-012	300565.19	5537715.37	147.44	13.7	-90	0	15-Sep-17	15-Sep-17	Percussion
AEP-17-013	300612.58	5537662.88	150.69	21.0	-90	0	15-Sep-17	15-Sep-17	Percussion
AEP-17-014	300640.31	5537661.89	150.12	19.2	-90	0	15-Sep-17	15-Sep-17	Percussion
AEP-17-015	300663.67	5537711.06	147.93	18.3	-90	0	15-Sep-17	15-Sep-17	Percussion
AEP-17-016	300663.09	5537660.70	150.70	21.0	-90	0	15-Sep-17	15-Sep-17	Percussion
AEP-17-017	300686.17	5537663.28	149.39	21.0	-90	0	15-Sep-17	15-Sep-17	Percussion
AEP-17-018	300712.26	5537657.32	148.17	21.0	-90	0	18-Sep-17	18-Sep-17	Percussion
AEP-17-019	300713.44	5537682.74	150.03	21.0	-90	0	18-Sep-17	18-Sep-17	Percussion
AEP-17-020	300714.84	5537707.82	149.18	21.0	-90	0	18-Sep-17	18-Sep-17	Percussion
AEP-17-021	300743.09	5537680.56	149.28	21.0	-90	0	18-Sep-17	18-Sep-17	Percussion
AEP-17-022	300742.53	5537656.07	148.26	21.0	-90	0	18-Sep-17	18-Sep-17	Percussion
AEP-17-023	300763.47	5537655.98	146.12	21.0	-90	0	18-Sep-17	18-Sep-17	Percussion
AEP-17-024	300814.55	5537689.70	144.20	21.0	-90	0	18-Sep-17	18-Sep-17	Percussion
AEP-17-025	300532.73	5537681.01	150.80	21.0	-45	180	19-Sep-17	19-Sep-17	Percussion

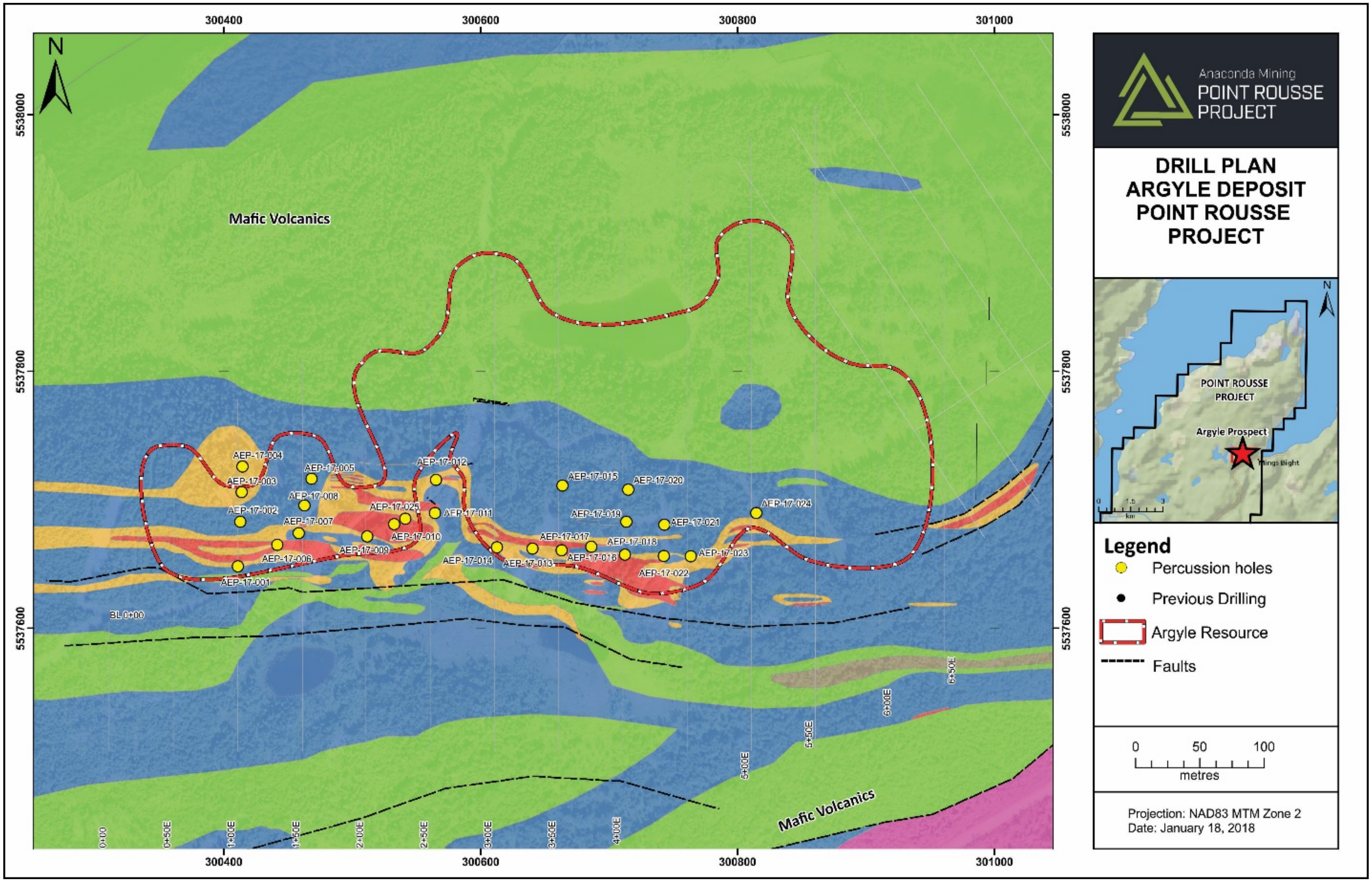

Figure 29. Drill plan map showing the locations of 2017 percussion drill holes.

Table 15: Percussion drill hole assay highlights.

Hole ID	From (m)	To (m)	Length (m)	Au g/t
AEP-17-001	17.37	18.29	0.91	0.66
AEP-17-002	6.40	10.06	3.66	0.70
and	**20.12**	**21.03**	**0.91**	**5.06**
AEP-17-003	**19.20**	**20.12**	**0.91**	**3.73**
AEP-17-004	14.63	15.54	0.91	1.60
AEP-17-005	4.57	5.49	0.91	1.57
AEP-17-006	**10.06**	**11.89**	**1.83**	**3.45**
AEP-17-007	3.66	4.57	0.91	0.64
and	9.14	17.37	8.23	1.00
including	9.14	12.80	3.66	0.80
and	14.63	17.37	2.74	1.67
AEP-17-008	8.23	10.97	2.74	1.17
AEP-17-009	4.57	12.80	8.23	1.35
including	**4.57**	**7.32**	**2.74**	**2.46**
AEP-17-010	3.66	5.49	1.83	1.03
AEP-17-011	6.40	7.32	0.91	0.58
AEP-17-013	13.72	14.63	0.91	1.22
AEP-17-014	**9.14**	**10.97**	**1.83**	**2.68**
including	**9.14**	**10.06**	**0.91**	**4.83**
AEP-17-016	6.40	8.23	1.83	1.55
AEP-17-017	**0.91**	**1.83**	**0.91**	**2.29**
AEP-17-020	6.40	7.32	0.91	0.53
AEP-17-022	1.83	2.74	0.91	1.02
and	10.06	14.63	4.57	0.69
AEP-17-023	9.14	13.72	4.57	1.18
including	10.97	13.72	2.74	1.75
AEP-17-024	19.20	20.12	0.91	1.09
AEP-17-025	4.57	11.89	7.32	1.35
including	**5.49**	**7.32**	**1.83**	**2.45**
and	18.29	19.20	0.91	0.57

10.3 THE GOLDENVILLE TREND

10.3.1 Goldenville-Maritec Prospect

From September 6 to October 2, 2016 Anaconda completed a systematic reconnaissance style diamond drilling program in the Goldenville-Maritec area. A total 14 diamond drill holes (GV-16-01 to 13A) totalling 1,684.4 m were completed (Table 16, 17; Figure 30). The target deposit type of the drill program is a Nugget Pond-style iron formation hosted orogenic gold deposit.

The drill holes targeted a combination of surface gold occurrences, anomalous soil samples, and magnetic lows. The magnetic low domains were interpreted as zones of possible magnetite destruction of the host iron formation; a feature that may indicate wall rock hydrothermal alteration and sulphidization associated with gold mineralization. In certain areas (GV-16-02 and 03) surface alteration corresponded with the magnetic lows and zones of hydrothermal (Fe-carbonate and pyrite) alteration of the local mafic volcanic strata. All holes in this program were drilled northwest to southeast across the strike of the iron formation horizon.

The drill holes generally collared within lower-greenschist facies gabbros and locally variolitic mafic volcanics that are interpreted to be correlative with the Mount Misery Formation of the Betts Cove Complex. The hole then passed through variably conformable to structurally disrupted sequence of interbedded oxide-facies (magnetite-hematite) iron formation and green to maroon mudstone and mafic volcanic tuff and mafic intrusive sills. The iron formation was found to be of variable width (0.3 to 10+ m) and generally overlies the green argillite and mafic volcanic tuff sequence to the south. The lower (southern) argillite and mafic volcanic tuff sequence is tentatively correlated with either the Bobby Cove or Scrape Point formations of the Snooks Arm Group.

Gold mineralization occurs within pyrite assemblages hosted by the iron formation sediments. The mineralized zone transitions into and out of the iron formation and appears inconsistent across the strike of the Deposit. Mineralization consisted of generally narrow (<0.3 m; normally <0.1 m) quartz veins that crosscut the host iron formation or adjacent mafic volcanic rocks. Local wall rock sulphidation of the iron formation was noted (e.g. hole GV-16-03) indicating that the interpreted mineralizing environment is present in the area.

In the hanging wall (northern) Mount Misery mafic volcanic rocks, zones of disseminated and stringer pyrite and chalcopyrite were intersected. These have the appearance of being related to primary volcanogenic sulphide mineralization. Additional work is required to confirm this, but the presence of sulphides on the north side of the Goldenville Horizon supports a potential VMS mineralizing system locally within the Mount Misery volcanics (host to the Tilt Cove Deposit in the Betts Cove complex).

Drill hole summary descriptions are presented below and highlight assays include 1.22 g/t gold over 1.0 m (GV-16-07) and 1.42 g/t gold over 0.42 m (GV-16-09)(Table 15).

Table 16: Drill hole assay highlights, Goldenville-Maritec Prospect.

Hole ID	From (m)	To (m)	Length (m)	Au g/t
GV-16-01	**69.30**	**73.00**	**3.70**	**0.59**
including	**70.00**	**72.00**	**2.00**	**0.85**
GV-16-03	36.30	37.00	0.70	0.23
GV-16-04	114.60	116.70	2.10	0.44
GV-16-05	65.50	66.50	1.00	0.62
GV-16-07	44.00	45.00	1.00	1.22
GV-16-08	18.00	20.00	2.00	0.37
GV-16-09	76.83	77.25	0.42	1.42
GV-16-10	79.00	80.50	1.50	0.62
including	80.00	80.50	0.50	1.09
GV-16-11	55.00	56.00	1.00	0.56
and	138.95	139.00	0.05	0.46

* No significant assays in holes GV-16-02, 06, 12, or 13

Table 17: Diamond drill hole locations and orientations - Goldenville-Maritec Prospect, 2016.

Hole ID	Easting	Northing	Elevation	Length	Dip	Azimuth	Start Date	Finish Date	Core Size
GV-16-01	300872.25	5539614.59	135.95	185.0	-45	140	06-Sep-16	08-Sep-16	BQTK
GV-16-02	301259.01	5539840.96	140.40	161.0	-45	160	09-Sep-16	10-Sep-16	BQTK
GV-16-03	301817.13	5539953.60	116.30	77.0	-50	160	10-Sep-16	12-Sep-16	BQTK
GV-16-04	301758.71	5539965.74	120.62	137.0	-50	160	12-Sep-16	13-Sep-16	BQTK
GV-16-05	302264.45	5539945.57	110.67	201.0	-50	160	14-Sep-16	15-Sep-16	BQTK
GV-16-06	302432.13	5539979.18	102.77	197.0	-50	160	16-Sep-16	20-Sep-16	BQTK
GV-16-07	302201.68	5539857.31	107.88	64.0	-50	160	20-Sep-16	21-Sep-16	BQTK
GV-16-08	302281.96	5539895.66	110.94	59.0	-45	160	21-Sep-16	22-Sep-16	BQTK
GV-16-09	301389.39	5539783.86	128.54	119.7	-45	160	22-Sep-16	24-Sep-16	BQTK
GV-16-10	302136.27	5539967.89	112.51	86.0	-50	160	24-Sep-16	26-Sep-16	BQTK
GV-16-11	301450.00	5539860.00	133.00	139.0	-50	160	27-Sep-16	28-Sep-16	BQTK
GV-16-12	300785.69	5539411.83	136.91	121.7	-45	125	29-Sep-16	30-Sep-16	BQTK
GV-16-13A	300521.64	5539184.32	139.63	124.0	-50	125	01-Oct-16	02-Oct-16	BQTK

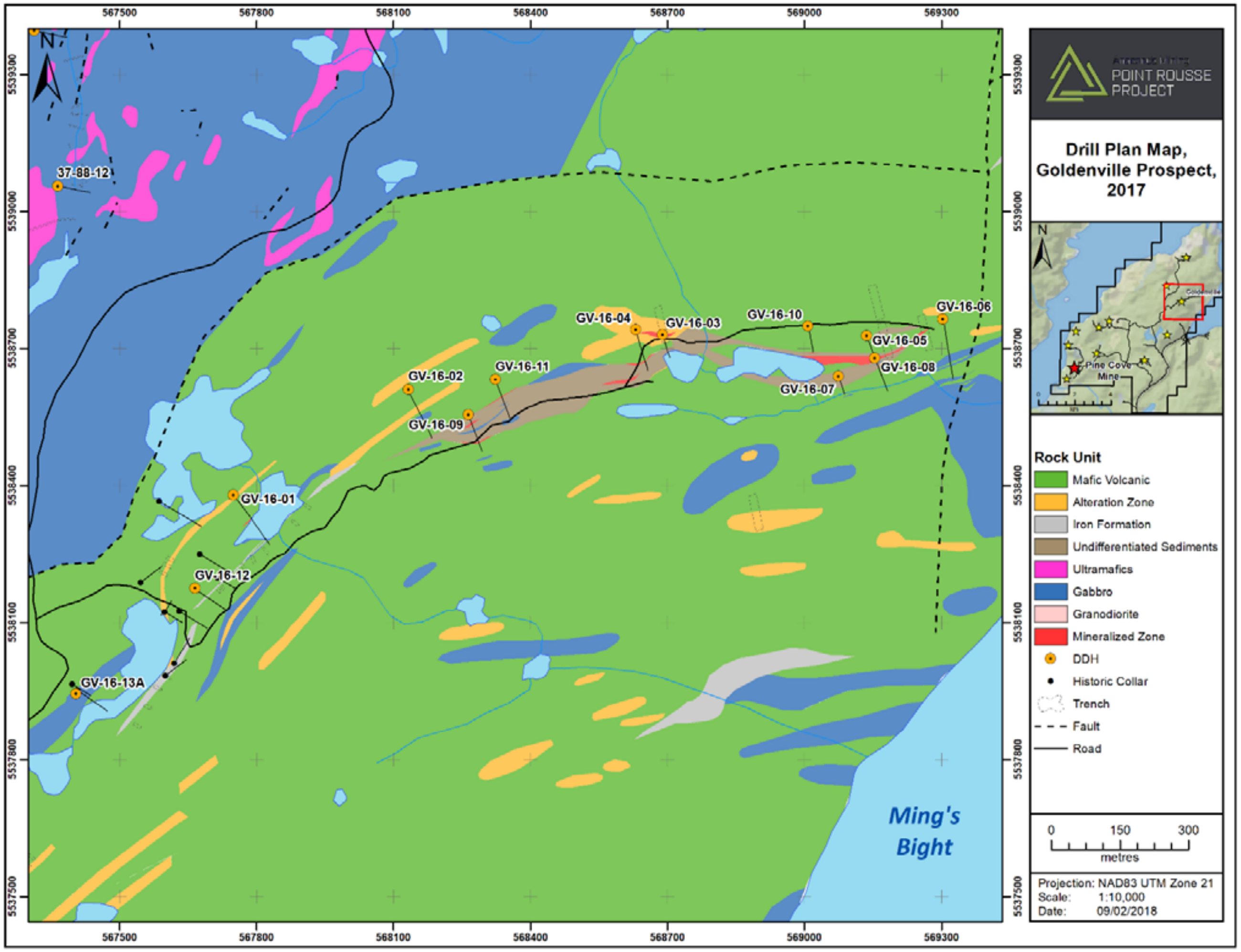

Figure 30: Drill hole location and geology map - Goldenville-Maritec Prospect.

11 SAMPLE PREPARATION AND SECURITY

Anaconda has developed procedures for sample preparation and security. AdiuvareGE Qualified Person, Catherine Pitman reviewed these procedures including core handling and data collection during a September 17-19, 2014 site visit and concluded that data from the Pine Cove and Stog'er Tight Deposits is collected according to industry standards. Mercator Qualified Person, Michael Cullen reviewed these procedures including core handling and data collection during a November 13-15, 2017 site visit and concluded that data from the Argyle Deposit is collected according to industry standards. The core is stored on racks adjacent to the recently constructed core logging facility located at the Stog'er Tight Mine and Pine Cove Mine site. The core logging facilities are clean and well-organized. Anaconda holds the chain-of-custody from collection of the core trays at the drill rig to the core shed and subsequent delivery of the samples to the Eastern Analytical in Springdale, NL.

11.1 SAMPLE PREPARATION

11.1.1 Diamond Drill Hole Samples

Diamond drill core is delivered from the drill rig to the core login and core storage following of the most recent core. The core and core trays are labeled and the core is logged daily, which includes documentation of core recovery, lithology, alteration, mineralization and magnetic susceptibility.

The core is selectively sampled through the mineralized zone and with a shoulder of around 1 m either side of this. Broader sampling of the margins of mineralization within select holes or mineralized zones may occur.

Core is cut with a diamond saw lengthwise and generally divided into 1 m samples except where there is a reduction due to core loss or to respect geological boundaries. One-half of the cut core is bagged as a sample for analysis and the remaining half is retained in the core tray. Since late 2015, 4,473 drill core samples have been collected and submitted for assay. Sample length average close to 1.0 m as shown in Table 18.

Table 18: Drill core sample statistics - Point Rousse Drilling, 2015-2017.

Deposit/Prospect	Drill Core Samples	Average Length (m)	Minimum Length (m)	Maximum Length (m)
Pine Cove	907	0.98	0.4	3.0
Stog'er Tight	1,353	0.97	0.3	2.2
Argyle	1,747	0.95	0.2	1.5
Corkscrew Road	23	0.99	0.5	1.4
Goldenville	443	0.94	0.1	2.0

The sample is sealed with a plastic cable tie in a labelled plastic bag containing a corresponding sample tag matching a sample tag that remains with the core in its sampled location. The sample numbers are also labelled on the outside of each bag and checked against the contents, prior to delivery to the laboratory Anaconda employees deliver the sample batches to Eastern Analytical in Springdale, NL by truck.

The remaining core is archived along with the pulps and rejects, from the assay program and are permanently stored in racks at either the Pine Cove or Stog'er Tight core storage facility.

11.1.2 Percussion Hole Samples

Samples for grade control at the Pine Cove Mine are collected from blast holes drilled by a percussion drill rig as part of daily production blast holes. Blast holes are drilled on a 3 m x 3 m grid and to a depth of 6 m. Samples are taken from the drill muck pile using three scoops of rock chips from different parts of the muck pile to compose a 1 -2 kg sample. The sample is weighed, dried and crushed prior to being analyzed for sulfur content using a LECO CS-230.

For the Pine Cove Mineral Resource estimate a total of 76,586 blasthole samples were used.

11.2 ANALYTICAL METHODS

Diamond drill hole sample analyses are by fire assay at Eastern Analytical. Fire assay uses a 30 g sample and is a lead-collection / fusion, for refinement of total sub-sample into a silver dore bead. The silver bead is then dissolved in an aqua-regia digestion and analysis is made by atomic absorption (AA). Samples grading over 100 ppm, are directed for gold content determined by Gravimetric Analyses. Mineral Resource estimates for Pine Cove, Stog'er Tight and Argyle include samples analysed by fire assay and samples determined by gravimetric finish at Eastern Analytical

Percussion drill hole samples used for grade control purposes at the Pine Cove Mine have gold grades estimated using a sulfur/gold ratio. This procedure is based the observation that gold is directly linked to pyrite content of the rock, which can be quickly analyzed using a LECO CS-230 located at the Pine Cove laboratory. Based on thousands of sample analyses there is an average sulfur/gold ratio of approximately 3000:1. In practice this relationship breaks down for sulfur values between 1,800 and 6,000 ppm. These samples are sent to Eastern Analytical for fire assay with results typically returned overnight.

Since early 2016 percussion drill hole samples used for grade control have been analyzed at the Pine Cove laboratory using bottle roll/leach system. The pulverized sample is leached into a solution using a bottle roll rack and Leachwell tablets. The solution is then analysed using an AA machine. 10% of samples are sent to Eastern Analytical for independent analysis. If there is residual solids within the bottle these are likewise sent to Eastern Analytical for fire assay.

The Mineral Resource estimate for the Pine Cove Mine use both diamond drill core analyzed by fire assay and percussion drill hole samples analyzed using a combination of LECO CS-230 derived gold values, AA machine gold values and first assay. Mineral Resource Estimates for Stog'er Tight and Argyle use drill core analyzed by fire assays only.

For the Pine Cove and Stog'er Tight Mineral Resource estimates both the diamond drill assays and the blasthole assays were used. Although there are concerns about the sample selection and length of sample for the blasthole data and an associated lack of QA/QC procedures similar to those used with the diamond drilling, Ms. Pitman considers, that due to the number and density of blast holes, any biases or assay errors will be evened out.

11.3 LABORATORIES

All fire assays are completed at Eastern Analytical, an independent analytical laboratory located in Springdale, NL, which is ISO 17025 accredited. The lower detection limit for the gold is 0.01 ppm.

Anaconda has an on-site laboratory, including a LECO CS-230, an atomic absorption (AA) instrument (model AA55) and a bottle roll/ leach system. The onsite laboratory is not ISO certified.

11.4 ANACONDA QUALITY CONTROL DATA

Anaconda employs a systematic quality control sampling program throughout all of its diamond drill programs that consists of the insertion of a natural blank (medium grained diorite from Crooked Lake, NL) and powdered reference standards for Au for at least every 25 core samples collected and at least one blank and one standard per sample shipment. Anaconda has completed check assays on sample pulps from the Argyle Deposit, but not from Pine cove, Stog'er Tight or Goldenville drill programs.

Results are monitored by senior personnel and if a batch fails a partial re-run of the samples is undertaken with a repeat standard; if this fails the whole batch is re-run with a new standard.

11.4.1 Analytical Standards

Certified Reference Material (CRM) control samples ("standards") provide a means to monitor the precision and accuracy of the laboratory assay results. Three separate professionally prepared standards were used during the 2015-2017 drill programs. All standards were obtained by Anaconda from CDN Resources Laboratories Ltd., of Langley, British Columbia and are certified by licensed assayer Duncan Sanderson. The standards used were selected based on similar Au contents within the range of gold grade for the Point Rousse Project and include: CDN-GS-1M, 9A and 10E. A total of 201 standards were analyzed at Eastern Analytical for Au by fire assay with atomic absorption finish. Time series (chronological order of samples represented by a series of numbers) plots showing assayed values for Au for each of the three separate standards are presented below (Figures 31 to 40).

Lines defining the second standard deviation of the round robin analyses for each standard are plotted for reference. Analyses that greatly exceed the second standard deviation are considered potentially suspect, resulting in review and investigation of all analyses within the sample batch. In general, performance of the 2015-2017 control samples is quite good, with most assay results falling within two standard deviations from the mean.

Standard CDN-GS-1M – This standard has a recommended mean value and "between laboratory" two standard deviation of 1.07 +/- 0.09 g/t gold. All of the 101 samples analysed at Eastern Analytical plot within 2-standard deviation of the mean.

Standard CDN-GS-9A – This standard has a recommended mean value and "between laboratory" two standard deviation of 9.31 +/- 0.69 g/t gold. All 21 samples analysed at Eastern Analytical plot within 2-standard deviation of the mean.

Standard CDN-GS-10E – This standard has a recommended mean value and "between laboratory" two standard deviation of 9.59 +/- 0.53 g/t gold. All of the 79 samples analysed at Eastern Analytical plot within 2-standard deviation of the mean. 1 sample plots above the upper 2-standard deviation limit.

11.4.2 Analytical Blanks

A field blank is important for monitoring potential contamination introduced at labs during sample preparation and analysis. Blanks also monitor accuracy of the lab and help detect sample sequencing errors. True blanks should not have any of the elements of interest much higher than the detection levels of the instrument being used. From 2015 to 2017 Anaconda used a field blank that consisted of a homogeneous, unaltered and non-mineralized medium grained diorite collected from along the Trans-Canada Highway at Crooked Lake, NL. This blank material consistently returned gold values below 3 times the lower detection limit (Figures 41 to 44). A total of 192 blanks were submitted for analysis along with the drill core samples.

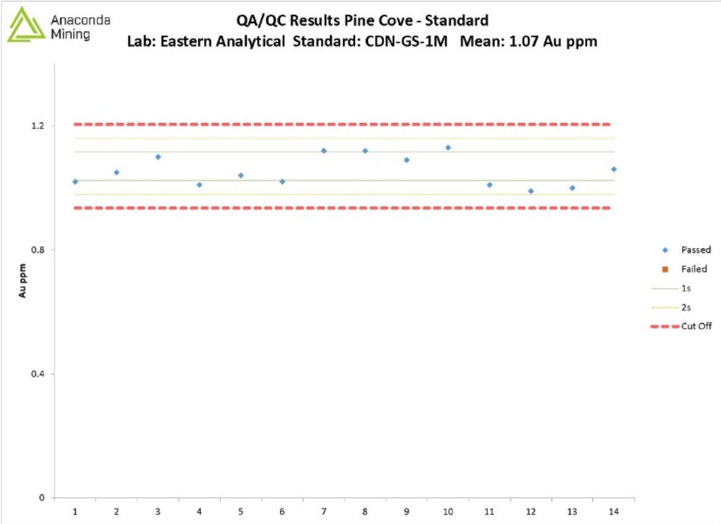

Figure 31: Performance of Au for certified standard CDN-GS-1M, Pine Cove Drilling.

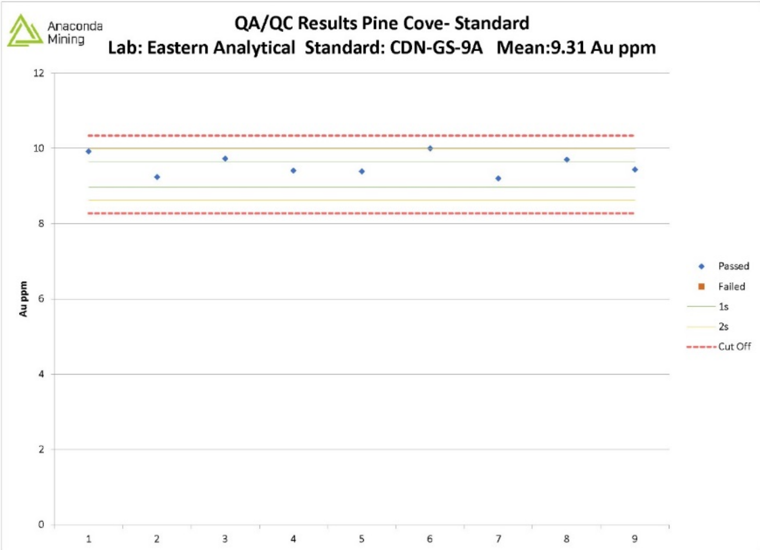

Figure 32: Performance of Au for certified standard CDN-GS-9A, Pine Cove Drilling.

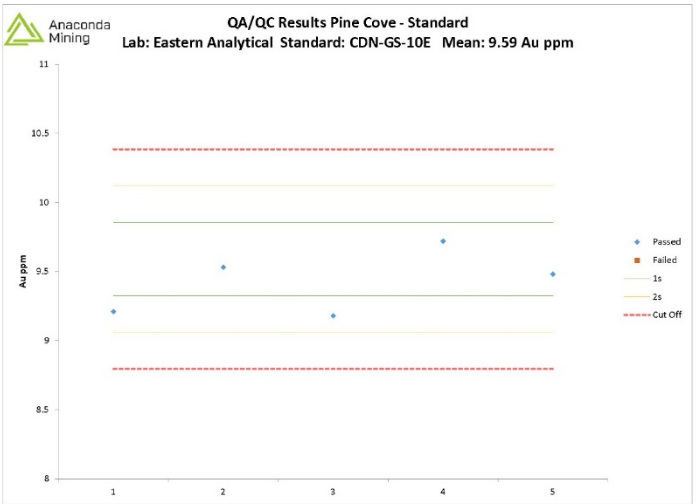

Figure 33: Performance of Au for certified standard CDN-GS-10E, Pine Cove Drilling.

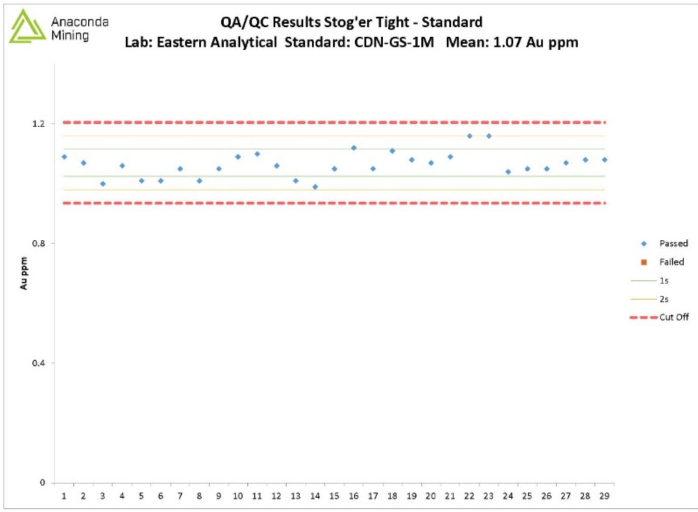

Figure 34: Performance of Au for certified standard CDN-GS-1M, Stog'er Tight Drilling.

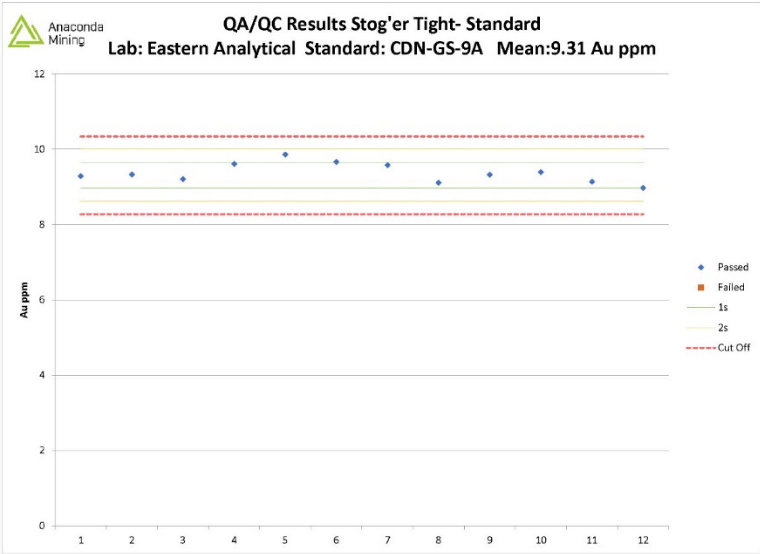

Figure 35: Performance of Au for certified standard CDN-GS-9A, Stog'er Tight Drilling.

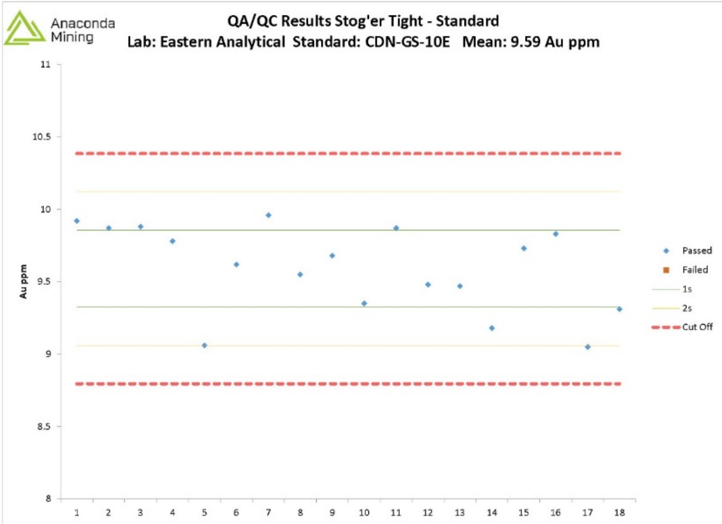

Figure 36: Performance of Au for certified standard CDN-GS-10E, Stog'er Tight Drilling.

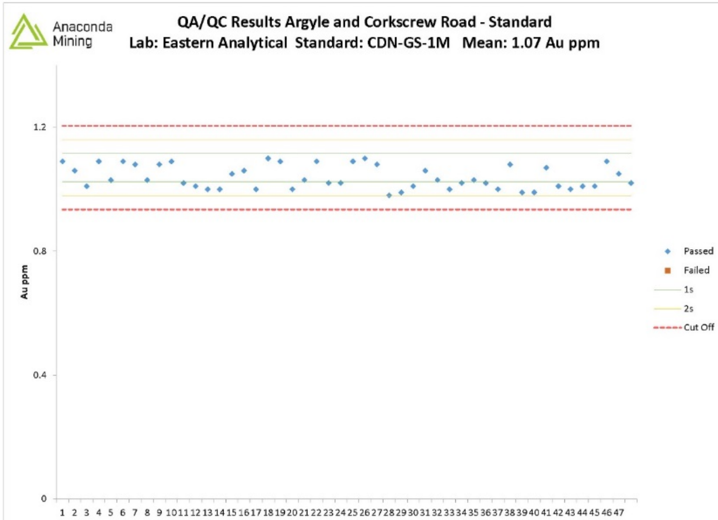

Figure 37: Performance of Au for certified standard CDN-GS-1M, Argyle and Corkscrew Road Drilling.

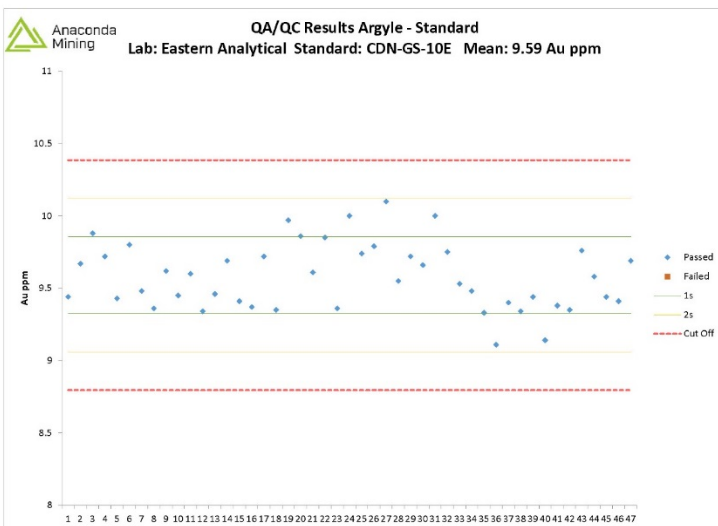

Figure 38: Performance of Au for certified standard CDN-GS-10E, Argyle and Corkscrew Road Drilling.

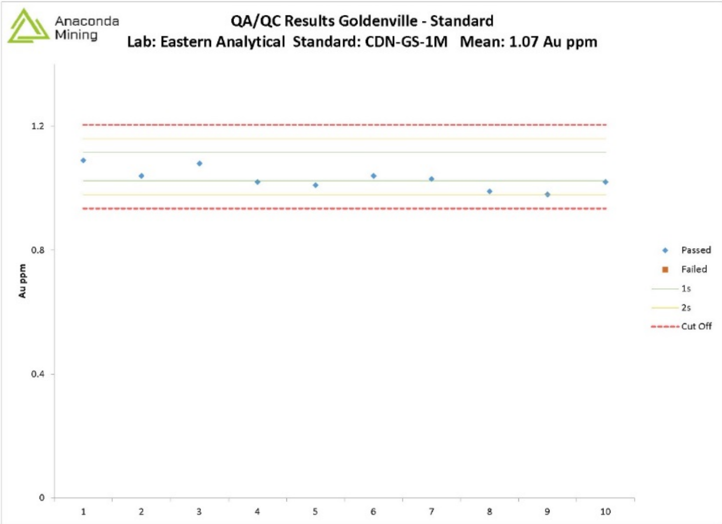

Figure 39: Performance of Au for certified standard CDN-GS-1M, Goldenville Drilling.

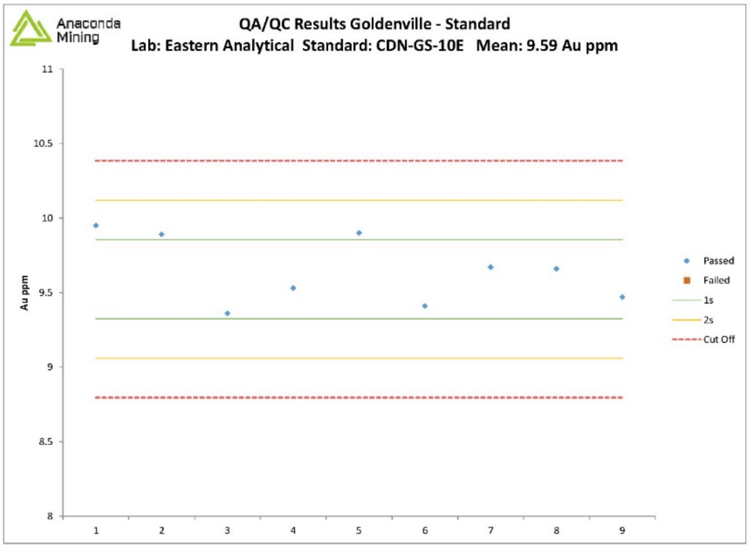

Figure 40: Performance of Au for certified standard CDN-GS-10E, Goldenville Drilling.

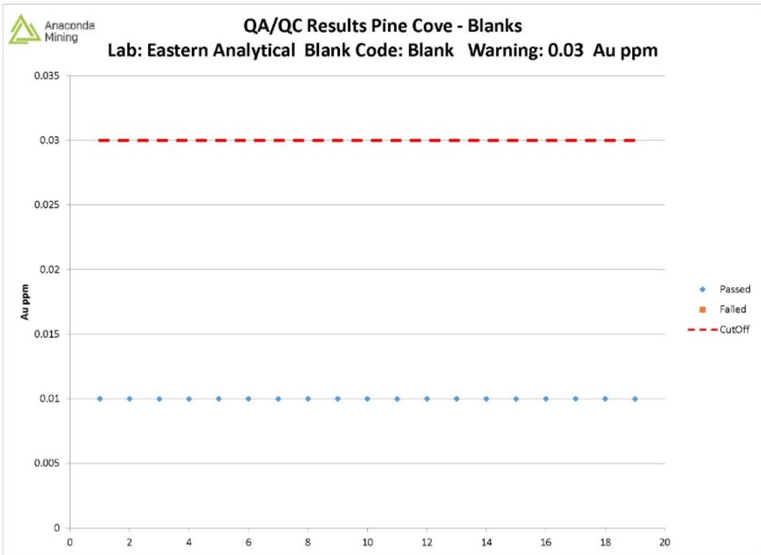

Figure 41: Performance of Au for Natural Blank (Crooked Lake Diorite), Pine Cove Drilling.

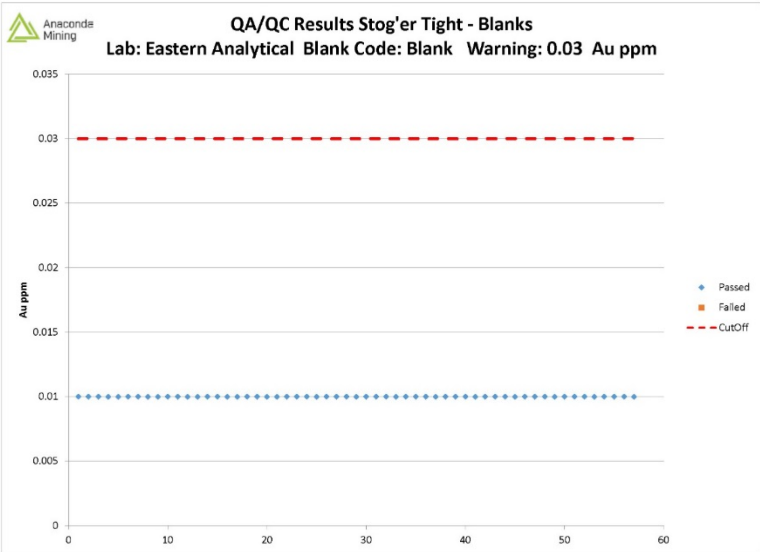

Figure 42: Performance of Au for Natural Blank (Crooked Lake Diorite), Stog’er Tight Drilling.

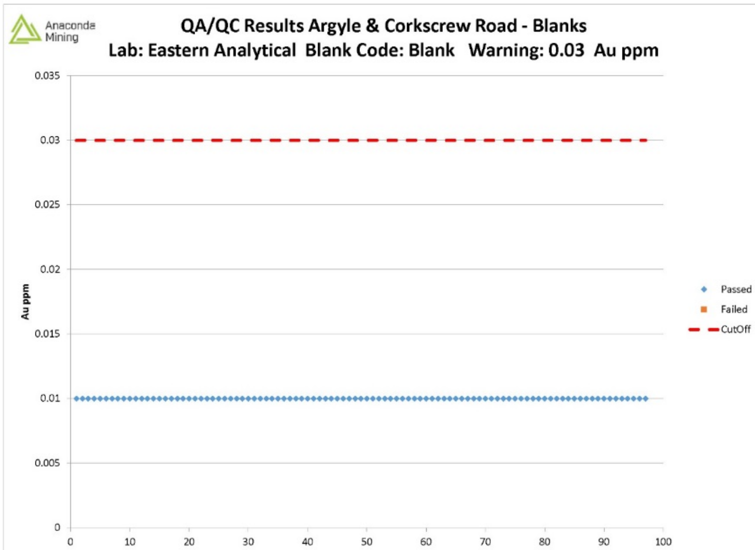

Figure 43: Performance of Au for Natural Blank (Crooked Lake Diorite), Argyle and Corkscrew Road Drilling.

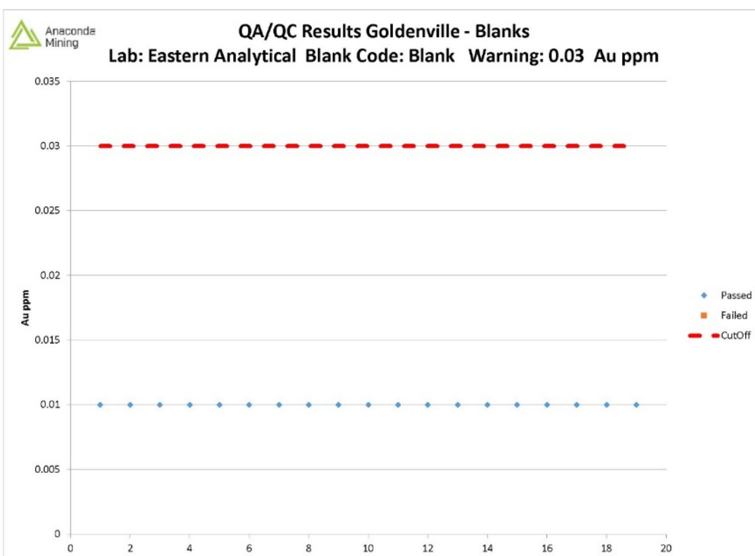

Figure 44: Performance of Au for Natural Blank (Crooked Lake Diorite), Goldenville Drilling.

11.4.3 Check Assays

A total of 118 check assays were completed at ALS Canada Ltd. ("ALS") in North Vancouver, British Columbia on pulps from 2016 and 2017 drill core samples from the Argyle Deposit (Figure 45). Samples with initial fire assay grades >0.5 g/t gold were selected for check assay at ALS using methods AU-AA23 and Au-ICP21. Overall the gold assay grades from Eastern Analytical reproduced very well in check assays. Two of the adjacent sample pulps (204162 and 204163) were seemingly switched at some point during the assaying process. Overall the check assay results validate the fire assay results obtained from Eastern Analytical and used in the Argyle resource estimate.

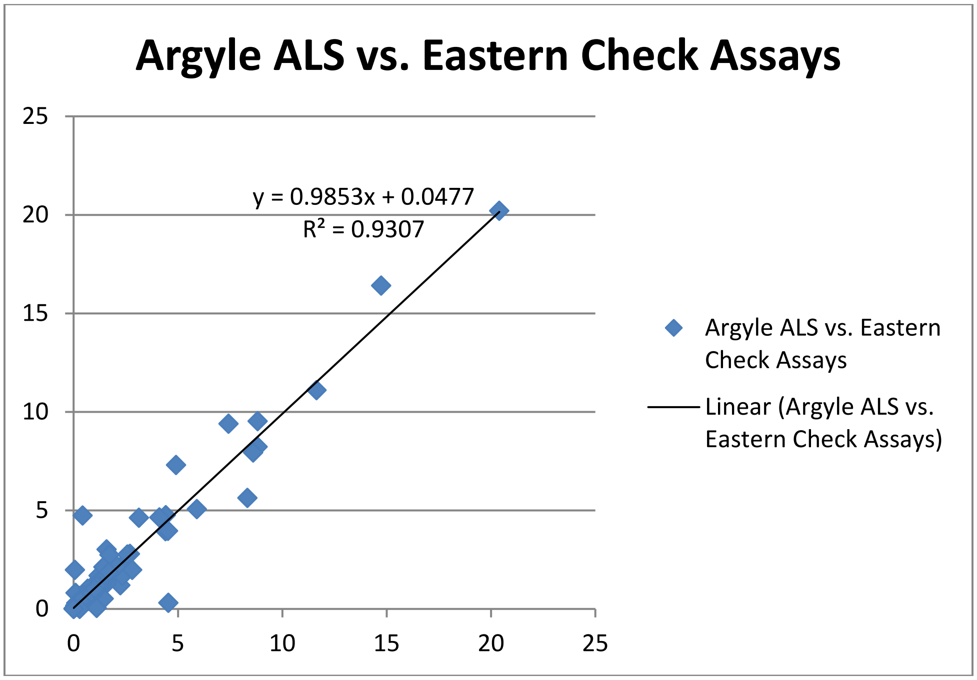

Figure 45: Check assay results – Eastern Analytical versus ALS Canada, Argyle Deposit (n= 118).

11.5 DENSITY MEASUREMENTS

11.5.1 Pine Cove Mine

Samples of differing lithologies and ore grade were collected from around the Pine Cove Mine site. The samples were dried and then the mass of each sample was determined. The volume of each sample was calculated by submersing it in water and determining the mass of displaced water. Since 1 g of water is equal to 1 cm^3 it is a relatively straight forward calculation to determine the samples volume. The specific gravity ("SG") was then determined by:

SG (g/cm^3) = Mass (g)/Volume (cm^3)

A total of 128 samples were collected and average SGs were determined based on gold grade:

Au gt < 0.83 = density 2.8
Au g/t > 0.83 = density 2.71
Au g/t > 3 = density 2.8
Au g/t > 4 = density 2.92

11.5.2 Argyle Deposit

A total of 129 samples from diamond drill core were used for specific gravity measurements at the Argyle Deposit. The specific gravity measurements were used to inform the density used in the mineral resource estimate below.

40 samples of whole and half-split diamond drill core from various lithologies (e.g. gabbro, mafic volcanic, altered gabbro and mineralization) were send to ALS in Sudbury, ON for determination of specific gravity via method OA-GRA-08. The specific gravity values from this work ranged from 2.7 to 3.15 and averaged 2.85.

75 sample pulps from assayed diamond drill core from the mineralized zone (assaying >0.5 g/t gold) were send to ALS in Sudbury, ON for determination of specific gravity via method OA-GRA-08b. The specific gravity values from this work ranged from 2.54 to 2.92 and averaged 2.68.

14 sample pulps, initially used for acid rock drainage testing from various lithologies (e.g. gabbro, mafic volcanic, altered gabbro and mineralization) were analysed by RPC Science and Engineering ("RPC") in Fredericton, NB for determination of specific gravity. The specific gravity values from this work ranged from 2.50 to 2.79 and averaged 2.66.

Based on an average specific gravity of 2.73 for all samples analysed it was determined that 2.7 was an appropriate global specific gravity to use for the Argyle Mineral Resource Estimate.

11.6 OPINION OF THE INDEPENDENT QUALIFIED PERSONS

It is Ms. Pitman's and Mr. Cullen's opinion that the procedures used for sample preparation, security and analytical procedures of diamond drill samples meet industry standards and adequate for use in resource estimation.

Ms. Pitman notes that though the on-site laboratory at the Pine Cove mill is not an accredited facility, the percussion hole samples prepared and analysed there form a very detailed and large data set across the mined portion of the Pine Cove Deposit. The large volume of percussion hole samples combined with the reconciliation of past mining activity with the resource model, indicates that the blast hole samples are generally considered representative of the mineralization grades and therefore are included in the Mineral Resource Estimate for the Pine Cove Deposit.

12 DATA VERIFICATION

12.1 STOG'ER TIGHT TWINNED DRILL HOLES

A total of 9 drill holes were drilled in 2014 at the Stog'er Tight Deposit that were drilled within 5 m of historic drill hole collars in order to verify the historic drill and sample data. Comparison between twinned hole pairs show good correlation. All twinned holes were included in the Mineral Resource Estimate.

Figure 46 illustrates there was good correlation between the historic drill campaigns and the more recent drilling. The holes were selectively assayed during both campaigns and the blank intervals in the holes represent unsampled intervals. The difference in the collar elevations is attributable to mining activity.

Based on the results of the comparison of the twinned hole sets AdiuvareGE considered it appropriate to include all the historic drilling in the updated model.

Table 19: Comparison of weighted average grade assay results between historic and twinned holes – Stog'er Tight Deposit.

Historic DDH	From (m)	To (m)	Width (m)	Au g/t	Twinned DDH	From (m)	To (m)	Width (m)	Au g/t
BN-88-01	18.7	22.8	4.1	6.6	BN-14-215	17	23	6	4.55
BN-88-17	33	34.25	1.25	1.18	BN-14-214	34	35	1	2.12
BN-96-80	19.1	20.4	1.3	4.02	BN-14-213	25	27	2	3.32
and	35.4	35.9	0.5	0.87	and	36	37	1	1.74
BN-96-104	31.7	33	1.3	2.03	BN-14-211	30	32	2	2.85
BN-10-114	no significant assays				BN-14-212	no significant assays			
BN-10-184	17	20	3	13.11	BN-14-210	15	17	2	1.75
BN-88-31	46.2	46.7	0.5	9.65	BN-14-209	45.77	46.77	1	0.68
BN-89-48	66.2	70.2	4	1.5	BN-14-216	63.58	64.1	0.52	1.58
					and	66.2	67.7	1.5	1.63
BN-89-45	72.6	76.6	4	4.82	BN-14-208	72	76.5	4	8.13

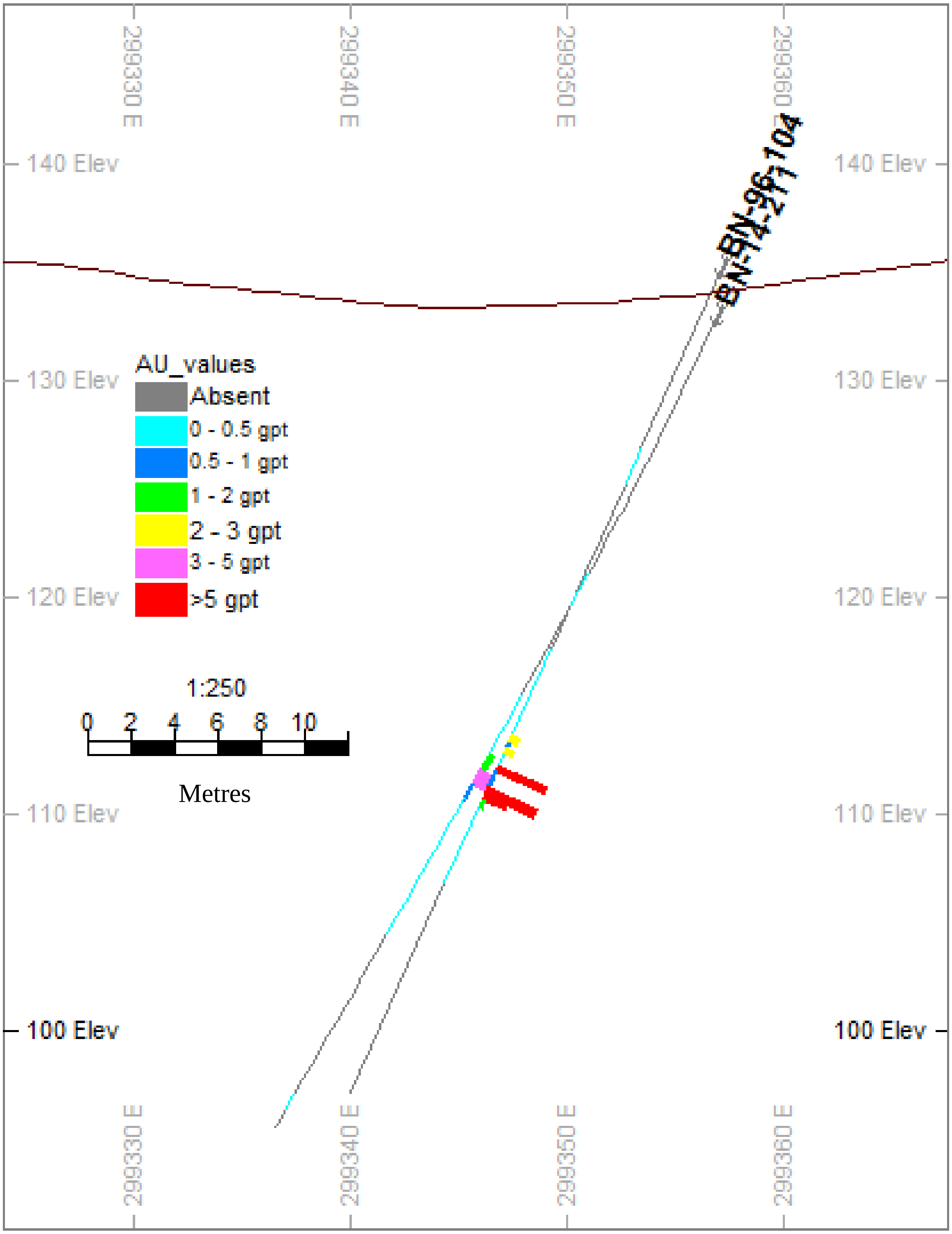

Figure 46: Comparison of Mineralized Intervals and Grade for Twinned Holes.

12.2 INDEPENDENT DATA VERIFICATION AND SITE VISIT

12.2.1 Pine Cove and Stog'er Tight

As part of an independent data verification Ms. Pitman completed a site visit to the Point Rousse Project on September 17-19, 2014. As part of the site visit Ms. Pitman reviewed the drilling, transportation, handling, logging and sampling of the diamond drill core from various projects including the Pine Cove and Stog'er Tight Deposits. Independent check samples were not taken of the project drill core. The review also included an inspection of Eastern Analytical, including the method of insertion of blanks and standards in the sample stream. The laboratory supplied their accreditation certificate (ISO 17025).

No verification samples were collected for specific gravity as the current formula used for specific gravity (see sections 11.4 and 11.5) and measured specific gravities by the mine appears to allow reasonable reconciliation against mine tonnages and therefore can be considered suitable for the resource and reserve estimate.

The diamond drill and blast hole databases are maintained by Anaconda personnel and data is verified for errors at the point of data entry. The assay certificates are supplied electronically from Eastern Analytical. Checks for accuracy of the assay data were conducted including: a comparison of the database against the digital assay certificates (as pdf files); overlap and gap errors; extreme data values and duplicate samples numbers.

Downhole survey files were reviewed for extreme changes in the dip or azimuth.

All collar coordinates were checked against the topographic surface provided by Anaconda. Many of the holes for Stog'er Tight had to be adjusted to the current topographic surface using their easting and northing coordinates as recorded historically. Holes that were drilled prior to the excavation of the historic pit were left at the original elevations. Any variations were attributable to inaccuracies in the original surveying and the recent availability of more detailed topographic surfaces.

12.2.2 Argyle

Mercator received digital project data from Anaconda in comma delimited text file format and these were imported into Surpac GEOVIA 6.8™ modeling software. The current Argyle mineral resource estimate is based on validated results of 52 drill holes totaling 4,820.2 metres of diamond core drilling and 1,521 associated core samples plus 167 surface channel samples cut from 12 surface trenches.

The project drill hole and trenching database, associated digital solid models and the current resource block model are coordinated in the Newfoundland Modified Transverse Mercator (MTM), Zone 2 (NAD 83 datum) coordinate system. Validation checks on overlapping intervals, inconsistent drill hole identifiers, incorrect lithological assignment, unreasonable assay value assignment, and missing interval data were performed on the database by Mercator. Checking of database collar coordinates, downhole survey records, sample interval records, analytical data, and lithocode entries against source files was carried out by Mercator for 15 holes, which approximates 28% of the total database. The various validation checks carried out did not identify any substantive errors and the checked database was determined to be acceptable for resource estimation purposes.

Site Visit

Mr. Cullen visited the Argyle property on the 13th 14th and 15th of November, 2017. During the visit, mineralized sections of core from 8 Anaconda drill holes completed between 2015 and 2017 were inspected at the company's core logging and sampling facility located adjacent to the new Stog'er Tight mine development. Mr. David Copeland, P. Geo., Chief Geologist for Anaconda, facilitated the visit and provided guidance with respect to review of drill core and related logging, sampling and interpretation protocols, site geology and property inspection. Other Anaconda staff assisted with core layout and cutting of check samples under supervision of the author. A drill collar coordinate check program was also carried out in conjunction with inspection of bedrock outcrops and general site conditions in the Deposit area.

In addition to the above, bedrock exposures in the Stog'er Tight open pit were reviewed with Mr. Copeland to provide a basis of reference for alteration and mineralization styles seen in Argyle project drill core.

Database litho-codes, drill log descriptions and core sample records were randomly checked against the archived core and associated sample tags for 8 drill holes selected for detailed review, these being AE-16-03, AE-16-9, AE-16-11, AE-16-20, AE-16-39, AE-16-40, AE-16-43 and AE-17-46. In all instances checked, logged descriptions and previous sample tags were found to be correct.

Check Assays

A check sampling program consisting of 12 quarter-cut core samples was completed in association with the core review. Samples were selected to represent a range of gold grades encountered within mineralized intervals of the deposit and the archived half core samples were quarter sawn by an Anaconda technician under supervision of the author. All sampled intervals were photographed and a sample tag providing Mr. Cullen's sample information was inserted and stapled at each check sample location (Plate 10).

Check samples remained in the possession of Mr. Cullen after collection until return to the Mercator office. A blank sample of granular marble and a certified reference material sample (G997-3-GeoStat Pty) were inserted into the continuous sample number sequence prior to shipment by commercial courier to the Activation Laboratories Ltd. ("Actlabs") preparation facility in Fredericton, NB. Prepared pulps were subsequently sent to the company's facility in Ancaster, ON for analysis. Actlabs is a commercial analytical services firm accredited to ISO/IEC 17025 specifications.

Gold levels were determined using fire assay pre-concentration methods and an atomic absorption finish (Code 1A2). Samples returning gold values greater than 5.0 g/t gold were re-analyzed using fire assay pre-concentration methods and a gravimetric finish. Multi-element analysis using ICP-MS methods (Code UT-4M Total Digestion ICP/MS) was also carried out and Specific Gravity (SG) determinations were made for all pulps using pycnometer methods (Code Specific Gravity Pulp). Samples were securely stored at the Mercator office until the time of shipment to Actlabs.

Table 20 identifies the core intervals for which check samples were collected and analyzed and Figure 47 provides a graphic comparison of Mercator check sample gold results and Anaconda drilling database gold results. The Mercator blank sample returned a below detection level value of <5 ppb that indicates sample preparation stage cross contamination is not an issue with the check samples. The certified reference materials accepted value of 1.41 g/t gold was very closely matched by the check analysis of 1.44 g/t gold and confirms laboratory accuracy.

Plate 10: Mercator check sample tag marking sample location in hole AE-16-43.

Table 20: Mercator Check Sample Intervals.

Mercator Number	Hole Number	From (m)	To (m)	Anaconda Number	Database (g/t gold)	Mercator (g/t gold)
92051	AE-16-09	25	26	203767	1.98	0.086
92052	AE-16-11	41	42	204020	7.94	5.34
92053	AE-16-11	35	36	204014	0.61	1.13
92054	AE-17-46	56	57	220010	0.01	0.02
92055	AE-17-46	61	62	220015	4.53	7.27
92056	AE-16-03	5.5	6.5	203497	7.3	6.74
92057	AE-16-40	48	49	205395	2.66	0.61
92058	AE-16-40	45	46	205392	8.42	9.88
92059	AE-16-43	100	101	205444	2.49	1.82
92060	AE-16-43	107	108	205453	1.69	0.95
92061	AE-16-39	88.8	90	25363	2.32	1.19
92063	NA	NA	NA	QC Blank	NA	0.0025
92064	NA	NA	NA	*CRM-G997-3	1.4	1.44

*Certified Reference Material - GEOSTATS PTY LTD

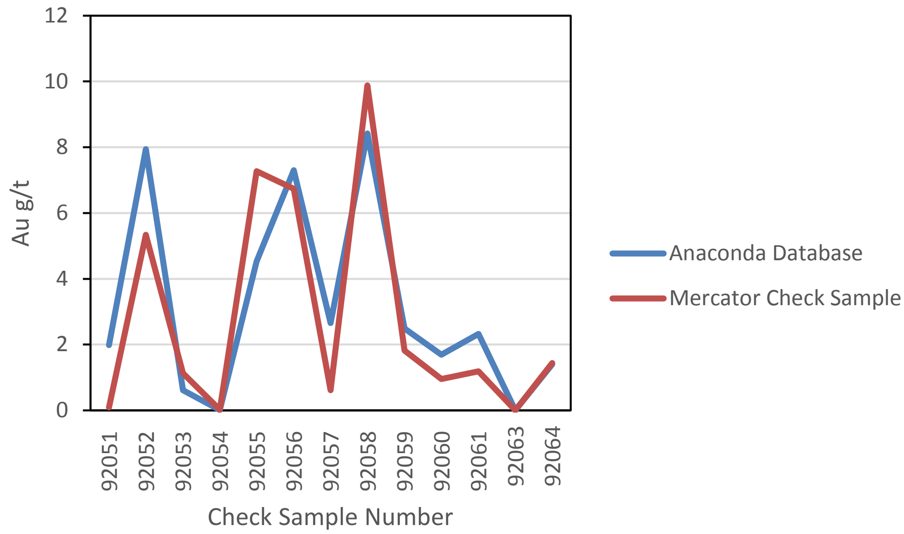

Figure 47: Mercator check sample gold results.

Results for the check samples define acceptable correlation between the two datasets but variance is present, as expected. It is likely that sample heterogeneity associated with distribution of small pyrite patches and local quartz stringers contributes to such variance within the quarter sawn core intervals. High nugget effect due to presence of coarse gold is not a likely contributor due to the low frequency of visible gold occurrences noted during core logging.

Specific Gravity

SG determinations for the check samples were carried out at Actlabs for comparison with Anaconda data and returned values ranging between 2.82 and 2.97. The average value of 2.90 is substantially higher than the average value of 2.73 retuned from 129 pulp and core SG determinations carried out at ALS Canada and RPC. The SG of 2.7 is supported by a larger data set and presents a more conservative SG assessment than the Actlabs data. On this basis, it was selected for conversion to a density value (2.7 g/cm^3) for the current Argyle resource estimate.

Drill Collar Coordinate Checking

Collar coordinates for 10 drill holes completed on the Argyle property were checked by Mercator during the November, 2017 site visit. A Garmin Map 60 Cx hand held GPS unit was used to collect collar coordinate check values and these were compared to validated resource database collar values provided by Anaconda. Drill collars were readily identified in the field and steel casing is typically present. Metal tags identifying individual holes are attached to wooden posts that mark most locations visited (Plate 11).

Tabulated results of the coordinate check program are presented below in Table 21 and show that good correlation exists between the two data sets with respect to UTM Easting and Northing values, with the range in Easting variation being -1.0 m to +8.0 m (average 1.4 m) and the total range for Northing being -5.0 m and + 11.0 m (average 3.1 m). Values in the collar check elevation dataset range between -3.2 m and + 11.62 m (average 5.72 m) with respect to corresponding database collar values. The differential GPS methods used by Anaconda for drill hole pickup are considered more accurate than the Mercator handheld GPS check values, particularly for elevation measurements.

Table 21: Mercator Drill Collar Coordinate Checking Results.

Drill Hole	MGS UTM E(m)	MGS UTM N (m)	Elevation ALS (m)	Database UTM East (m)	Database UTM North (m)	Database Elevation ASL (m)
AE-16-11	567383	5536387	157	567381	5536382	149.7
AE-16-03	567436	5536445	157	567435	5536442	149.8
AE-16-18	567472	5536482	151	567471	5536480	146.5
AE-16-08	567598	5536432	155	567596	5536428	148.09
AE-16-09	567639	5536449	151	567636	5536447	149.06
AE-16-31	567667	5536463	152	567670	5536461	145
AE-16-45	567671	5536507	145	567670	5536505	148.2
AE-16-11	567638	5536799	152	567638	5536794	147
AE-16-42	567684	5536572	148	567685	5536561	136.38
AE-17-46	567628	5536547	148	567620	5536552	139.12

Note: UTM (NAD 83) Zone 21 North coordination

Plate 11: Typical drill collar location – AE-16-42 and AE-16-33 site.

12.3 OPINION OF THE INDEPENDENT QUALIFIED PERSONS

Based on the independent review of data and a site visit in relation to the Pine Cove and Stog'er Tight resource evaluations, Ms. Pitman believes that the data collected by Anaconda is of industry standard quality and suitable for use in the estimation of Pine Cove and Stog'er Tight Mineral Resources.

Based on the independent review of data and a site visit in relation to the Argyle resource evaluation, Mr. Cullen believes that the data collected by Anaconda is of industry standard quality and suitable for use in the estimation of the Argyle Mineral Resource. Mr. Cullen does note that one additional check sample was being re-analyzed at the report date and that sample was excluded from the current assessment. Mr. Cullen also notes that the SG variation between check samples and Anaconda's datasets may in part be due to a bias in Mercator sampling toward better mineralized gabbro intervals with higher levels of pyrite. Mr. Cullen recommends that further study of SG characteristics of the Argyle Deposit be carried out to clarify this point. Mr. Cullen also recommends that Anaconda carry out systematic water immersion SG determinations on all core samples from future Argyle drilling programs as part of its sample processing procedure, inclusive of a suitable QAQC protocol that includes third party check determinations. This will facilitate creation of interpolated density models and contribute to improved tonnage estimation.

13 MINERAL PROCESSING AND METALLURGICAL TESTING

13.1 THE PINE COVE MILL AND PROCESSING

The Pine Cove Mill was completed in May of 2008 and has been in production since that time. The initial mill circuit performed poorly, which required a reconfiguration of the mill in 2009/2010. The Pine Cove Mill now operates as a grind/flotation circuit followed by leaching. Comminution is via a two-stage crushing plant followed by a 10 ft by 14 ft primary ball mill, which processes an average of 1,340 tonnes per day of ore. Cyclone overflow feeds the flotation circuit, with 3 column cells for roughing, 1 scavenger/staged reactor cell, and one cleaner cell. The concentrator has a flotation circuit which produces a gold-pyrite concentrate that advances to the leach circuit. Mass concentration is typically 2-4%, with a recovery of 92-93%. Flotation concentrate is thickened in a 4.5 m diameter thickener and reground in a 5.5 ft diameter ball mill down to a P80 of 20 microns. Leaching is conducted in a series of four 70 m^3, mechanically-agitated leach tanks. Two drum filters and a Merrill-Crowe circuit are used for gold recovery from the pregnant solution. Cyanide destruction of leach tailings is achieved through the Inco SO_2 process.

The mill has operated continuously since achieving commercial production. The Company completed additional ARD tests on the Pine Cove tailings in 2015. A total of six samples were collected from the tailings facility and sent to RPC Laboratory for Acid Drainage Testing. All tests came negative, indicating that Pine Cove ore tailings are not acid generating (RPC, 2015).

13.2 STOG'ER TIGHT PROCESSING

Five metallurgical tests including three separate bulk samples by Anaconda in 2016, were carried out on the Stog'er Tight Property (Cramm et al., 2015) as follows:

- 1988, Noranda contracted Lakefield Research to conduct four bottle cyanidation leach tests on lower-grade surface rock which was uncovered with trenching activities. The results of these tests averaged approximately 1.2 g/t gold with recoveries between 96 to 96.7% over 36 hours (Table 22);
- 1996, Ming extracted a 30,700 tonne bulk sample and processed it at the old Rambler Mill;
- 2010, Tenacity extracted a 30,000 tonne bulk sample and processed it at the Nugget Pond milling complex.
- February 2016: 15,167 tonnes of ore were processed through the Pine Cove mill, at an average grade of 1.66 g/t gold, resulting in production of 638 oz. of gold. Recoveries through the mill were lower than normal at the time due to issues with the regrind mill.
- May 2016: 9,991 tonnes of ST ore processed through PC mill at an average grade of 3.08 g/t, resulted in production of 824 oz. of gold.
- December 2016: 1,404 tonnes of ST ore processed through PC mill at an average grade of 1.64 g/t gold, resulting in production of 64 oz. of gold.

Table 22: Noranda Bulk Sample Bottle Leach Results, 1988 (Dearin, 2012).

Test	Grind % - 200 Mesh	NaCN kg/t	CaO kg/t	Au Res. g/t	Calc. Head g/t	% Extraction 24 Hours	% Extraction 36 Hours	% Extraction 48 Hours
NGL-1	51	0.10	1.07	0.06	1.51	87.20	98.60	95.90
NGL-2	82	0.21	1.11	0.05	1.54	89.40	96.00	96.70
NML-1	57	0.25	1.25	0.11	1.05	85.40		89.30
NML-2	87	0.27	1.43	0.05	1.21	89.90	96.60	98.50

Anaconda has moved forward with its two-phase approach on its Stog'er Tight Deposit; exploration/resource estimate and bulk sampling. Exploration work carried out in 2014/2015 helped verify historic exploration data and provided additional data used to complete the resource estimate. This data was also used in determining the best way to access the bulk sample.

Stog'er Tight and Pine Cove ores have previously been processed successfully at the Nugget Pond Mill with similar leach recoveries. The Nugget Pond and the Pine Cove mills both utilize leach circuits indicating that the Pine Cove mill could process Stog'er Tight ore.

Samples collected as part of the channel sampling program were submitted for metallurgical testing. Channels approximately 5 cm wide by 10 cm deep were cut generally perpendicular to the trend of the mineralized zone and sampled both mineralized and unmineralized rock. Channels were repeated at intervals of approximately 12 to 15 m. Given the density and the depth of sampling, the channel samples are considered to be representative of the surface exposure of the Stog'er Tight Deposit. Individual sample intervals were on average approximately 1 m. Each interval was bagged and shipped to Eastern Analytical for gold assay. Coarse rejects were then used for the metallurgical testing.

The samples were sent to RPC in Fredericton, New Brunswick. Grind, liberation and flotation scoping tests were carried out (Botha and Cheung, 2015). Grinding indicated that the Stog'er Tight material (Malvem sizing analysis indicated 80% passing 74 um and 95% passing 150 um) appears to be much softer then the Pine Cove ore (80% passing 150 um), therefore addition of Stog'er Tight material could possibly result in higher mill throughput.

RPC reported that when the Stog'er Tight material was subjected to the same flotation conditions (Figure 48) as used in the Pine Cove mill a low grade final product was obtained (13.32 g/t gold at an Au recovery of 96.9% in 25.8% of the mass). Optimum results were obtained when slimes depressants/dispersants were employed such as $CuSO_4$ or F100. For example when $CuSO_4$ was used a total concentrate fraction containing 83.77 g/t gold at an Au recovery of 96.9% in 3.5% of the mass was obtained (Table 27).

The studies determined that Stog'er Tight material could be combined with ore from the Pine Cove Mine under current Pine Cove mill conditions. However, RPC recommended additional testing to test whether mill throughput could indeed be increased. RPC also recommended that it might be necessary to decrease the frother and/or incorporate slimes dispersants/depressants during floatation to optimize gold recovery.

The authors are not aware of any processing factors or deleterious substances that could affect the economic extraction of gold from the Stog'er Tight Deposit.

The February 2016 bulk sample produced 638 ounces of gold from 15,167 tonnes at an average recovered grade of 1.66 g/t gold, resulting in a recovery of 79%. There were issues with organic material in the mill feed due to overburden present with the sample. The May 2016 bulk sample was much more successful, with 824 ounces of gold being produced from 9,991 tonnes at an average grade of 3.08 g/t gold, resulting in a recovery of 86%. The throughput was comparatively higher than when processing Pine Cove ore, confirming the work done by RPC in 2015. The December 2016 bulk sample comprised producing 64 ounces of gold from 1,404 tonnes at an average grade of 1.64 g/t gold, resulting in a recovery of 86%.

At the time of the February 2016 bulk sample the Pine Cove mill was experiencing lower than normal leaching recovery due to issues with the regrind mill, but was still able to produce 638 oz of gold from 15,167 tonnes of ore grading 1.66 g/t, for an average recovery of 79%. The grinding throughput was similarly reduced, so confirming the test work on grinding performance was not possible. At times there were issues with organic material in the mill feed due to the amount of overburden present with the ore, but the flotation still performed well.

The May 2016 bulk sample was much more successful, with 824 oz. of gold being produced from only 9,991 tonnes of ore. This was driven by a high feed grade of 3.08 g/t gold, as well as good recovery of 86%. The throughput was comparatively higher than when processing pine cove ore, confirming the work done by RPC in 2015 that indicated this possibility. It is expected that leaching recovery will improve when processing takes place in the future, due to improvements made to the operation in the time since. The final bulk sample was a brief 1,404 tonne processing period, which resulted in 64 oz. of gold in December 2016, where again the recovery was positive and the throughput was high (Table 23).

The results of the milling of Stog'er Tight mineralization indicate that the current configuration of the Pine Cove Mill can extract high recoveries of gold. With adjustments to the day to day running of the mill it may be possible to increase recoveries observed during the processing of the bulk samples. This will be investigated as more of the Stog'er Tight ore is processed at the Pine Cove mill.

Table 23: Summary of 2016 Bulk Sample data.

Milling Period	Tonnes Milled (t)	Grade (g/t)	Recovery	Gold Production (oz.)
Feb. 2016	15,167	1.66	79%	638
May 2016	9,991	3.08	86%	824
Dec. 2016	1,404	1.64	86%	64

13.3 ARGYLE

In late summer 2017, Anaconda sent core samples to RPC to complete a metallurgical test program that would look at the grinding, flotation, gravity, and leaching characteristics of the material, in order to confirm compatibility with the Pine Cove mill. The core samples were crushed on arrival and blended to create a representative 25 kg sample, with a sub sample being sent out for whole rock analysis, multi-element head ICP assay, as well as Au fire assay. The results of these tests are presented in Table 24.

Table 24: Head Analysis on Argyle Sample.

ICP-OES		ICP-OES	
ID	mg/kg	ID	mg/kg
Ag	<1	Sr	129
Al	68853	Ta	<50
As	72	Te	<50
Ba	63	Ti	7505
Be	1.1	Tl	<50
Bi	<25	V	137
Ca	39833	W	<50
Cd	<5	Zn	105
Ce	<25	Zr	180
Co	38	**Whole Rock**	
Cr	296	**ID**	**Wt. %**
Cu	29	Al_2O_3	13.87
Fe	83159	BaO	<0.01
Ga	<25	CaO	5.67
Ge	<50	Cr_2O_3	0.06
In	<100	Fe_2O_3	11.85
K	8085	K_2O	1.01
La	20	MgO	2.16
Li	<10	MnO	0.20
Mg	11654	Na_2O	4.07
Mn	1269	P_2O_5	0.64
Mo	46	SiO_2	52.97
Na	26655	SrO	0.02
Nb	<25	TiO_2	2.06
Ni	215	V_2O_5	0.04
P	2578	ZrO_2	0.06
Pb	<25	LOI 1000°C	6.76
S	9457	Total	101.44
Sb	<50	**Fire Assay**	
Se	<50	**ID**	**mg/kg**
Sn	<50	Au	1.794

A milling curve was generated for the Argyle sample. A 7.5 in. diameter stainless steel laboratory rod mill was utilized (12 in. length) at a mill speed of 71 rpm with a sample charge of 2 kg and 1 L water (67 % solids). The rod charge comprised of three 7/8 in. and eighteen ½ in. stainless steel rods with a total mass of 8.5 kg. Intervals of 30, 60, 90 and 120 minutes were evaluated. Malvern sizing analyses were carried out on each timed interval.

The milling curve that was generated was similar to that obtained on the Pine Cove Main Zone in a previous study done by RPC, and grindability test work on the Argyle Prospect is recommended to confirm this finding. Utilizing the milling curve, four respective size fractions were generated for preliminary flotation test work to assess the liberation characteristics of the Argyle Prospect material. These four size fractions were as follows: 70 % passing 150 µm, 80 % passing 150 µm, 90 % passing 150 µm and 100 % passing 150 µm.

Flotation test work was carried out utilizing the flow sheet illustrated by Figure 50 with conditions as laid out in Table 25.

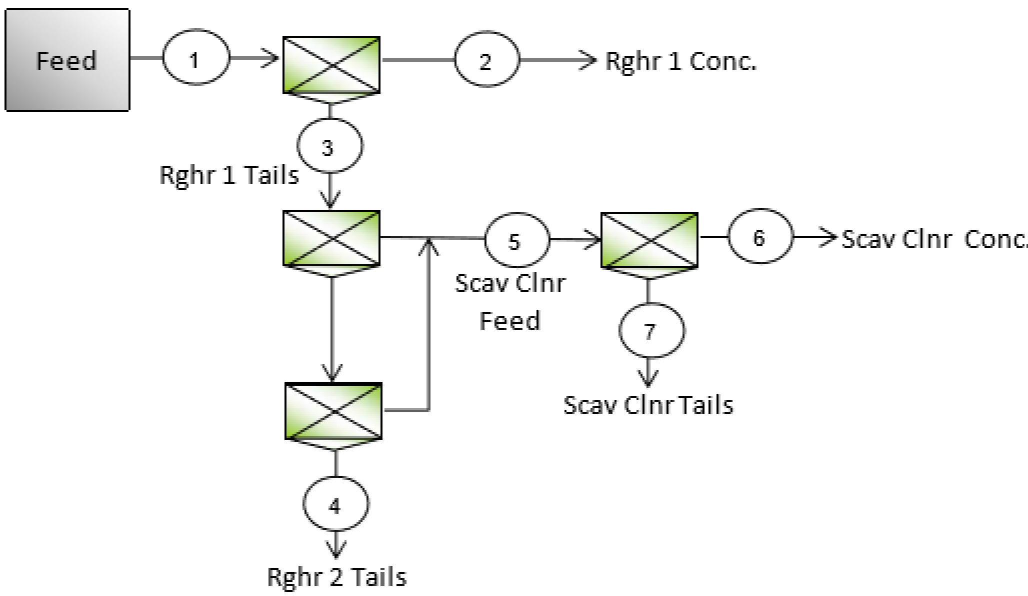

Figure 48: Liberation Flotation Test Work Flow Sheet.

Table 25: Liberation Flotation Operating Conditions.

TEST 1	Evaluate a Grind of 70% passing 150µm								
Stage	Reagents (g/t of Feed Ore)			Residence Time (min)			pH	P_{80} (µm)	(%) Passing 150µm
	PAX	Lime	MIBC	Grind.	Cond.	Flot.			
Primary Grind				34				236	70
Rougher 1	8	as required	25		3	5	8.5		
Rougher 2	9	as required			3	10	8.5		
Scav Cleaner		as required	25		1	5	8.5		
TEST 2	Evaluate a Grind of 80% passing 150µm								
Stage	Reagents (g/t of Feed Ore)			Residence Time (min)			pH	P_{80} (µm)	(%) Passing 150µm
	PAX	Lime	MIBC	Grind.	Cond.	Flot.			
Primary Grind				56				150	80
Rougher 1	8	as required	25		3	5	8.5		
Rougher 2	9	as required			3	10	8.5		
Scav Cleaner		as required	25		3	5	8.5		
TEST 3	Evaluate a Grind of 90% passing 150µm								
Stage	Reagents (g/t of Feed Ore)			Residence Time (min)			pH	P_{80} (µm)	(%) Passing 150µm
	PAX	Lime	MIBC	Grind.	Cond.	Flot.			
Primary Grind				75				104	90
Rougher 1	8	as required	25		3	5	8.5		
Rougher 2	9	as required			3	10	8.5		
Scav Cleaner		as required	25		3	5	8.5		
TEST 4	Evaluate a Grind of 100% passing 150µm								
Stage	Reagents (g/t of Feed Ore)			Residence Time (min)			pH	P_{80} (µm)	(%) Passing 150µm
	PAX	Lime	MIBC	Grind.	Cond.	Flot.			
Primary Grind				93				65	100
Rougher 1	8	as required	25		3	5	8.5		
Rougher 2	9	as required			3	10	8.5		
Scav Cleaner		as required	25		3	5	8.5		

The cumulative results are summarized in Table 26.

Table 26: Cumulative Results for Argyle Flotation Test Work per Grind.

% Passing 150µm	No.	Stream Name	Mass Dist. (%)	Grade	Distribution
				Au (g/t)	Au (%)
70	2	Rghr 1 Conc	2.6	58.49	86.0
	2+6	Rghr 1 & Scav Clnr Conc	2.8	56.52	89.2
	2+6+7	Rghr 1 & 2 Conc	4.2	39.20	91.7
	2+6+7+4	Total	100.0	1.78	100.0
% Passing 150µm	No.	Stream Name	Mass Dist. (%)	Grade	Distribution
				Au (g/t)	Au (%)
80	2	Rghr 1 Conc	3.4	85.83	93.8
	2+6	Rghr 1 & Scav Clnr Conc	3.5	83.74	95.4
	2+6+7	Rghr 1 & 2 Conc	4.6	63.98	95.9
	2+6+7+4	Total	100.0	3.09	100.0
% Passing 150µm	No.	Stream Name	Mass Dist. (%)	Grade	Distribution
				Au (g/t)	Au (%)
90	2	Rghr 1 Conc	4.0	52.48	94.2
	2+6	Rghr 1 & Scav Clnr Conc	4.3	49.64	96.0
	2+6+7	Rghr 1 & 2 Conc	6.3	34.14	96.7
	2+6+7+4	Total	100.0	2.23	100.0
% Passing 150µm	No.	Stream Name	Mass Dist. (%)	Grade	Distribution
				Au (g/t)	Au (%)
100	2	Rghr 1 Conc	4.6	42.18	94.9
	2+6	Rghr 1 & Scav Clnr Conc	4.7	41.02	96.0
	2+6+7	Rghr 1 & 2 Conc	6.0	32.85	96.5
	2+6+7+4	Total	100.0	2.03	100.0

Table 26 indicated that all four grind sizes tested on the Argyle material resulted in high Au recoveries. At a grind size of 80 % passing 150 µm, which is currently employed at the Pine Cove mill, a cumulative concentrate containing a high Au grade of 63.98 g/t in 4.6 % of the mass at an Au recovery of 95.9 % could be produced. When the liberation was increased to 90 % passing 150 µm the Au recovery in the cumulative concentrate was further increased to 96.7 % at a lower Au grade of 34.14 g/t gold in 6.3 % of the mass.

Scoping flotation test work at varying grind sizes showed that while the highest cumulative Au recovery of 96.7 % could be attained at 90 % passing 150 µm, the highest cumulative Au grade could be attained at 80 % passing 150 µm. At 80 % passing 150 µm the cumulative concentrate contained 63.98 g/t gold in 4.6 % of the mass with an Au recovery of 95.9 %.

Centrifugal gravity concentration test work indicated that an Au concentrate could be produced prior to flotation at a grind size of 100 % passing 425 µm. The gravity concentrate obtained 13.80 g/t gold in 8.0 % of the mass at a recovery of 48.9 %. Additional centrifugal gravity concentration test work at increased liberation was recommended on the Argyle feed material to evaluate the extent to which the Au recovery could be increased.

Cyanidation test work on a combination of flotation concentrate fractions indicated that an Au extraction value of 88.2 % was obtained with a NaCN consumption value of 2.96 kg/t at a NaCN concentration of 2 g/L on this material. The lower extraction and higher consumption obtained as compared to the whole ore was potentially due to the higher S contents in the flotation concentrate material. The final residue grade was still high at 6.88 g/t gold. Further work to optimize the leaching recovery will be completed, as it is expected it should be closer to the leaching performance of other Point Rousse ores.

Samples were also submitted to RPC during the summer of 2017 for the purpose of ARD test work on the Argyle material. These samples were also diamond drill core samples, and 20 were submitted in total. It was determined that of the 20 samples submitted, 18 were not potentially acid generating, 1 was potentially acid generating, and 1 was uncertain (NP/AP value between 2.0 and 1.0). Geochemical specialist is looking into ARD characterization and material management plan.

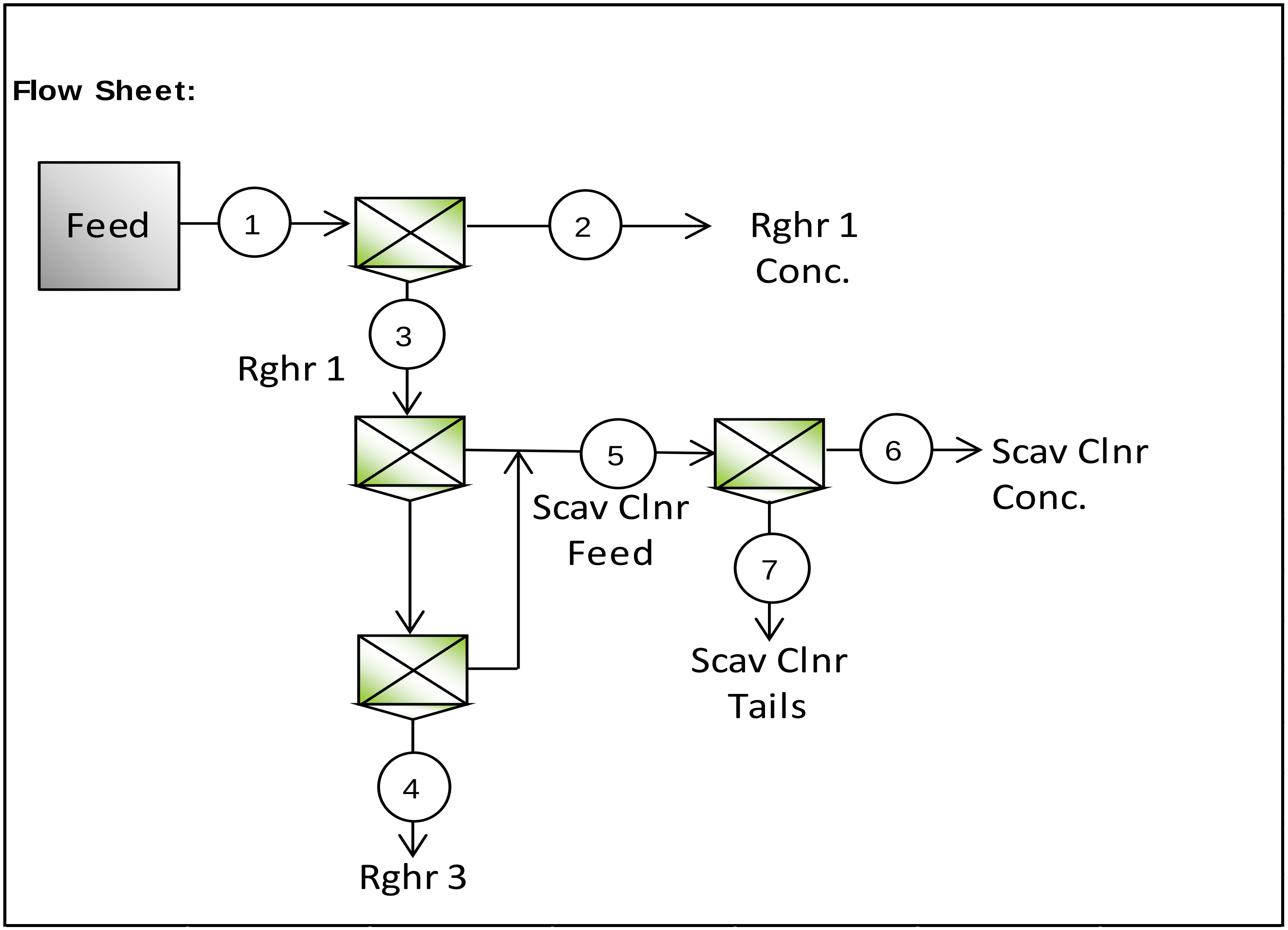

Figure 49: Flotation Test Work Flow Sheet (RPC, 2015)

Table 27: Summarized Mass Balance of the Flotation Test Work (RPC, 2015)

Test #	No.	Stream Name	Mass Dist. (%)	Grade Au g/t	Dist. Au (%)	Test #	No.	Stream Name	Mass Dist. (%)	Grade Au g/t	Dist. Au (%)
1	1	Feed	100	3.54	100	2	1	Feed	100	3.13	100
	2	Rghr 1 Conc.	25.7	12.8	92.8		2	Rghr 1 Conc.	5.6	54.1	96.5
	3	Rghr 1 Tails	74.3	0.34	7.2		3	Rghr 1 Tails	94.4	0.12	3.5
	4	Rghr 3 tails	73.2	0.13	2.7		4	Rghr 3 tails	92.8	0.08	2.4
	5	Scav. Clnr. Feed	1.1	14.57	4.5		5	Scav. Clnr. Feed	1.6	2.17	1.1
	6	Scav. Clnr. Conc.	0.1	170	4.1		6	Scav. Clnr. Conc.	0.2	12.8	0.7
	7	Scav. Clnr Tails	1.0	1.42	0.4		7	Scav. Clnr Tails	1.4	0.86	0.4
	2+6	Total Conc.	25.8	13.32	96.9		2+6	Total Conc.	5.8	52.84	97.2
Test #	No.	Stream Name	Mass Dist. (%)	Grade Au g/t	Dist. Au (%)	Test #	No.	Stream Name	Mass Dist. (%)	Grade Au g/t	Dist. Au (%)
3	1	Feed	100	3.03	100	4	1	Feed	100	3.43	100
	2	Rghr 1 Conc.	3.4	86.3	96.2		2	Rghr 1 Conc.	3.8	86.1	95.4
	3	Rghr 1 Tails	96.6	0.12	3.8		3	Rghr 1 Tails	96.2	0.16	4.6
	4	Rghr 3 tails	94.7	0.08	2.5		4	Rghr 3 tails	94.3	0.11	3.0
	5	Scav. Clnr. Feed	1.9	2.1	1.3		5	Scav. Clnr. Feed	1.9	2.72	1.5
	6	Scav. Clnr. Conc.	0.1	18.1	0.8		6	Scav. Clnr. Conc.	0.2	19.2	1.2
	7	Scav. Clnr Tails	1.8	0.95	0.6		7	Scav. Clnr Tails	1.7	0.71	0.4
	2+6	Total Conc.	3.5	83.77	96.9		2+6	Total Conc.	4	82.6	96.6

14 MINERAL RESOURCE ESTIMATES

14.1 INTRODUCTION

The definition of Mineral Resource and associated Mineral Resource categories used in this report are those recognized under 43-101 Standards and set out in the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves: Definitions and Guidelines (2014) (the CIM Standards) [1]. Assumptions, metal threshold parameters and Deposit modeling methodologies associated with the current Pine Cove, Stog'er Tight and Argyle Deposit resource estimates are presented below in Sections 14.2 through 14.4.

The Mineral Resource for the Pine Cove Mine and Stog'er Tight Deposit was estimated by Ms. Pitman, P.Geo. Principal Geologist with AdiuvareGE, who takes responsibility for the estimate. Modelling and the gold block grade estimation were carried out using Datamine™ software. The Mineral Resources for Pine Cove are stated as at November 22, 2017. The Mineral Resources for Stog'er Tight are stated as at October 22, 2015. The figures and graphs used in this section were prepared for this report by Ms. Pitman. The cut-off value was supplied by Anaconda. Mineral Resource estimation for the Argyle Deposit was carried out by Mr. Matthew Harrington (B.Sc. (Hons. Geology) and Mr. Michael Cullen, P. Geo. of Mercator Geological Services Ltd. Mr. Cullen supervised and takes responsibility for this estimate which is stated as of December 31, 2017. GEOVIA SurpacTM 6.8 modeling software was used to create the Deposit block model, develop digital geological and grade solids and interpolate gold grade.

A summary of the results of the estimated Mineral Resource for Pine Cove at a cut-off grade of 0.5 g/t gold, is shown in Table 28. A range of cut-off values is presented for both the Indicated and Inferred resources at Stog'er Tight.

A summary of the Mineral Resource for the Argyle Deposit is presented at a cut-off grade of 0.5 g/t gold (Table 31).

Table 28: Summary of Mineral Resource for Pine Cove Mine as at November 22, 2017*

Category	Cut-off	Tonnes	Au (g/t)	Ounces
Indicated	0.5	863,500	2.07	57,730
Inferred	0.5	476,300	1.39	21,330

*numbers are rounded

[1] CIM Definition Standards for Mineral Resources and Mineral Reserves; Prepared by the CIM Standing Committee on Reserve Definitions; Adopted by CIM Council on November 27, 2010.

Table 29: Indicated Mineral Resource for Stog'er Tight Project at various cut-off grades as at October 22, 2015*

Cut-off (g/t)	Tonnes*	AU (g/t) Grade	Ounces
0.6	209,900	3.51	23,670
0.8	204,100	3.59	23,540
1	197,000	3.69	23,340
1.2	189,100	3.79	23,060

*numbers are rounded

Table 30: Inferred Resource Stog'er Tight Project at various cut-off grades as at October 22, 2015*

Cut-off (g/t)	Tonnes*	AU (g/t) Grade	Ounces
0.6	263,800	3.15	26,730
0.8	252,100	3.27	26,460
1	239,200	3.39	26,090
1.2	222,500	3.57	25,500

*numbers are rounded

Table 31: Mineral Resource Statement – Argyle Deposit as at December 31, 2017.

Cut-off (g/t)	Category	Reported Tonnes	Tonnes*	Au g/t	Ounces
0.50	Indicated	543,363	543,000	2.19	38,300
	Inferred	517,295	517,000	1.82	30,300

*numbers are rounded

14.1.1 Pine Cove

The Mineral Resources for Pine Cove were estimated using a combination of historic drilling, carried out between 1988 and 2007, and new drilling carried out since the mine went into production in 2010. A total of 475 diamond drill holes and 76,586 blast holes were used, with samples composited to 1 m sample lengths. Block grades within the vein wireframes were estimated using dynamic anisotropy based on each wireframe surface. Block gold grades were estimated using ordinary kriging, with estimation only into the parent blocks

The model was depleted for the previously mined area of the historic open pit, using a topographic surface supplied by Anaconda and dated January 3, 2018.

The categorization of the Mineral Resources was based on the drill spacing and geology continuity.

14.1.2 Stog'er Tight

The Mineral Resources for Stog'er Tight were estimated using a combination of historic drilling, carried out between 1988 and 2010, and new drilling carried out since 2014. A total of 216 drill holes were used, with samples composited to 1 m sample lengths. Block grades within the mineralization wireframe were estimated using dynamic anisotropy based on the wireframe surface. Block gold grades were estimated using ordinary kriging, with estimation only into the parent blocks.

The October 22, 2015 model has been depleted with the removal of bulk samples since this resource was calculated. It is estimated that approximately 10,000 tonnes of rock were removed, yielding 825 ounces of gold.

The categorization of the Mineral Resources was based on the drill spacing and geology continuity.

14.1.3 Argyle Deposit

The current Mineral Resource estimate for the Argyle Deposit is based on validated results of 52 surface drillholes (4,820.2 m) and 12 surface trenches completed by Anaconda since discovery of the Deposit in 2015. The project database contains analytical data for 1,521 core samples and 166 channel samples cut from trenches. Alteration zone intervals intersected by core drilling were continuously half-core sampled and trenches were continuously channel sampled through alteration zone intervals. Trenches occur in the resource estimate drilling database as sub-horizontal drill holes.

14.2 PINE COVE MINE AND STOG'ER TIGHT DEPOSIT

14.2.1 Mineralization Models

Initial wireframe outlines constraining the mineralization were provided by Anaconda for the Pine Cove Mine. AdiuvareGE reviewed these wireframes and made adjustments to them in conjunction with Anaconda.

Pine Cove

For Pine Cove, individual veins were identified within two separate domains separated by a major thrust plane, modelled through the pit area. In total 84 veins were modelled, although some of these contain only one drill hole intercept and therefore they could not be estimated.

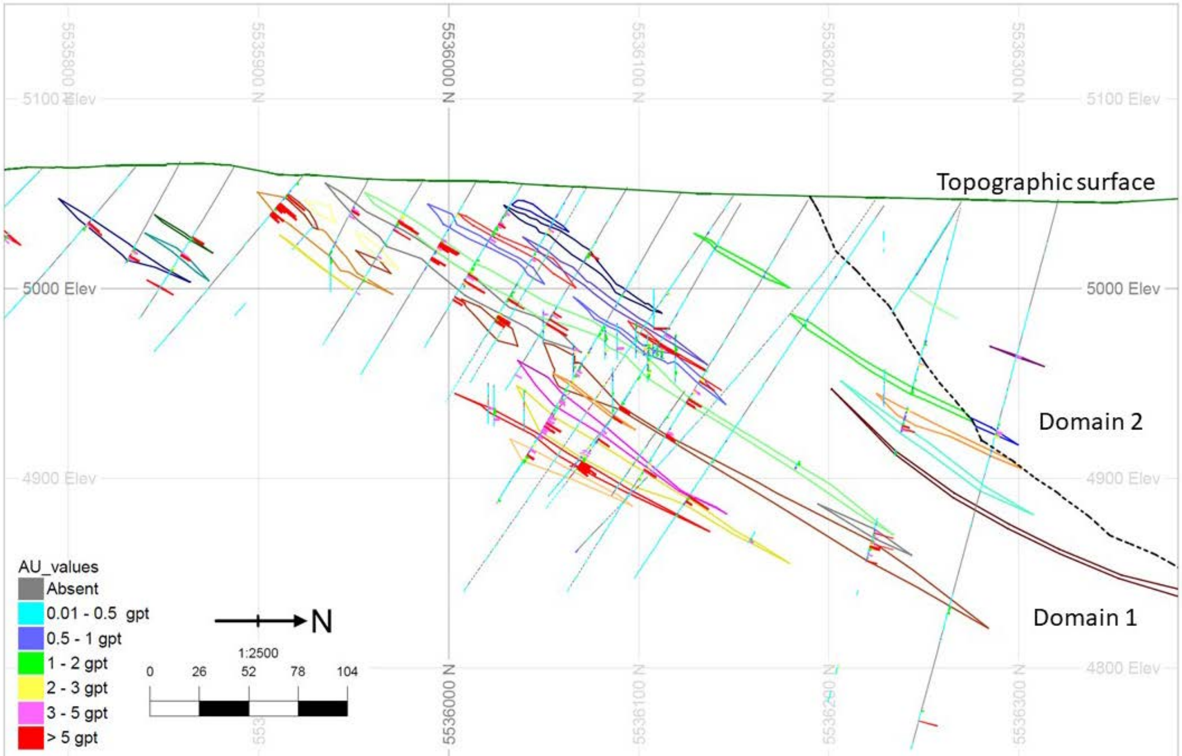

Figure 50: Pine Cove Mine Mineralized Solid

Stog'er Tight

For the Stog'er Tight Deposit, a mineralization envelop was developed by Anaconda, based on sectional interpretations of the geology. This wireframe encompassed the majority of the mineralization. Figure 51 shows a section perpendicular to the strike of the mineralization, illustrating the complexity of the area. Additional drilling completed since October 2015 and the results of bulk sampling on the Stog'er Tight property have not yet been used to update this model or the estimate.

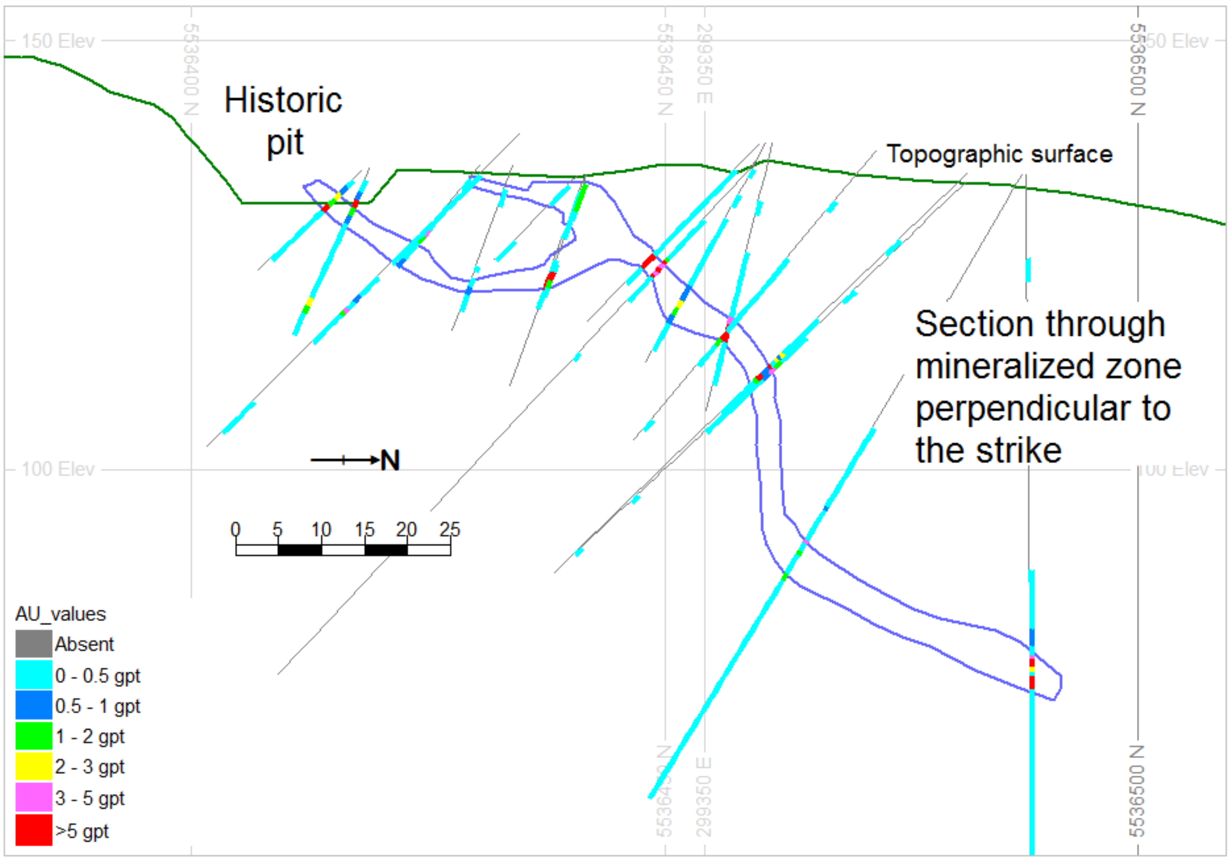

Figure 51: Section through Mineralized Zone at Stog'er Tight

14.2.2 Mineral Resource Input Data

The following files were provided by Anaconda for use in the Mineral Resource estimate:

- MS Access database providing diamond drill hole collars, downhole surveys, lithologies and assay data for Pine Cove Deposit
- Blasthole collar and assay data for Pine Cove
- Original and recent topographic surfaces for Pine Cove Mine area
- Formula for applying bulk density values
- Mineralization wireframes

14.2.3 Grade Estimation Methodology

Estimation of the block gold grades for both Pine Cove and Stog'er Tight was performed using a block model, incorporating the following series of processes:

- Wireframe solids and drill hole files supplied by Anaconda were loaded into Datamine™ software. Individual wireframes were filled with blocks used for the Mineral Resource estimate.
- Block grade estimation within the block model was completed using a parent cell of 9 m x 9 m x 3 m, with sub-celling down to 1 m x 1 m x 0.25 m.
- Absent drill hole gold grades were set to zero gold grade on the basis that un-sampled material was considered by the site geologist to be non-mineralized. Drill hole samples were selected from within each wireframe and used for grade estimation of blocks within that wireframe. Samples outside the wireframes were selected and used to estimate the background model.
- The background model used a sub-set of the drill data located outside of the wireframes.
- Univariant statistical and variogram analysis of the gold grades were performed on the total sub-set of samples from within each domain at Pine Cove; and from within the main zone at Stog'er Tight.
- Gold grades were estimated into each parent block within individual wireframes using ordinary kriging with dynamic anisotropy. The background model was estimated using ordinary kriging.
- The individual domain models were combined into one final model.
- The model was depleted for mined out material using the current topographic surface.

14.2.4 Estimation Domains

Using geological and geostatistical criteria, AdiuvareGE identified two mineralization domains for the Pine Cove model, where both the veins and the background model were estimated, and making four domains in total. For Stog'er Tight the model consisted of a vein model and a background model.

14.2.5 Samples and Compositing

A total of 17,687 diamond drill and 76,586 blasthole samples were contained within the Pine Cove database. These became 464,088 one metre composites used in the Mineral Resource estimate. A total of 6,357 diamond drill samples were contained within the Stog'er Tight database that became 14,506 one metre composites. A one metre composite length was chosen for both models to reflect the narrow nature of the mineralization, the median length of the samples and to allow for multiple samples to be used to estimate each block.

14.2.6 Density Values

Anaconda supplied the following density formula to apply to the models. The methodology is discussed in Section 11.4.

If Au_gt<0.83; density=2.8
If Au_gt>0.83; density=2.71
If Au_gt>3; density=2.8
If Au_gt>4; density=2.92

14.2.7 Grade Capping

The influence of outlier values was controlled by using top-capping. For the Pine Cove estimation log probably plots were used to identify a break in the grade continuity (Figure 52). Table 32 shows the capping levels assigned for each of the models.

Table 32: Au Capping Levels – Pine Cove and Stog'er Tight.

Domain	Au capping value
Pine Cove veins – Domain 1	20 g/t
Pine Cove veins – Domain 2	20 g/t
Pine Cove background	15 g/t
Stog'er Tight mineralization	25 g/t
Stog'er Tight background	12 g/t

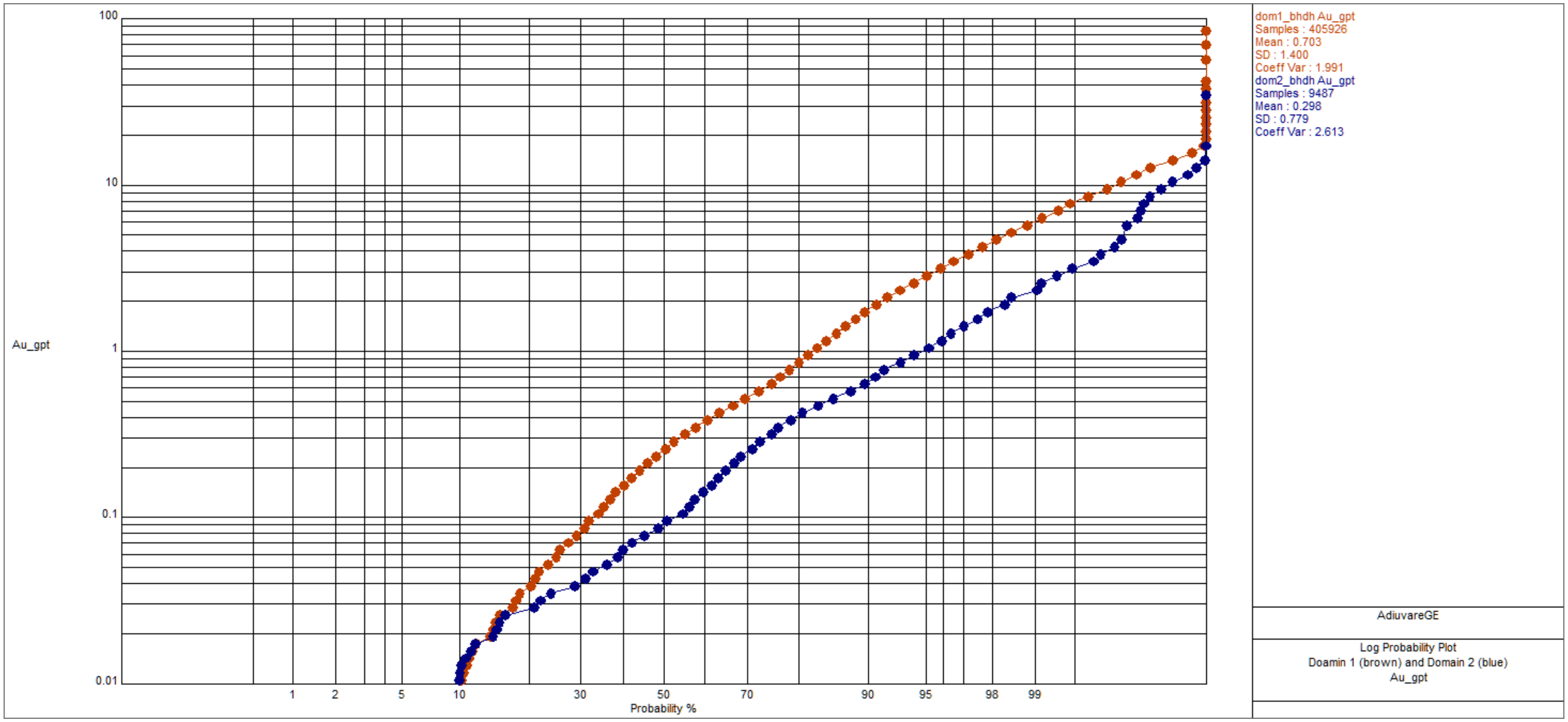

Figure 52: Log Probability Plot for Pine Cove Domains 1 and 2 Au Values.

14.2.8 Sample Assay Statistics

Statistical and geostatistical analyses using variograms were carried out on the samples selected from within the wireframes for each of the two domains at Pine Cove. Due to selective sampling there were a limited number of remaining samples for the background models. Therefore, the variography and search ellipses defined using the samples within the wireframes were also used for estimating the background model, but with a different sub-set of sample data. Figure 53, Figure 54 and Figure 55 show the directional normal (downhole) variograms used to identify the nugget for the gold grades for each of the Pine Cove domains; and those for Stog'er Tight.

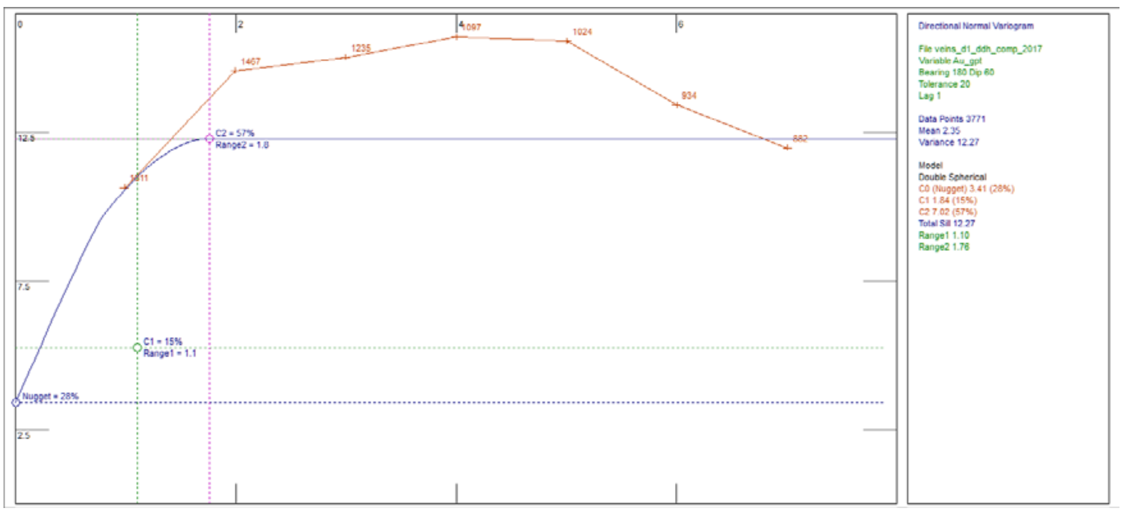

Figure 53: Directional Normal Variogram for Pine Cove Domain 1.

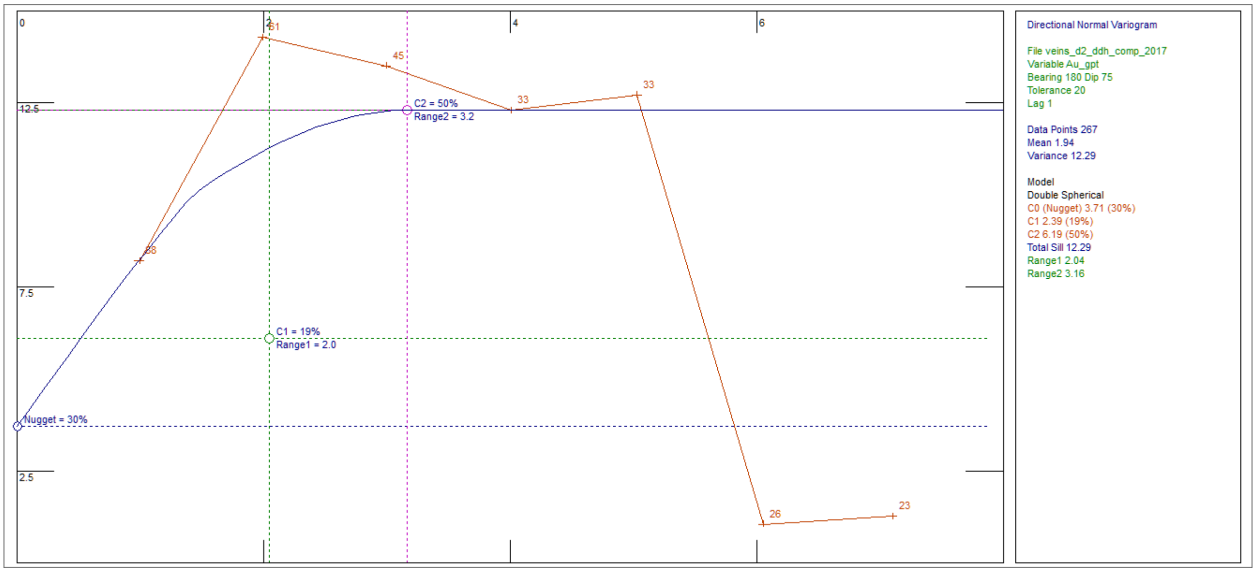

Figure 54: Directional Normal Variogram for Pine Cove Domain 2.

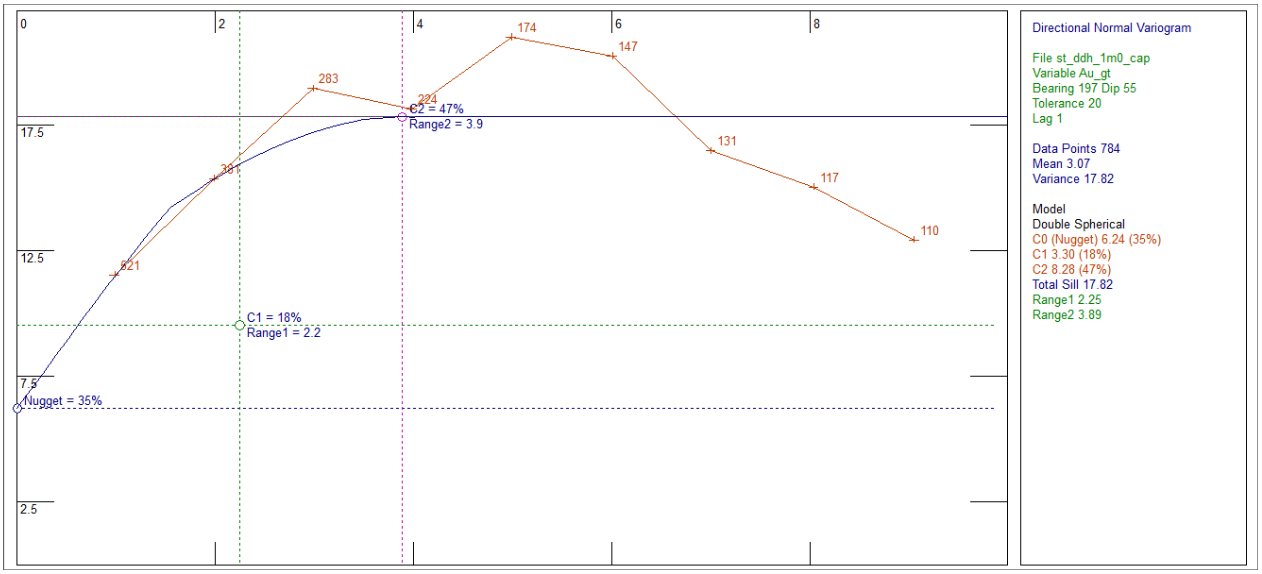

Figure 55: Directional Normal Variogram for Stog'er Tight.

Estimation Parameters

Based on the variography for each of the domains the following parameters were used for estimation of the block gold grades (Table 33).

Table 33: Estimation Parametres

Domain	Search Distance 1	Search Distance 2	Search Distance 3	Search Angle 1	Search Angle 2	Search Angle 3	Minimum # samples	Maximum # samples	Max. # Samples per hole
Pine Cove Domain 1	42	64	42	0	-30	30	4	10	2
Pine Cove Domain 2	37	27	16	40	16	40	4	10	2
Stog’er Tight	36	36	50	110	40	-20	4	10	3

Model Verification

Both models were verified using a visual comparison between the drill sample grades and the block grades. Additional checks were carried out using statistics and individual block estimation.

14.2.9 Resource Classification of Block Model

Pine Cove

Classification of the Mineral Resource into Inferred and Indicated at Pine Cove was achieved using a combination of the drill spacing and geological continuity. Figure 56 shows a vertical section through the block model with the blocks coded by resource category.

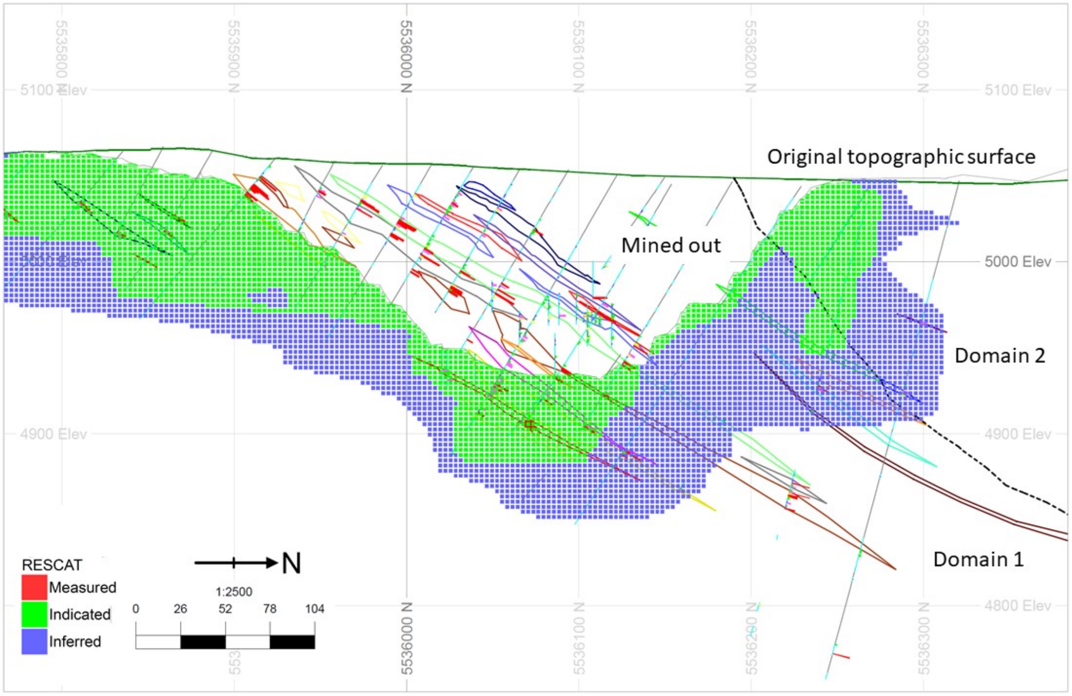

Figure 56: Vertical Section through Pine Cove Showing Mineral Resource Classifications

Stog'er Tight

Classification of the Mineral Resource into Inferred and Indicated at Stog'er Tight was achieved using a combination of the drill spacing and geological continuity. Figure 57 shows a vertical section through the block model with the blocks coded by resource category.

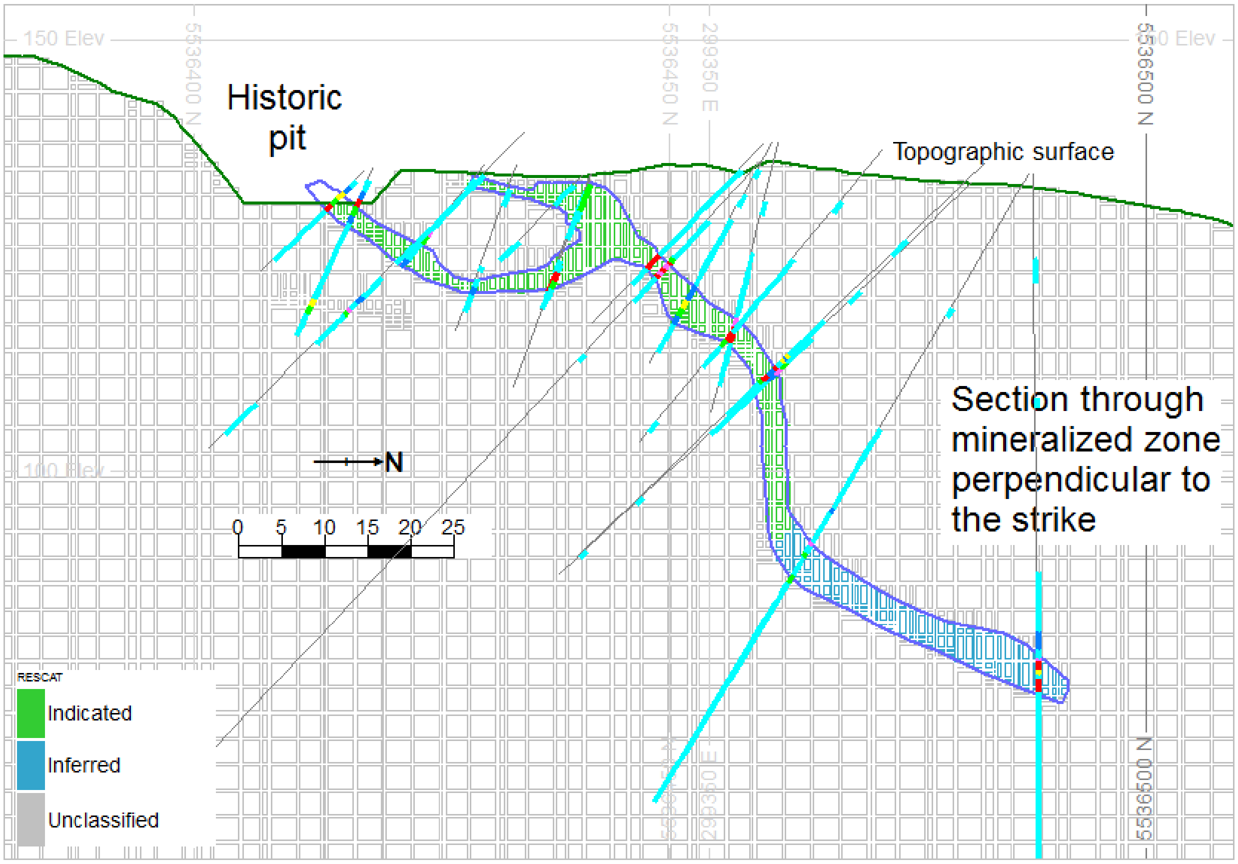

Figure 57: Vertical Section through Stog'er Tight Showing Mineral Resource Classifications.

14.2.10 Mineral Resource Estimate

Pine Cove

The Mineral Resource Estimate for the Pine Cove Mine has been reported at a cut-off of 0.5 g/t gold (Table 34).

Table 34: Summary of Mineral Resource for Pine Cove Mine as at November 22, 2017*

Category	Cut-off	Tonnes	Au (g/t)	Ounces
Indicated	0.5	863,500	2.07	57,730
Inferred	0.5	476,300	1.39	21,330

*numbers are rounded

Grade-Tonnage Curves

Figure 58 and Figure 59 show the Grade-Tonnage curves for the Pine Cove Mine for the Indicated Mineral Resource and the Inferred Mineral Resource. The cut-off grade of 0.5 g/t was supplied by Anaconda, and is based on the Pine Cove Mine cut-off grade.

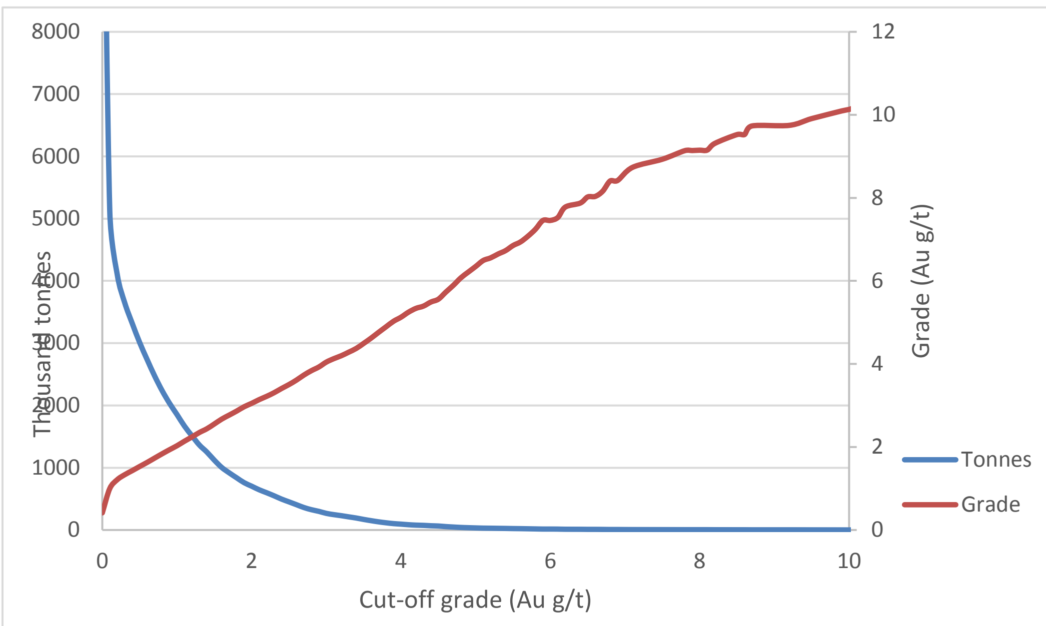

Figure 58: Grade Tonnage Curve for Indicated Mineral Resource at Pine Cove Mine.

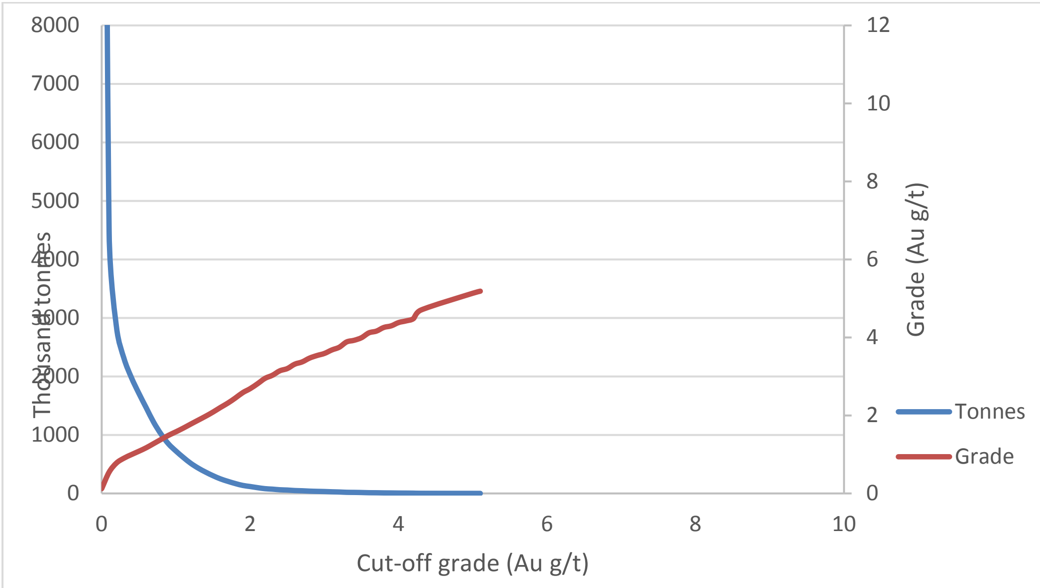

Figure 59: Grade Tonnage Curve for Inferred Mineral Resource at Pine Cove Mine.

Stog'er Tight

The Mineral Resource Estimate for the Stog'er Tight project has been reported at a range of the grades and cut-offs for the Indicated resource. Table 35 shows a range for the Inferred Resource. This mineral resource has been depleted with the removal of bulk samples during 2016. The model has not been updated to reflect the removal of this material.

Table 35: Indicated Resource for Range of Cut-Off Values at Stog'er Tight as at October 22, 2015.

Cut-off	Tonnes	Grade	Ounces
0.6	209,900	3.51	23,670
0.8	204,100	3.59	23,540
1	197,000	3.69	23,340
1.2	189,100	3.79	23,060

*numbers are rounded

Table 36: Inferred Resource for Range of Cut-Off Values at Stog'er Tight as at October 22, 2015.

Cut-off	Tonnes	Grade	Ounces
0.6	263,800	3.15	26,730
0.8	252,100	3.27	26,460
1	239,200	3.39	26,090
1.2	222,500	3.57	25,500

*numbers are rounded

Figure 60 and Figure 61 show the Grade-Tonnage curves for the Stog'er Tight project for the Indicated Mineral Resource and the Inferred Mineral Resource.

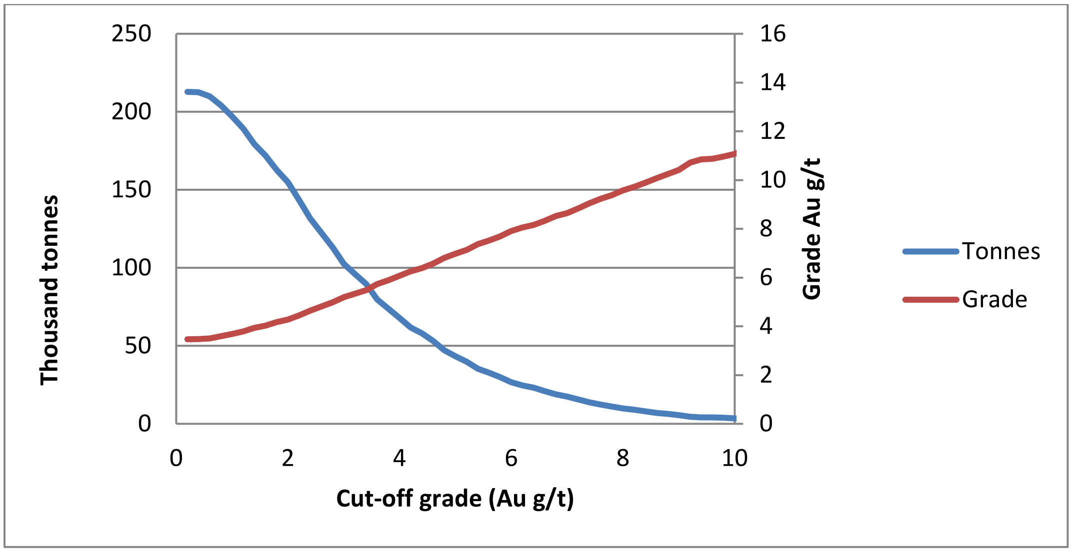

Figure 60: Grade Tonnage Curve for Indicated Mineral Resource at Stog'er Tight Project.

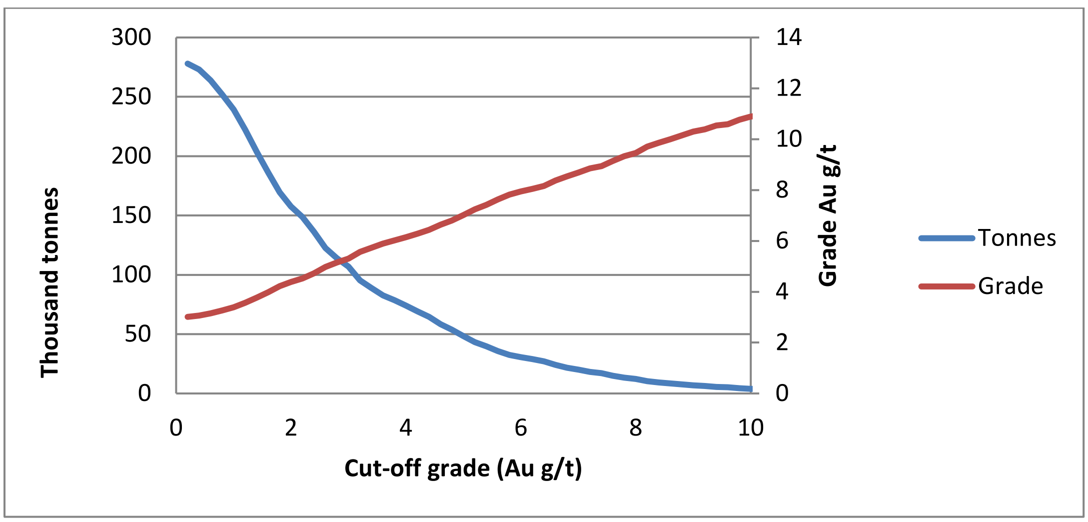

Figure 61: Grade Tonnage Curve for Inferred Mineral Resource at Stog'er Tight Project.

14.3 ARGYLE DEPOSIT

14.3.1 Geological Interpretation Used in Resource Estimation

The Argyle Gold Deposit occurs as a generally tabular zone of alteration and associated gold mineralization hosted within a ca. 483 Ma altered gabbro sill or dike located near the regionally important Scrape Thrust (Figure 62). Scrape Point Formation tholeiitic mafic volcanics of the Snooks Arm Group host the gabbro and are considered broadly coeval (Skulski et al., 2010). Local splays of the Scrape Thrust bound and locally transect the gabbro, the mineralized portion of which has been defined to date by drilling along an east-west strike length of approximately 685 m metres and to a down-dip depth of 225 metres. Gold-associated alteration within the gabbro is similar to that seen at Anaconda's nearby Stog'er Tight Deposit, and the host gabbro dips moderately to the north (Figure 63). Two distinct tabular zones of alteration and mineralization occur within much of the Argyle Deposit gabbro and it is possible that these reflect structural repetition of a single original zone due to displacement along a splay of the Scape Thrust. An initial interpretation of 2017 geophysical survey and drilling results presented by Kelly et al. (2017) indicates that the gabbro may change trend to a northeast direction beyond the current limit of resource estimation drilling.

14.3.2 Overview of Resource Estimation Procedure

The current resource estimate is based on validated results of 52 surface drill holes (4,820.2 m) and 12 surface trenches completed by Anaconda since discovery of the Deposit in 2015. The project database contains analytical data for 1,521 core samples and 166 channel samples cut from trenches. Alteration zone intervals intersected by core drilling were continuously half-core sampled and trenches were continuously channel sampled through alteration zone intervals. Trenches occur in the resource estimate drilling database as sub-horizontal drill holes. GEOVIA Surpac^{TM} 6.8 modeling software was used to create the Deposit block model, develop digital geological and grade solids and interpolate gold grade.

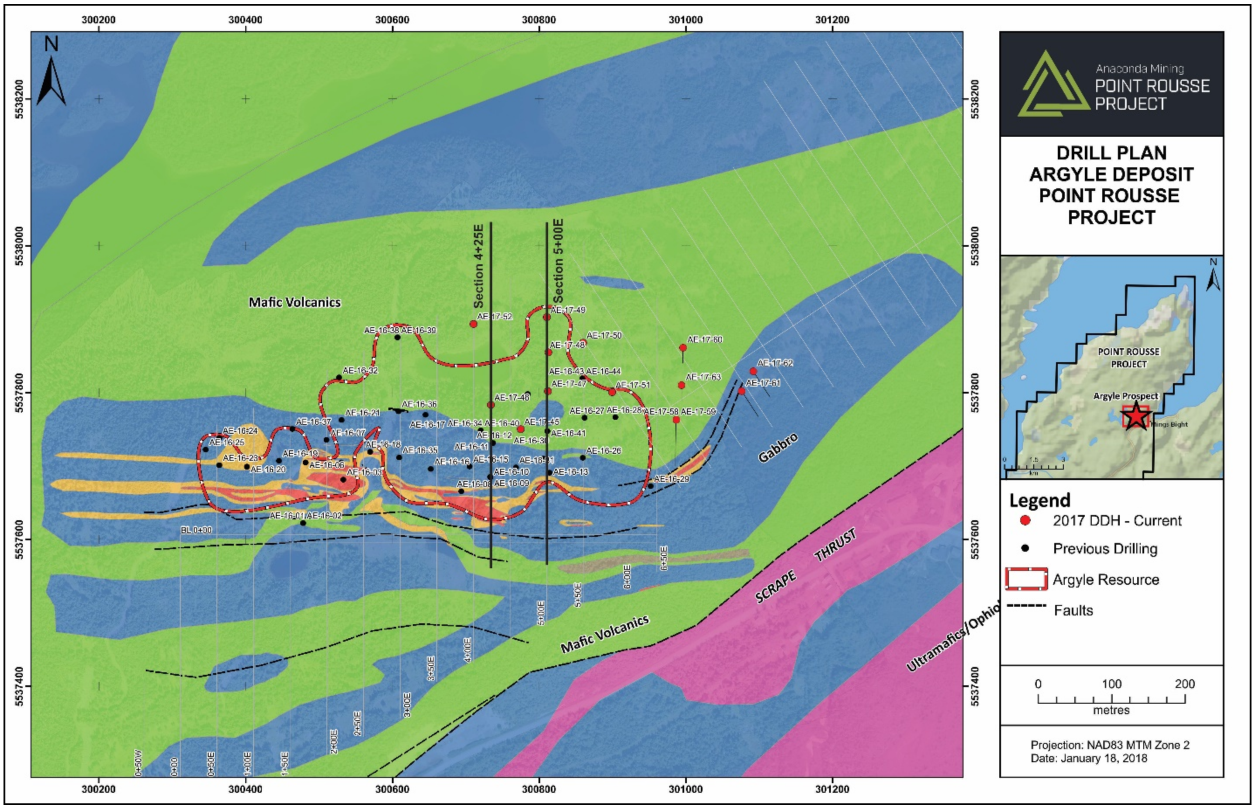

Figure 62: Geological map of the Argyle Deposit area.

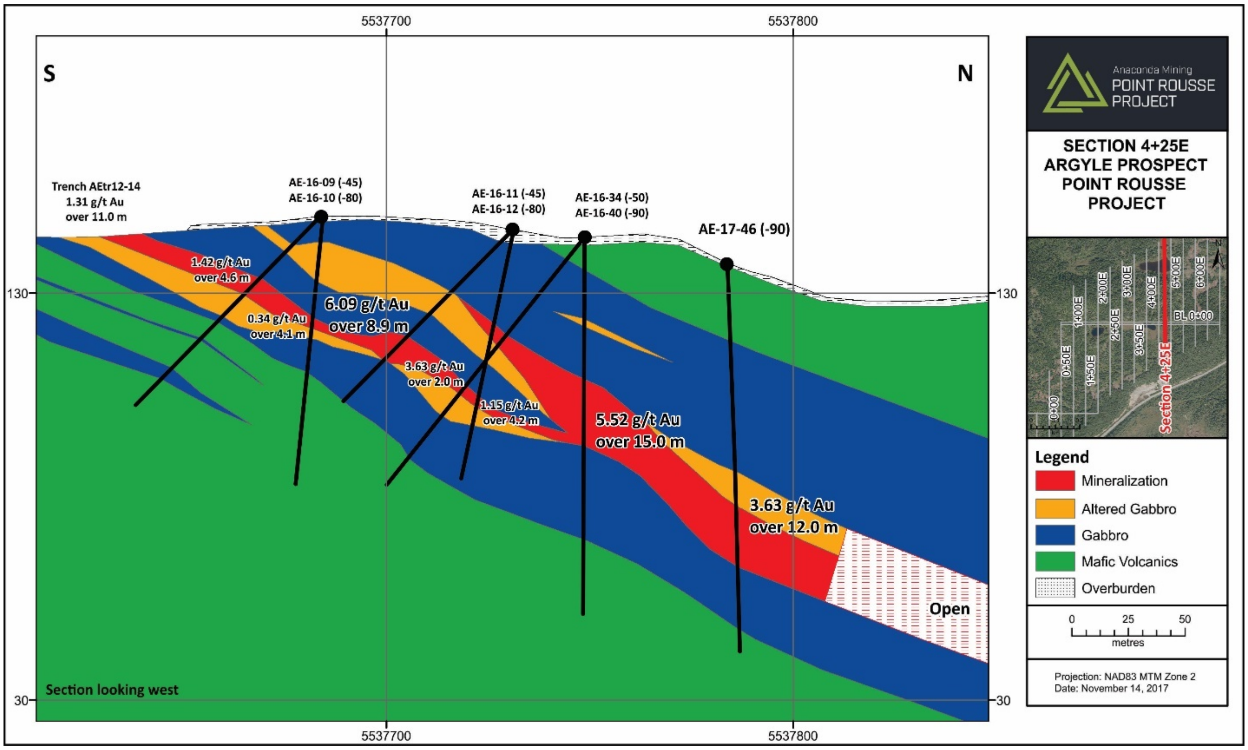

Figure 63: Geological section through Argyle Deposit at 4+25E - view to west.

Only Inferred and Indicated category resources have been defined to date for the Argyle Deposit. Gold grade was interpolated into the block model using capped 1.0 m downhole assay composites and inverse distance squared (ID^2) methodology. Assay composites were capped at 12g/t gold and block size is 2 m (x) by 2 m (y) by 2 m (z).

Grade interpolation for Inferred and Indicated resources was constrained within a single mineralization solid model that was developed through sectional wireframing on the basis of drilling and trenching defined alteration and associated gold grades. The minimum qualifying intercept for inclusion in solid wireframing was 0.5 g/t gold over approximately 1.0 m.

Two interpolation passes were run and ellipsoid orientation was changed where necessary to improve agreement with local geometric aspects of the interpolation solid. Pass 1 and 2 block grades were based on contributing 1 m downhole assay composites constrained to a minimum of one and a maximum of nine composites, with no more than three composites from a single drill hole. Pass 2 was run to populate blocks with two or fewer contributing drill holes from Pass 1 plus any remaining blocks not populated by Pass 1 due to their spatial location within the block model. A density value of 2.70 g/cm³ was applied to all resource blocks.

No Measured resources have been defined to date for the Argyle Deposit due to current drill hole spacing. Indicated resources were defined as blocks having grades assigned using composites from at least three drill holes with contributing assay composites having an average distance of

50 m or less from the block centroid. Inferred resources are defined as all remaining interpolated blocks that occur within the interpolation solid.

Mineral resources are primarily considered to have reasonable potential for eventual economic extraction by conventional truck and shovel open pit methods, and processing of mineralized material at the nearby Pine Cove mill operated by Anaconda.

14.3.3. Database and Validation

Mercator received digital project data from Anaconda in comma delimited text file format and these were imported into Surpac GEOVIA 6.8 modeling software. The current Argyle mineral resource estimate is based on validated results of 52 drill holes totaling 4,820.2 metres of core drilling and 1,521 associated core samples plus 426 surface channel samples cut from 12 surface trenches.

The project drill hole and trenching database, associated digital solid models and the current resource block model are coordinated in the Newfoundland Modified Transverse Mercator (MTM), Zone 2 (NAD 83 datum) coordinate system. Validation checks on overlapping intervals, inconsistent drill hole identifiers, incorrect lithological assignment, unreasonable assay value assignment, and missing interval data were performed on the database by Mercator. Checking of database collar coordinates, downhole survey records, sample interval records, analytical data, and lithocode entries against source files was carried out by Mercator for 15 holes, which approximates 28% of the total database. The various validation checks carried out did not identify any substantive errors and the checked database was determined to be acceptable for resource estimation purposes.

14.3.4 Data Domains and Solid Modelling

Topographic Surface

Anaconda provided Mercator with a digital terrain model (DTM) of topography for the Argyle area. The surface was developed by Terrane Geoscience Inc. and based on ground-registered results of an aerial imagery survey carried out earlier in 2017 using drone technology. Since overburden depth is typically less than 1 m on the property, Mercator decreased the elevation datum of the delivered surface DTM by 0.50 meters to create a top of bedrock surface. Drill collar survey data and downhole overburden lithocodes were reviewed against the surface and top of bedrock DTMs and the surfaces were modified slightly where necessary to maintain acceptable agreement between drilling data and the independently modeled surfaces. Figure 64 presents an isometric view of the top of bedrock DTM.

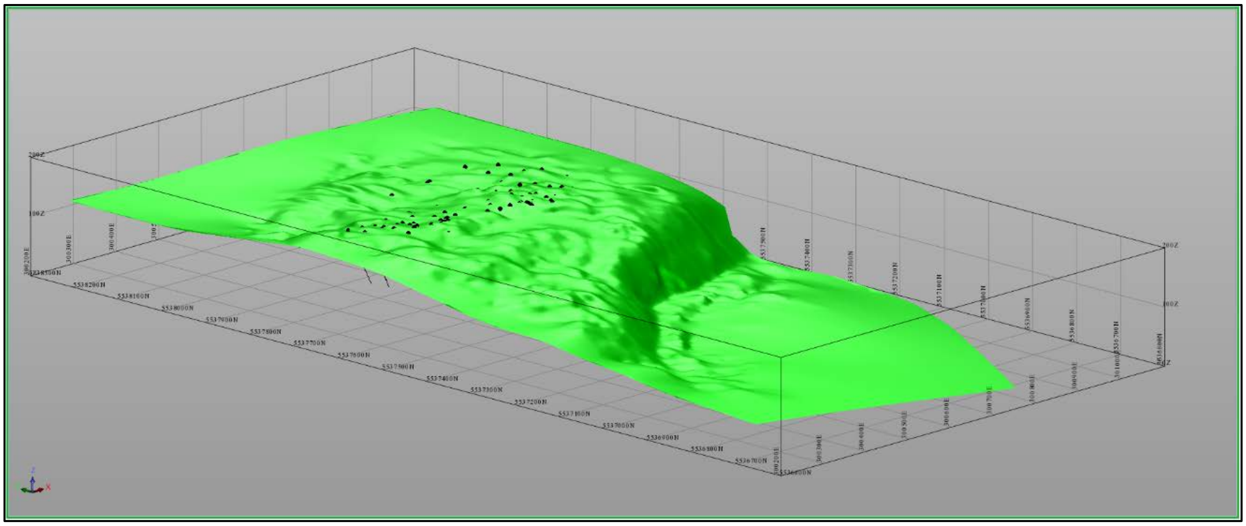

Figure 64: Isometric view of the top of bedrock *DTM – view to northeast (Note: 100m grid spacing shown).

Wireframes and Solid Models

Anaconda provided Mercator with a series of preliminary digital wireframes and an associated solid model for the Argyle Deposit that had been developed from geological and assay cross section interpretation work carried out by the company. Mercator reviewed this solid model in E-W and N-S sections against supporting drill hole assay records and database lithocodes and found it to show good correlation. The solid reflects application of a nominal 0.50 g/t gold assay cut-off over a single raw sample record interval, which average approximately 1.0 m in length.

As a result of its detailed review, Mercator chose to exclude several low-grade drilling intersections that did not coincide with altered gabbro lithocode intervals. This resulted in alteration of the original solid to recognize the exclusions. The solid was also locally modified by projection upward to include channel sample assay results and to respect a nominal strike influence area of 25 meters or half the distance to an adjacent constraining drill hole.

The finalized resource estimate solid model has an east-west strike length of approximately 600 m, dips between 20° and 30° to the north, and shows a drilling-defined dip extent of approximately 325 m. Drilling intercept lengths through the solid range between 0.6 m and 16 m and average 5.89 m. Figures 65 and 66 present isometric views of the revised solid.

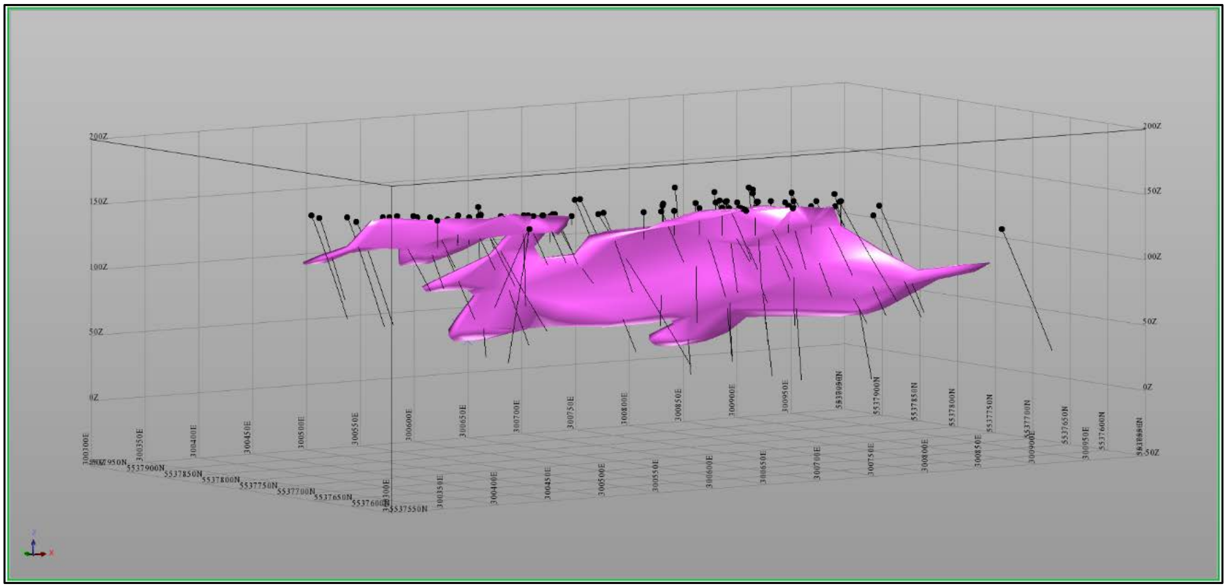

Figure 65: Isometric View of the Argyle Deposit solid model – view to southeast (Note: 100 m grid spacing shown).

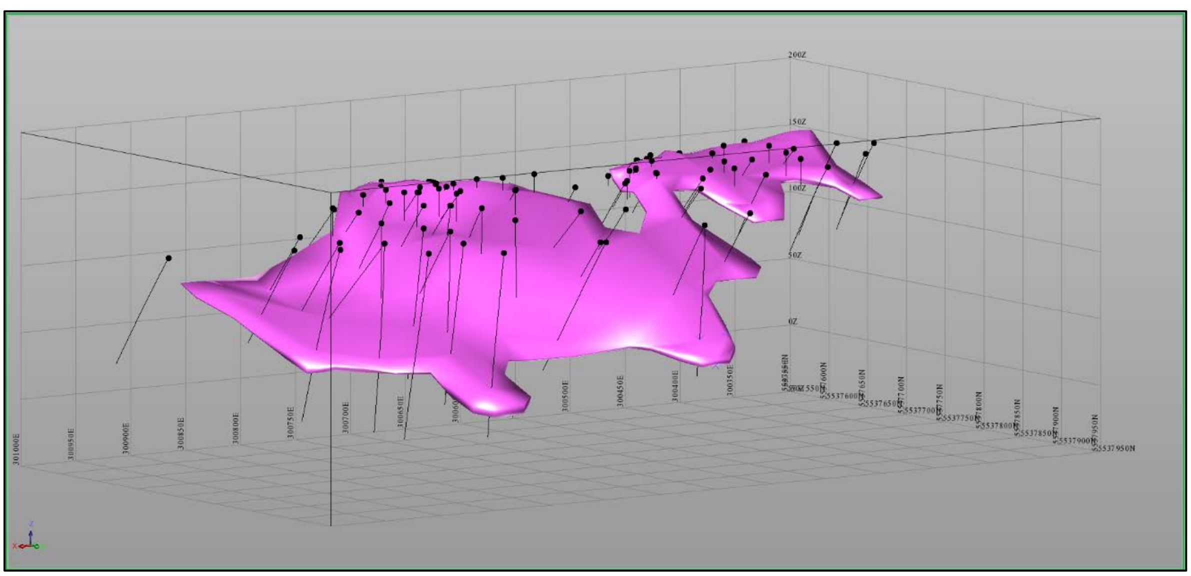

Figure 66: Isometric View of the Argyle Deposit solid model – view to northeast (Note: 100 m grid spacing shown).

14.3.5 Drill Core Assay Composites

The drill core assay database contains a total of 1,521 core sample records and the solid intercept composite file contains 253 assay composite records. Review of drill core sample length statistics showed that approximately 90% of original core samples have a length of 1.0 m or less and that the average sample length is 0.98 meters. Additionally, the 456 channel samples from trenching that occur in the Argyle Deposit area predominantly report at a 1.0 m length. The histogram and cumulative frequency plots that appear in Figure 67 below present combined raw sample length data for all samples within the resource estimation solid and illustrate predominance of sample lengths in the 0.8 m to 1.0 m bin. Based on this distribution, and recognizing that the Deposit solid is typically greater than 1.0 m in true thickness, a standard downhole assay compositing length of 1.0 m was chosen.

The Surpac ''best fit" option for compositing of raw assay values contained in downhole solid intercepts was selected and set to a 1.0 m target value to create composites for use in resource estimation. This selection was made to counter a potential distribution bias toward short sample lengths occurring adjacent to interpolation solid margins.

14.3.6 Grade Capping

Descriptive statistics for Au assay values were calculated for the mineralized solid raw (uncapped) assay population and associated grade distribution trends were assessed by means of frequency histogram, cumulative frequency and probability plots as well as by rank/percentile analysis. Figures 68 and 69 present raw core sample grade distribution plots for the resource solid composites and these show that outliers are present in the population. In particular, a transition to clear discontinuity within the distribution trends occurs in the vicinity of the 12 g/t gold grade value.

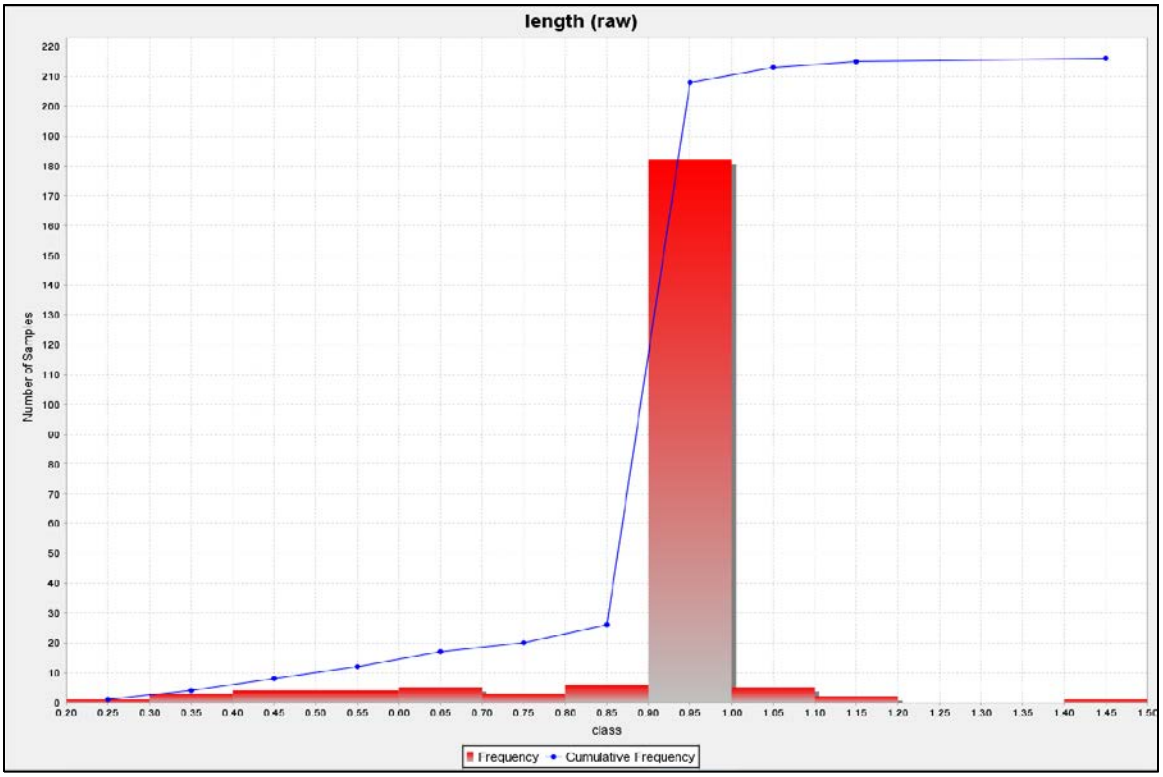

Figure 67: Histogram of drill core and channel sample raw sample lengths.

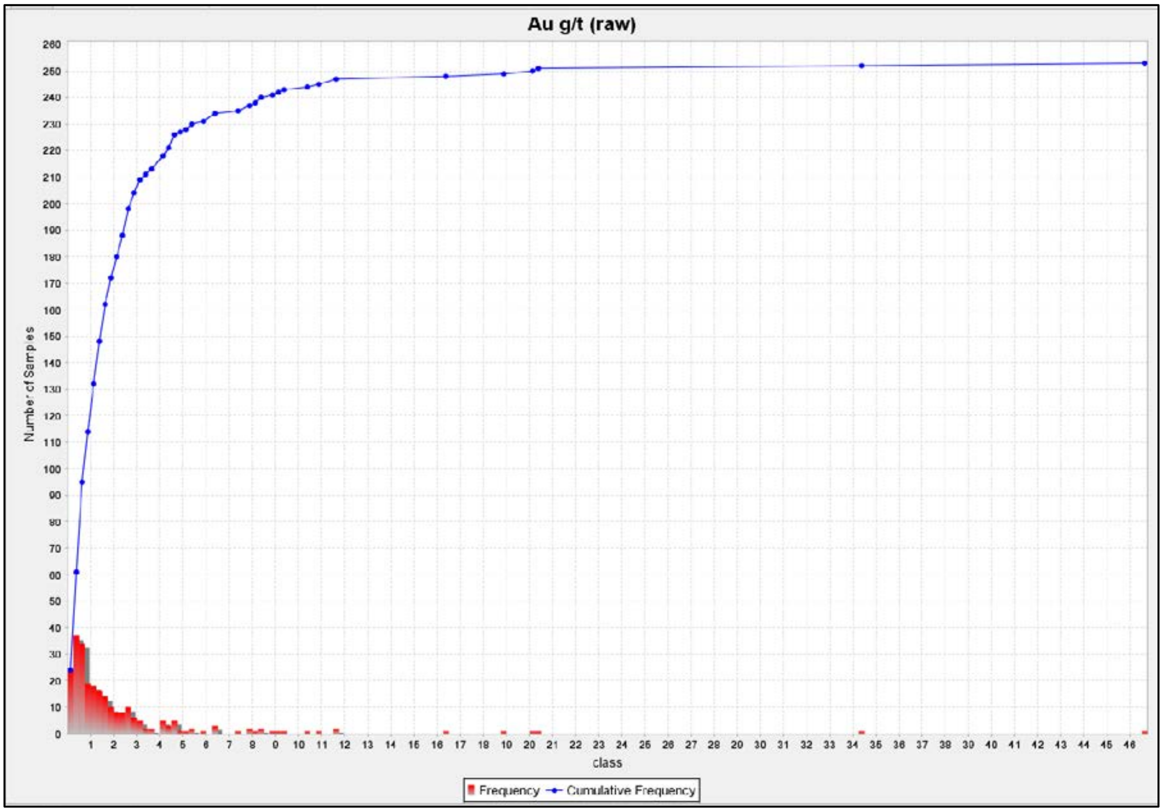

Figure 68: Frequency and cumulative frequency plots for resource solid assay composites.

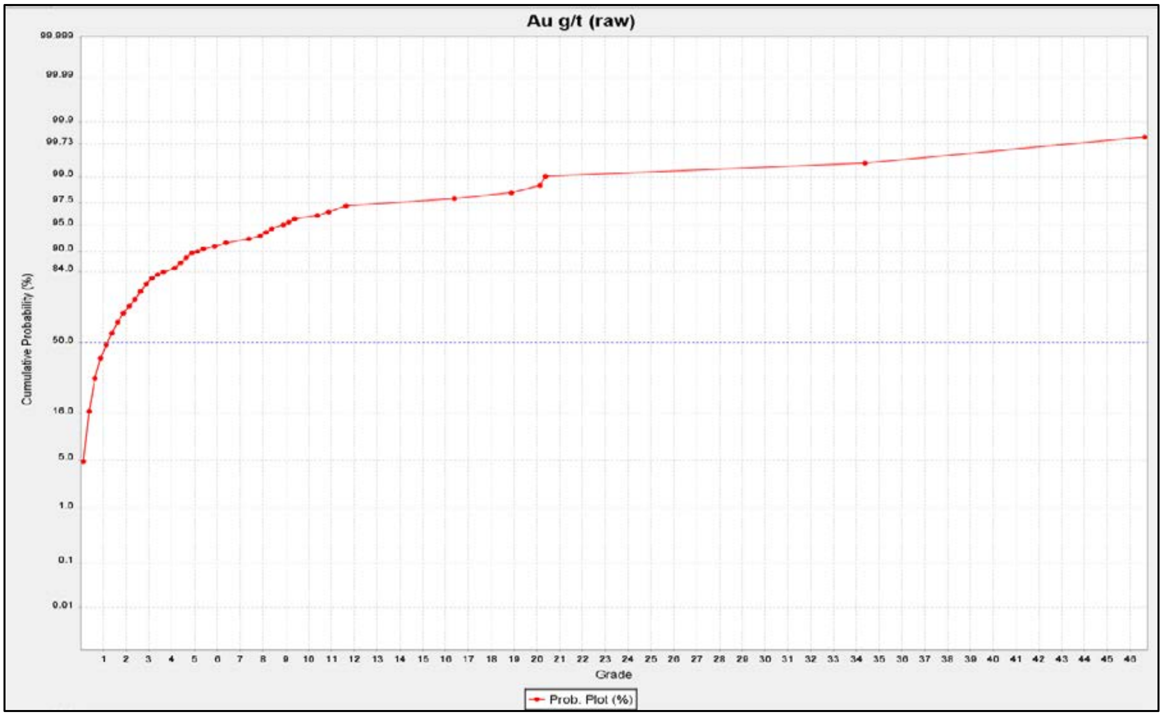

Figure 69: Probability plot for resource solid assay composites.

Slight changes in cumulative frequency and probability curve slopes also occur near the 12 g/t gold grade point and mark the beginning of distinct grade gapping within the distribution. Slope changes that may mark sub-populations within the main assay data set occur at the 4 g/t gold and 8 g/t gold points but do not show strong gap development.

Based on assessment of the frequency and probability plot results, a gold grade capping factor of 12 g/t gold was selected for use in the Argyle resource estimation program. Descriptive statistics for raw and capped assay composite populations are presented below in Table 37 and show that removal of grade outliers through capping at the 12 g/t gold value has the effect of reducing the coefficient of variation, standard deviation and variance of the data set. The average gold grade for the capped population is reduced by 13.3% relative to the uncapped version.

Table 37: Descriptive Statistics for Capped and Uncapped assay composites.

Parameter	Au g/t Uncapped	Au g/t 12 g/t Cap
Mean Grade	2.48	2.15
Maximum Grade	46.6	12.0
Minimum Grade	0.01	0.01
Variance	21.21	7.15
Standard Deviation	4.61	2.67
Coefficient of Variation	1.85	1.24
Number of Composites	253	253

14.3.7 Variography and Interpolation Ellipsoids

The geological, alteration zone and assay result interpretations developed by Anaconda from drilling section study of the Argyle Deposit provide definition of a primary east-west striking and moderately north dipping gold deposit. To assess spatial aspects of grade distribution within this mineralized corridor, experimental variograms based on the capped, down hole composite dataset were created, along with experimental down hole variograms. Best experimental variogram results were developed within a plane dipping 20° towards an azimuth of 050° using a spread of 45°. Application of spherical models provided definition of a maximum range of 105 m for the primary continuity axis trend and a range of 75 m for the secondary axis of continuity at azimuth 320°. Well defined experimental variograms were not produced for the third axis of continuity or for the downhole direction. Figures 70 and 71 present variogram models for the resolved primary and secondary trends.

Interpolation ellipsoid ranges and orientations were developed through consideration of the variogram models discussed above in combination with geological and grade distribution model interpretations. This approach showed that a gold grade interpolation ellipsoid for the Argyle Deposit should have oblate, anisotropic geometry and conform to the east-west striking and moderately north dipping orientation domain defined by gold-associated alteration within the host gabbro intrusion. Application of the orientated axial trends of continuity defined through variography to this geological orientation domain provided definition of the related interpolation ellipsoid axial trends and ranges.

Interpolation pass 1 utilized ellipsoid ranges of 65 m, 39 m, and 25 m for the major, semi-major and minor axes respectively. Interpolation pass 2 utilized ellipsoid ranges of 125 m, 75 m, and 25 m for the major, semi-major, and minor axes respectively. A total of four interpolation sub-domains were developed to reflect local variations in solid orientation or drill hole density and these appear in Figure 72. Interpolation ellipsoid orientation trends that correspond to the four sub-domains are presented in Table 38.

14.3.8 Setup of Three-Dimensional Block Model

The Argyle block model was developed using Newfoundland Modified Transverse Mercator (MTM) Zone 2 (NAD 83 Datum) grid coordination and a sea level elevation datum. No rotation was applied to the model and its grid coordinate extents are defined in Table 39. Standard block size for the model is 2m x 2 m x 2m (X, Y, Z), with no sub-blocking allowed. As discussed above in Section 14.5, a top of bedrock surface DTM developed with local modification from the surface DTM served as the upper Deposit constraint. The peripheral constraint solid otherwise defined Deposit limits.

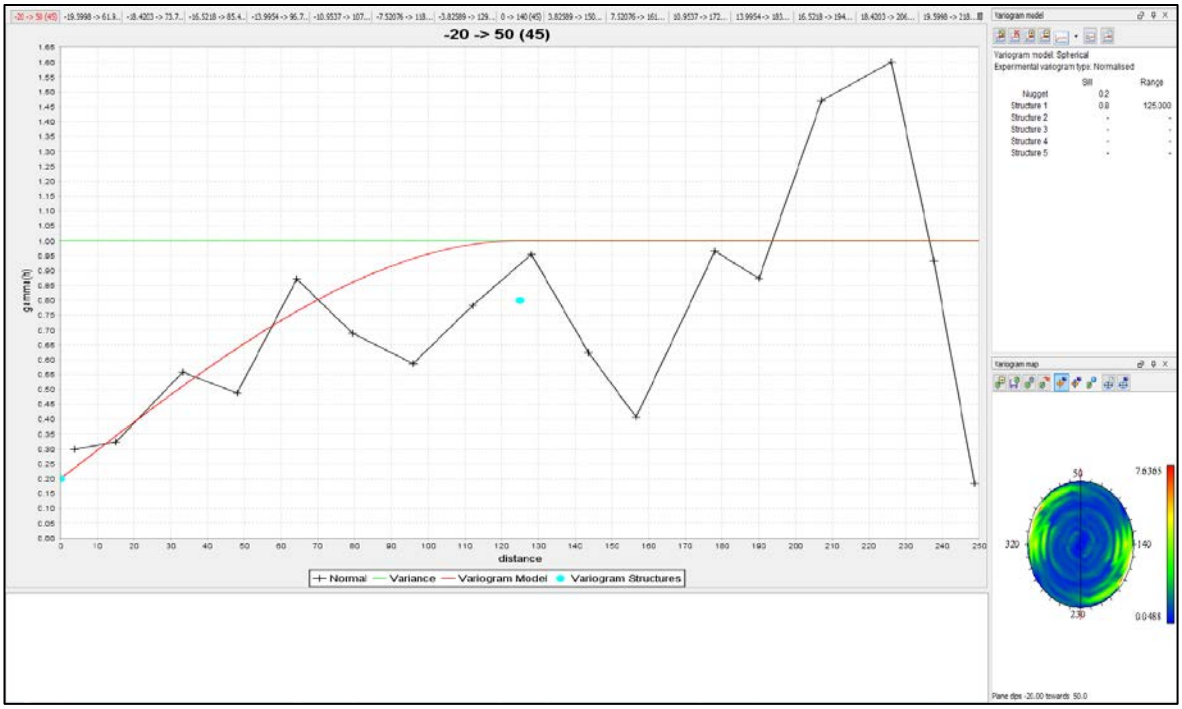

Figure 70: Variogram model for major axis of continuity.

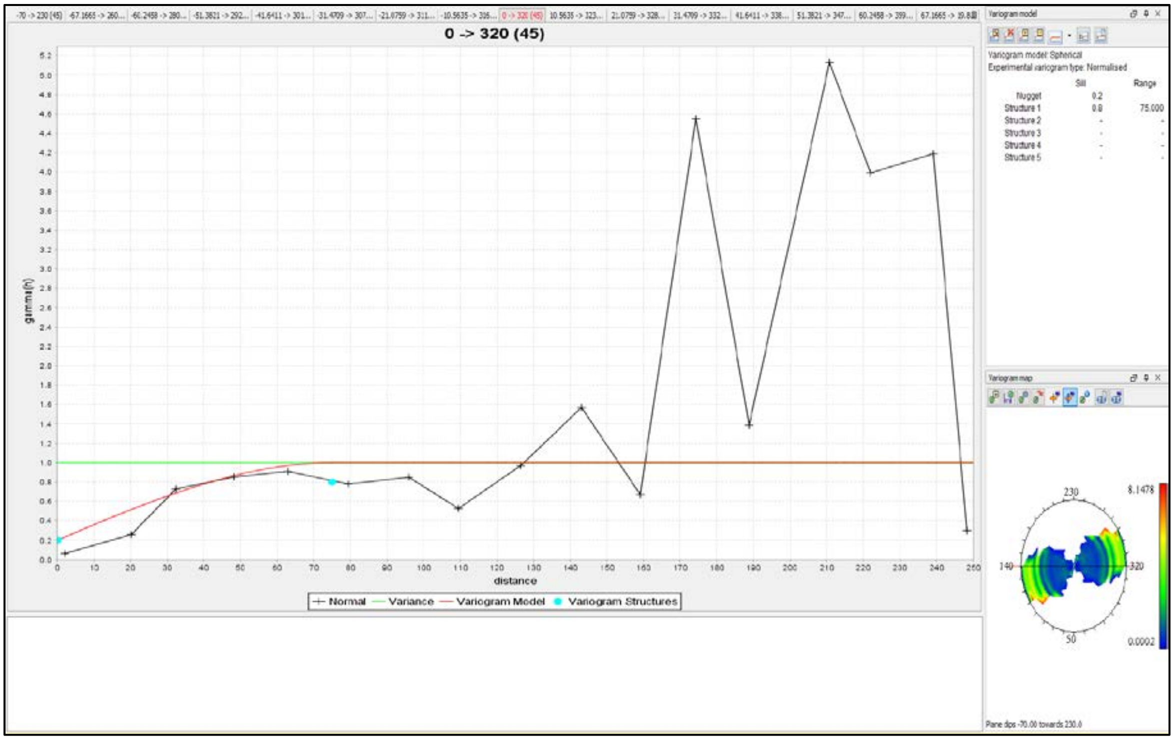

Figure 71: Variogram model for semi-major axis of continuity.

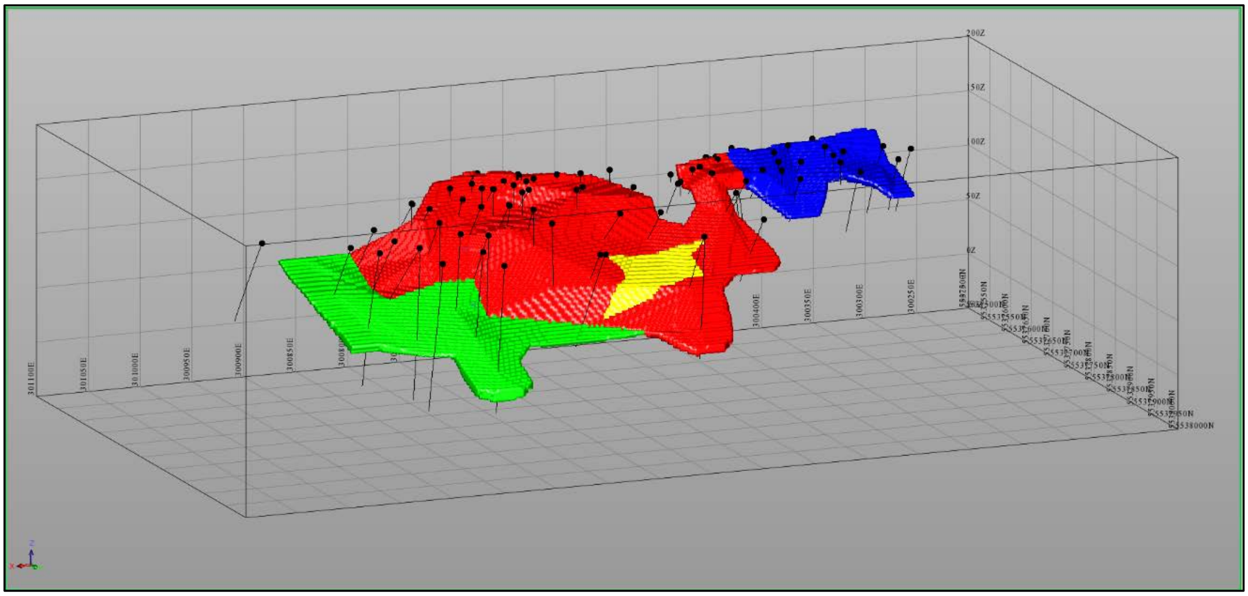

Figure 72: Orientation sub-domains for grade interpolation – oblique view to southwest (Note: D1-Blue D2-Red D3-Green D4-Yellow; 100m grid spacing shown).

Table 38: Ellipsoid Orientation Data for Argyle Deposit sub-domains.

Sub-Domain	Azimuth (Deg.)	Plunge (Deg.)	Dip (Deg.)
1	50	-15	15
2	50	-20	15
3	50	-15	10
4	50	-20	15

Note: Surpac orientation convention applied

Table 39: Argyle Deposit Block Model Parametres.

Type	Y (Northing m)	X (Easting m)	Z (Elevation m)
Minimum Coordinates	5537550	300250	0
Maximum Coordinates	5537950	301050	180
User Block Size	2	2	2
Min. Block Size	2	2	2
Rotation	0	0	0

Note: Newfoundland MTM Zone 2 (NAD 83) coordination and sea level datum

14.3.9 Block Model Interpolation

Inverse distance squared (ID^2) grade interpolation was used to assign block grades within the Argyle block model. As reviewed earlier, interpolation ellipsoid orientation and range values used in the estimation reflect a combination of trends determined from the variography and sectional interpretations of geology and grade distribution for the Deposit. The trends and ranges of the major, semi-major, and minor axes of grade interpolation ellipsoids were described previously in report section 14.5.5.

Grade interpolation was carried out in two passes. Interpolation pass 1 utilized ranges of 65 m, 39 m, and 25 m for the major, semi-major and minor ellipsoid axes respectively. Interpolation pass 2 utilized ellipsoid ranges of 125 m, 75 m, and 25 m for the major, semi-major, and minor axes, respectively. Interpolation ellipsoid major axes plunge between 15° and 20° at azimuth of 050°.

Contributing assay composites for block grade interpolation were constrained to a minimum of 3 and a maximum of 12, with no more than 4 composites allowed from a single drill hole for the first interpolation pass in interpolation domains 1, 2 and 3. For blocks with 4 or fewer contributing drill holes in pass one, the second interpolation pass was used to assign block grade using the same composite constraints. For interpolation domain 4, contributing composites were constrained to a minimum of 3 and a maximum of 9, with no more than 3 composites from a single drill hole for the first interpolation pass. For blocks with 4 or fewer contributing drill holes in pass one, the second interpolation pass was used to assign block attributes using the same contributing composite parameters as in the first pass. Interpolation domain 4 reflects an area of the Deposit with lower drill hole density where reduced included composites parameters served to better constrain spatial influence of individual higher-grade drill holes during interpolation.

14.3.10 Density

Anaconda submitted 75 core sample pulp splits from mineralized zone drilling intercepts to ALS Canada Ltd. for specific gravity (SG) determination. Determinations were also made on a second group of 14 samples submitted to RPC Ltd. for metallurgical study purposes. Pycnometer SG determination methods were applied in both cases. The first set of samples returned an average SG value (rounded) of 2.7 (range 2.54 to 2.92) and the second also returned an average SG value (rounded) of 2.7 (range 2.50 to 2.79). Based on these SG results, a corresponding density value of 2.7 g/cm3 was assigned to all resource model blocks. Anaconda also submitted 40 samples of diamond drill core for completion of SG using the water immersion method at ALS Canada Ltd. The 40 samples returned an average SG value (rounded) of 2.85 (range 2.70 to 3.15). Based on these SG results, a corresponding density value of 2.7 g/cm3 was assigned to all resource model blocks.

Mercator recommends that water immersion SG determinations be systematically collected in future for all Argyle resource drilling core samples as part of the on-site standard logging and sampling process. QAQC protocols that include third part check sample analyses using similar laboratory methods should be included. The main purpose of developing a more complete density drilling database is to support future development of an interpolated density model for the Deposit.

14.3.11 Resource Category Parametres Used in Current Estimate

Mineral resources defined in the current estimate were classified in accordance with NI 43-101 and the CIM Standards (2014). Only Inferred and Indicated categories that reflect increasing levels of confidence with respect to spatial configuration of resources and corresponding grade assignment within the Deposit have been defined.

Several factors were considered in defining resource categories, including drill hole spacing, geological interpretations and number of informing assay composites and average distance of assay composites to block centroids. Specific definition parameters for each resource category applied in the current estimate are set out below and Figures 75 through 77 illustrate spatial distribution of these categories within the block model.

Measured Resource: No interpolated resource blocks were assigned to this category. Drill hole data density is currently insufficient to support this level of resource definition.

Indicated Resource: Indicated resources reflect resource blocks with interpolated gold grades from the first interpolation pass with contributing composites from 3 or more drill holes with an average distance of 50 m or less to the block centroid.

Inferred Resources: Inferred resources consist of all other valid blocks interpolated in interpolation pass 1 or interpolation pass 2 that occur within the Deposit peripheral constraint solid model.

Application of the resource category parameters specified above produced initial populations of Indicated and Inferred category resource blocks within the Argyle Deposit block model. To eliminate irregular or “orphan” category assignment artifacts, the peripheral limits of blocks in close proximity to each other that share the same category designation and demonstrate reasonable continuity were wireframed and developed into discrete solid models. All blocks occurring within these “category” solid models were then re-classified to match that model’s designation. This process resulted in more continuous distribution of each resource category and limited occurrences of “orphan” blocks of one category occurring as imbedded patches in other category domains.

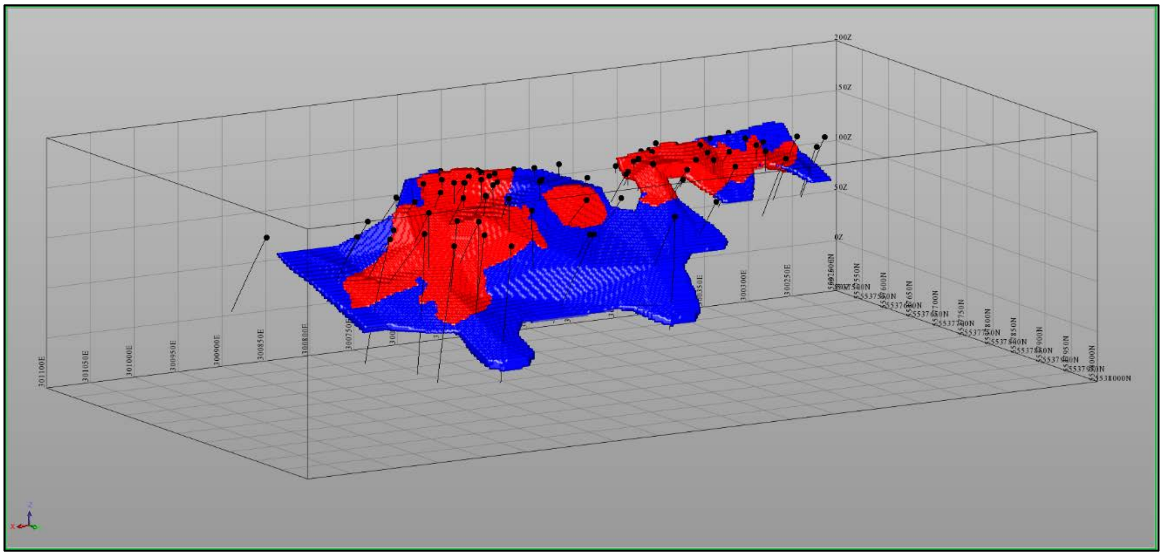

Figure 73: Isometric view to southwest of Indicated (Red) and Inferred (Blue) resources.

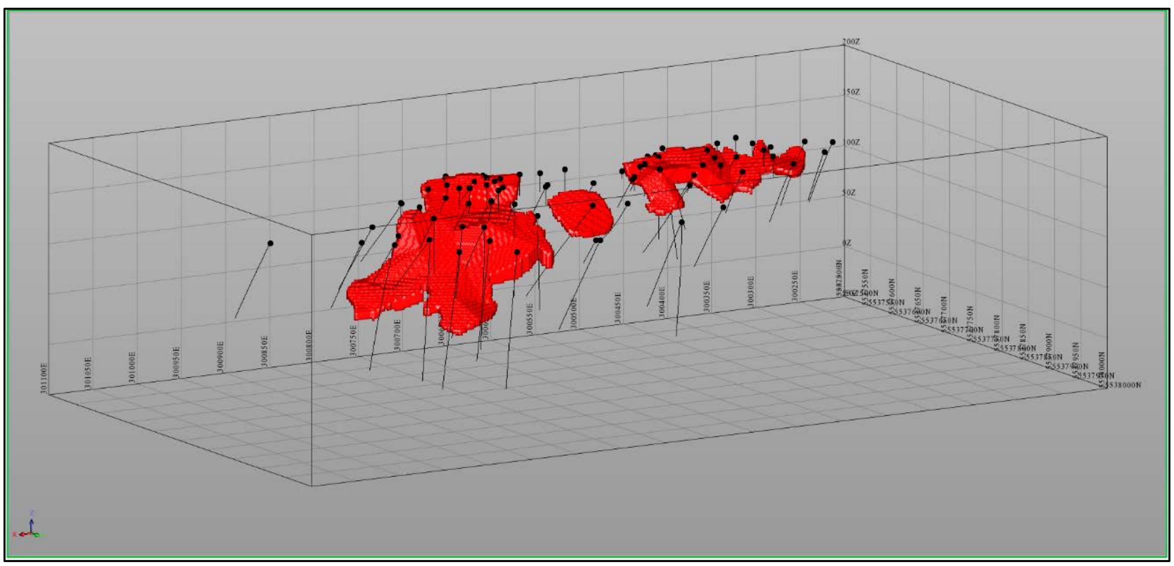

Figure 74: Isometric view to southwest of Indicated resources only.

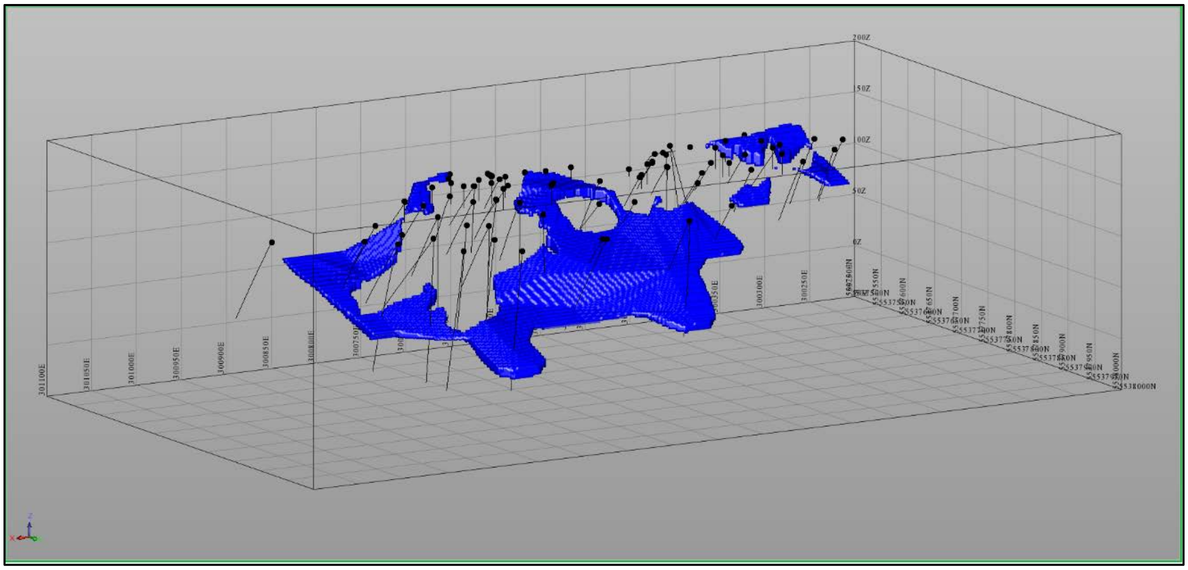

Figure 75: Isometric view to southwest W of Inferred resources only.

14.3.12 Statement of Mineral Resource Estimate

Block grade, block density and block volume parameters for the Argyle Deposit were estimated using methods described in preceding sections of this report. Subsequent application of resource category parameters set out above resulted in the mineral resource estimate statement presented below in Table 40. Results are presented in accordance with NI-43-101 and the CIM Standards (2014). The cut off value of 0.50 g/t gold reflects a reasonable expectation for economic development in the foreseeable future, primarily by open pit mining methods. This assessment is based on processing at Anaconda's nearby Point Rousse mill and the current three-year, rounded, trailing average gold price of $1,225 (US).

Table 40: Mineral Resource Statement – Argyle Deposit (Effective date December 31, 2017)

Block Cut-off Grade (Au g/t)	Category	Reported Tonnes	Rounded Tonnes	Au g/t	Rounded Gold Ounces
0.50*	Indicated	543,363	543,000	2.19	38,300
	Inferred	517,295	517,000	1.82	30,300

Notes:

1. *This mineral resource estimate has an effective date of December 31, 2017 and was prepared in accordance with NI 43-101 and the CIM Standards*
2. *This mineral resource estimate is based on the validated Argyle Deposit database containing results for 52 holes totaling 4,820.2 metres of diamond drilling and 12 surface trenches.*
3. *Mineralization is constrained within a digital 3D geologic solid constructed using Surpac™ modeling software and based on a nominal 0.5 g/t gold over 5m down hole length cut-off value. Contributing 1.0 metre assay composite populations were capped at a gold grade of 12 g/t.*
4. *Gold grades were estimated using inverse distance squared interpolation methodology with 2 interpolation passes applied.*

5. *A density factor of 2.7g/cm^3 was applied to all blocks and is based on averaging of 74 drill core density values for samples within the mineralized zone solid.*
6. *Reported block model tonnages have been rounded to the nearest 1,000 tonnes and associated calculated gold ounces have been rounded to the nearest 100 ounces; calculated ounce totals may vary slightly due to rounding.*
7. *The mineral resources defined by this estimate are considered to have reasonable potential for economic development in the foreseeable future, primarily through open pit mining methods, at the current, rounded three year trailing average gold price of $1225 (US) per ounce.*

14.3.13 Model Validation

Results of block modeling were reviewed in three dimensions and compared on a section by section basis with corresponding manually interpreted sections prepared prior to block model development. Block grade distribution was shown to have acceptable correlation with the grade distribution of the underlying drill hole data and representative sections. Isometric views of block grade distribution within the Deposit are presented below in Figures 76 through 79.

Descriptive statistics were calculated for the drill hole composite values used in block model grade interpolation and these were compared to values calculated for the individual blocks in the block model (Table 41) Average gold grade for the composite dataset is slightly higher than the average block grade for the model and this reflects the impact of interpolation weighting on block values. As expected, the large block grade population is characterized by lower coefficient of variation, standard deviation and variance values than those of the assay composite population.

Swath plots showing spatial distribution of drill hole composite grades and block grades were prepared along the length of the block model at several swath widths to further review spatial relationship between block grade, block tonnes and drill hole assay composite grades. These plots show generally similar trends but identify two areas of local divergence (Figure 80) where spatial clusters of high grade composites have the effect of increasing composite grades relative to block grades. These are centered at 300550mE and 300850mE and define areas requiring future infill drilling.

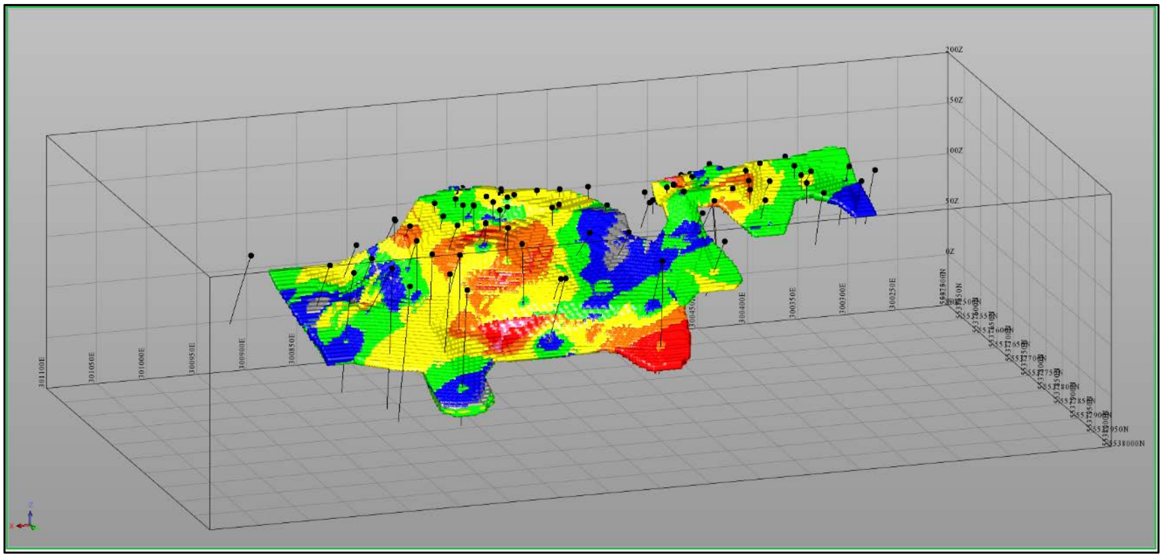

Figure 76: Isometric view to southwest of gold grade block values (g/t gold). Grey < 0.50, Blue 0.50 – 1.0, Green 1.00 – 1.5, Yellow 1.50 – 2.5, Orange 2.5 – 3.75, Red 3.75 – 5.0, Pink >5.0

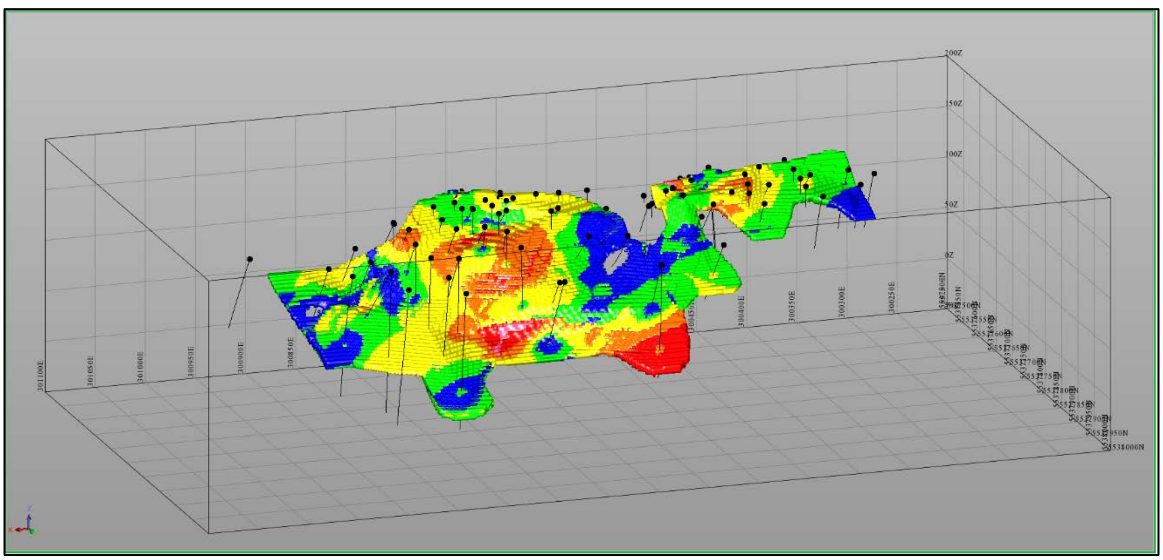

Figure 77: Isometric view to southwest of gold grade block values ≥ 0.50 g/t gold. Blue 0.50 – 1.0, Green 1.00 – 1.5, Yellow 1.50 – 2.5, Orange 2.5 – 3.75, Red 3.75 – 5.0, Pink >5.0

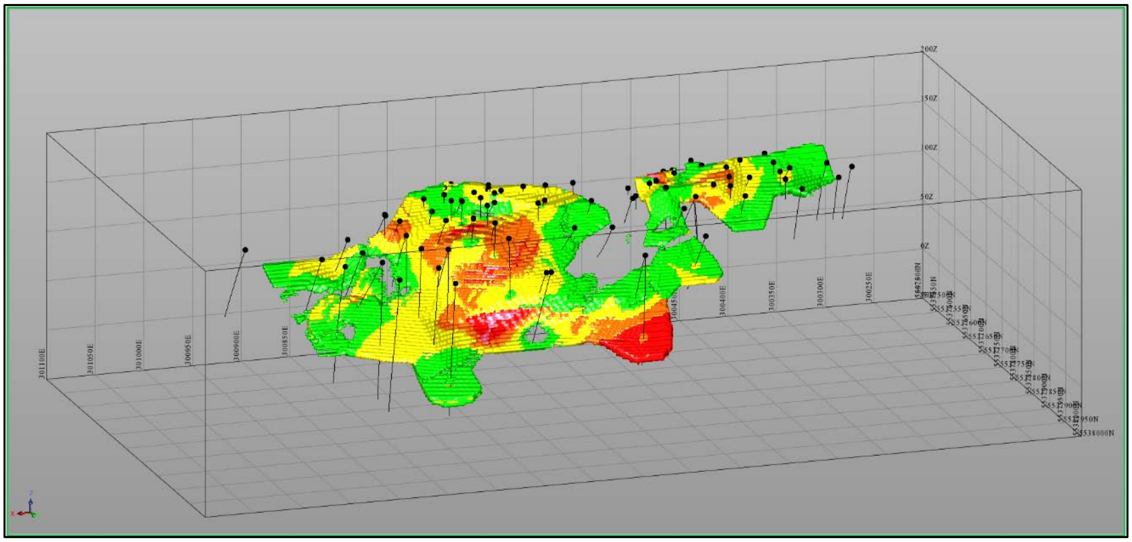

Figure 78: Isometric view to southwest of gold grade block values ≥ 1.00 g/t gold. Green 1.00 – 1.5, Yellow 1.50 – 2.5, Orange 2.5 – 3.75, Red 3.75 – 5.0, Pink >5.0

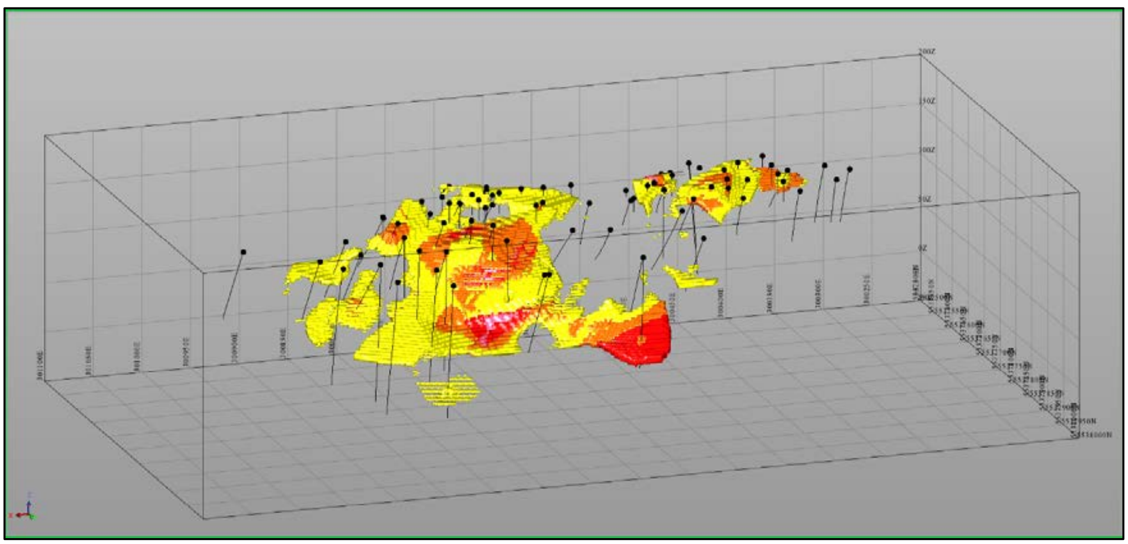

Figure 79: Isometric view to southwest of gold grade block values ≥ 1.50 g/t gold. Yellow 1.50 – 2.5, Orange 2.5 – 3.75, Red 3.75 – 5.0, Pink >5.0

Table 41: Comparison of Block Values and Composite Value.

Parameter	Block Model Grade (Au g/t)	Composite Grade Au g/t (12 g/t Cap)
Mean Grade	1.90	2.15
Maximum Grade	10.68	12.0
Minimum Grade	0.01	0.01
Variance	1.29	7.15
Standard Deviation	1.14	2.67
Coefficient of Variation	0.60	1.24
Number of Composites	83578	253

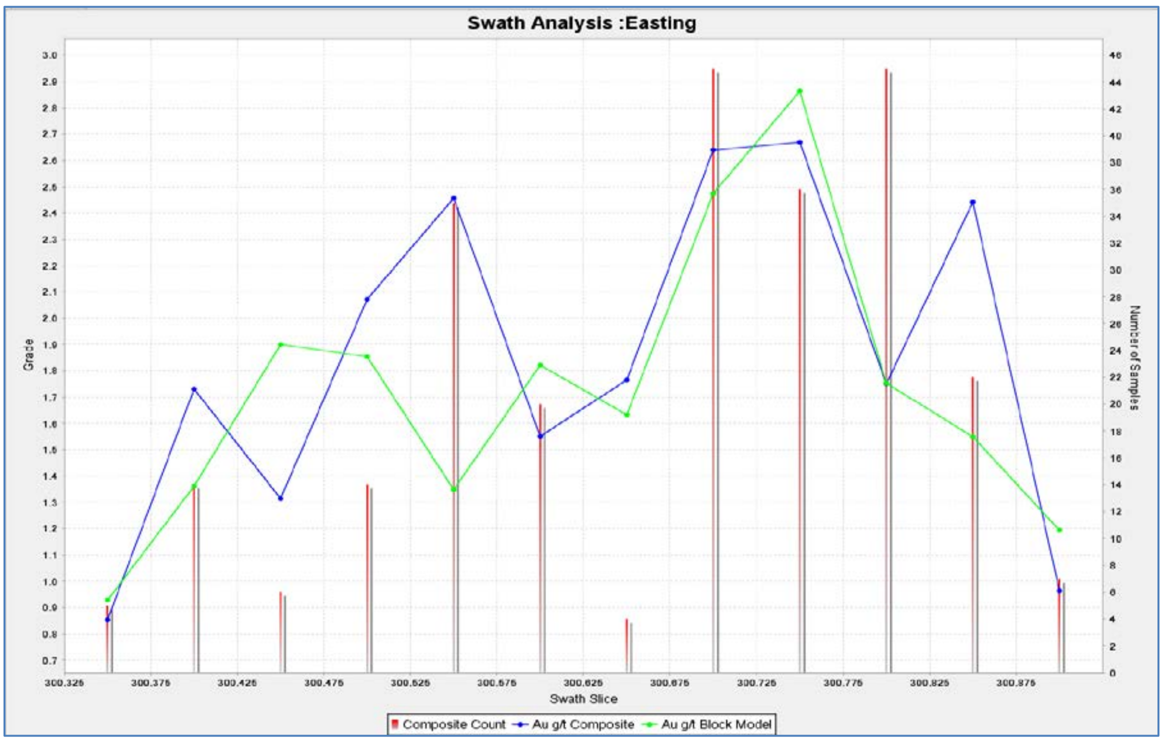

Figure 80: East-west swath plot of assay composite and block gold grades.

Mercator also completed a comparative interpolation model using ordinary Kriging (OK) methods and capped assay composites as a check against the ID^2 interpolation results. An ID^2 model based on uncapped assay composites was also completed to assess the impact outlier gold values in the assay composite dataset on average model grade. Results of the OK interpolation model in comparison with the ID^2 resource statement model are presented in Table 42 below. The ID^2 model produced slightly higher tonnage and gold grades at the reporting threshold of 0.5 g/t gold and has a global gold inventory that is 3.5% (2,371 ounces) higher than the OK model. For validation purposes, the models are considered acceptably comparable.

Table 42: Comparison of Kriged and ID2 interpolation models.

Kriged Model	Category	Rounded Tonnes	Au g/t	Rounded Gold Ounces
0.5 g/t gold cutoff	Indicated	547,000	2.09	36,800
	Inferred	523,000	1.75	29,429
ID^2 Model	**Category**	**Rounded Tonnes**	**Au g/t**	**Rounded Gold Ounces**
0.5 g/t gold cutoff	Indicated	543,000	2.19	38,300
	Inferred	517,000	1.82	30,300

To assess the impact of grade capping on the Deposit model, an uncapped ID^2 model was estimated for comparison with the capped ID^2 model that supports the current resource statement. Results of the uncapped model appear in Table 43 and do not constitute part of the current resource statement. At the 0.5 g/t reporting cut-off, the uncapped model contains 26.4% more global gold ounces than the capped model, with a majority of these reporting to Inferred resources. Inspection of uncapped block model grade trends showed problematic weighting of high values in several areas and highlighted the need for application of grade capping.

Table 43: Uncapped block model report – ID2 Model.

Reporting Cutoff (Au g/t)	Category	Rounded Tonnes	Au g/t
0.25	Indicated	555,000	2.42
	Inferred	529,000	2.58
0.50	Indicated	543,000	2.46
	Inferred	517,000	2.63
0.75	Indicated	519,000	2.55
	Inferred	484,000	2.76
1.00	Indicated	478,000	2.69
	Inferred	420,000	3.05

14.3.14 Tonnage and Gold Grade Sensitivity

The Argyle Deposit block model was reported at several additional gold grade cut off values to support a graphic grade and tonnage sensitivity analysis for the global gold inventory. The cut-off values range from 0.00g/t gold to 3.5 g/t gold and results are presented below in Figure 81. Global tonnage and grade trends intersect at the 1.9 g/t gold cutoff level and define figures of approximately 465,000 tonnes and 3.1 g/t gold, respectively.

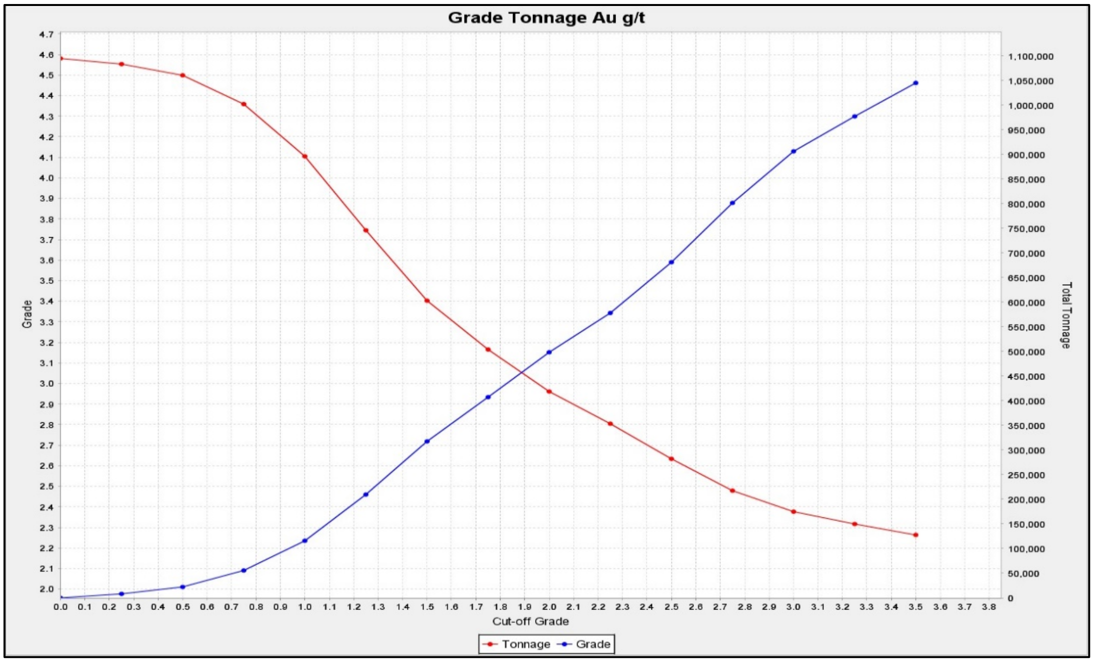

Figure 81: Global Resource Model Global Tonnage and Grade Trends.

15 MINERAL RESERVE ESTIMATES

Total Point Rousse Probable Mineral Reserves (Pine Cove and Stog'er Tight) are estimated at 887,700t @1.27g/t gold diluted or 36,180oz. Those Mineral Reserves will be sufficient for two years of the mill feed at which time is expected to have Argyle deposit in full production.

Mineral Reserve estimates for Pine Cove and Stog'er Tight Mines were estimated internally by Ms. Gordana Slepcev P.Eng and Chief Opiating Officer at Anaconda Mining, who takes responsibility for the estimate.

15.1 PINE COVE MINERAL RESERVE ESTIMATE

The Company has been mining at the Pine Cove open pit mine continuously since 2008 and has extracted 118,028 ounces of gold. Table 44 estimates probable reserves remaining (including stockpiles) in the Pine Cove pit as of December 31, 2017 of approximately 696,200 tonnes of ore at a diluted grade of 0.96 g/t of gold.

Table 44: Pine Cove Probable Reserves as of December 31, 2017.

Push Back	Total Material	Waste T	Cut-off g/t gold	Diluted Ore tonnes	Diluted Ore grade g/t gold	Ounces Oz
Pine Cove Main Pit	229,500	126,400	0.5	108,300	1.24	4,330
North Western Extension	513,200	464,800	0.5	51,700	0.96	1,600
Pine Cove Pond	645,000	532,500	0.5	118,100	1.14	4,340
Marginal Pile	88,800	0	0.5	88,800	0.80	2,290
Marginal Pile _low 1	179,700	0	0.5	179,700	0.50	2,890
ROM Pile	149,500	0	0.5	149,500	1.25	6,010
Total Approved Reserves	**1,805,700**	**1,123,700**	**0.5**	**696,200**	**0.96**	**21,440**

*Numbers are rounded.

Mineral Reserves reported in Table 44 are inclusive of Mineral Resources reported in Table 34 by AdiuvareGE. Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability.

The Mineral Reserve Estimate was derived from the ultimate pit shell design created using mining software Surpac 6.8 and running a reserve report between this shell and the most recent topographic surface available at the effective date of this report, created by Anaconda. The block model used for the Pine Cove Reserve report was the gold grade block model produced by AdiuvareGE in December 2017. Probable Mineral Reserves are estimated at the internal cut-off grade of 0.5 g/t gold and gold price of $1,600/oz (CAD) using only Indicated Mineral Resource blocks. Proven reserves were not reported, as the block model prepared by AdiuvareGE that was used for reserve reporting did not contain measured blocks.

The internal cut-off grade of 0.5 g/t gold was derived from Anaconda's mining, processing, and general administration costs and process recovery. This internal cut-off grade is the minimum ore grade required to process the ore economically. Cut-off grade has been decreased from 0.7 to 0.5 g/t gold due to increased mill throughput rates. Table 45 below shows some of the key assumptions and costs used in the ultimate pit optimization process and Mineral Reserve estimate. The costs and the selling price estimates are equal to the budgeted costs and revenues for the current fiscal year, which are in line with actual costs and revenues achieved year to date.

Table 45: Key Assumptions and Costs Used in the Reserve Estimate.

Mineral Reserve Key Assumptions and Costs	
Mining Cost (per tonne)	$4.50
Processing Cost (per tonne)	$20.00
G & A Cost (per tonne)	$7.00
Gold Price (CAD/oz)	$1,600.00
Process Recovery	87%

An optimized pit shell produced by GEOVIA Whittle 4.5 software was used as a guide in the development of the ultimate pit design, which incorporates ultimate ramp width and double and triple bench configuration. The pit slope stability analysis was completed by geotechnical consulting firm Knight-Piesold in January of 2014 (Knight-Piesold, 2014). Ultimate pit design features variable bench configuration of two or three single 6 m lifts depending on the areal and geological settings. For the north, north-west and north-east sectors ultimate pit design features overall bench heights of 18m with inter-ramp pit wall angles of 55^{o} that transition to double benching configuration of 12 m and inter-ramp angles of 46^{o} for the south section of the pit. Refer to Figure 82 for details.

Anaconda has concluded through the tonnage and grade reconciliation process that, on average, it is outlining 5% more tonnes by blast hole drilling compared to the block model, while gold loss is around 15% (unrealized outlined grams compared with the block model). Blast hole data reconciles well with grades and tonnes mined and processed. Anaconda is currently applying 5% dilution parameters and 15% ore loss to estimate remaining mineral reserves and more accurately forecast mined and processed tonnes and grades.

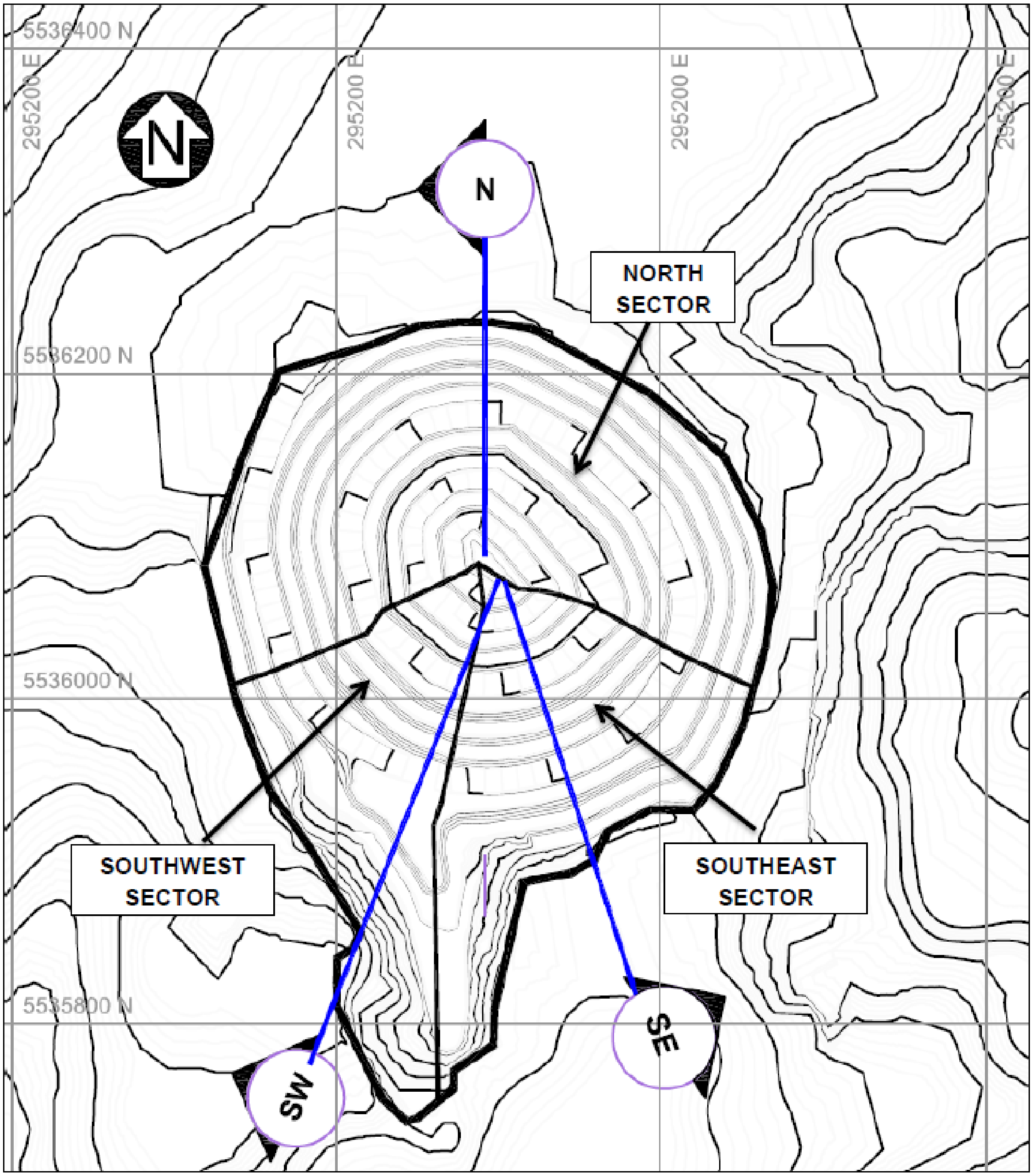

Figure 82: Pine Cove Pit Design Sectors

15.1 STOG'ER TIGHT MINERAL RESERVE ESTIMATE

In 2015, AMC Consultants (Cath Pitman) completed a Mineral Resource Estimate for Stog'er Tight Deposit. The Mineral Resource was reported according to the CIM definition standards, and utilized a cut-off grade of 0.8 g/t was suggested for the Stog'er Tight deposit.

Stog'er Tight Mineral Resource completed in 2015 utilized diamond drilling from 1988 to 2014. The drill-hole data included a total of 216 holes, with samples composited to 1m lengths. The estimation method intended to define the trend of the mineralization based on cross sections. In addition to the trend, an indicator model was created using a cut-off grade of 0.5g/t. Block model grades for the Stog'er Tight Deposit were estimated using ordinary kriging (AMC, 2015).

The cut-off grade calculation for the Stog'er Tight Mineral Resource used the assumptions outlined in table 46:

Table 46: Cut-off grade calculation.

Item	Cost	Unit
Mining Costs (ore & waste)	4.4	$/tonne
Additional Haulage Cost (ore)	3.16	$/tonne
Process Cost	19.0	$/tonne
G & A Cost	8.5	$/tonne
Operating Costs	35.06	$/tonne
Gold Price	1600	$/oz
Mass Conversion	31.1035	g/oz
Process Recovery	83	%
Dilution	15	%

Using the company's existing cost structure an internal cut-off grade of 1.00g/t gold was derived.

This internal cut-off grade is the minimum ore grade required to economically break-even including all site costs per tonne of ore processed. Ore and waste mining costs are not included in determining the internal cut-off grade, however, these costs are included when calculating the external pit costs.

The operating costs and parameters for the GEOVIA Whittle 4.5 optimization were selected by Anaconda based on the operating experience of their personnel at the nearby Pine Cove Mine. The operating costs and parameters displayed in Table 46 were entered into GEOVIA Whittle 4.5 for the pit optimization runs. Stog'er Tight Pit slopes were optimized at overall ultimate pit angles of 45˚. This provided a buffer for the increase in waste quantities once the pit shells were transformed into an open pit design after adding access roads, bench berms, and safety berms to its ultimate configuration.

The ultimate in-pit mineral reserves are estimated to be 191,500t at a grade of 2.39 g/t gold using a cut-off grade of 1.0 g/t gold. Mining the existing pits and exposing this ore zone further at the depth will provide opportunities to map exposed faces and better understand geological features and settings that are causing ore veins thinning, thickening, rolling and splitting. The following tables 47 & 48 outline the Stog'er Tight Mineral Resource Estimate and the Probable Mineral Reserves Estimate. Stog'er Tight Mineral Reserves are inclusive of Mineral Resources.

Table 47: Stog'er Tight Mineral Resource Estimate

Stog'er Tight Mineral Resources Estimate December 31, 2017				
Category	**Cut-Off (g/t)**	**Tonnes**	**Grade Au (g/t)**	**Ounces of gold**
Inferred	1	239,200	3.39	26,090
Indicated	1	197,000	3.69	23,340

Table 48: Stog'er Tight Probable Mineral Reserves

Stog'er Tight Probable Mineral Reserve Estimate December 31, 2017		
Tonnes	**Grade (g/t)**	**Ounces**
West Pit		
137,200	2.53	11,140
East Pit		
54,300	2.06	3,600
Total		
191,500	**2.39**	**14,740**

Based on a 26,000t bulk sample in 2016 an internal dilution of 7% and grade loss of 35% were applied to inpit resources in order to estimate Probable Mineral Reserves.

Mineral reserves were reported using the following CIM definitions and guidelines:

Mineral Reserves are those parts of Mineral Resources which, after the application of all mining factors, result in an estimated tonnage and grade which, in the opinion of the Qualified Person(s) making the estimates, is the basis of an economically viable project after taking account of all relevant processing, metallurgical, economic, marketing, legal, environment, socio-economic and government factors. Mineral Reserves are inclusive of diluting material that will be mined in conjunction with the Mineral Resources and delivered to the treatment plant or equivalent facility. The term "Mineral Reserve" need not necessarily signify that extraction facilities are in place or operative, or that all governmental approvals have been received. It does signify that there are reasonable expectations of such approvals.

Probable Mineral Reserve: A "Probable Mineral Reserve" is the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

Proven Mineral Reserve: A "Proven Mineral Reserve" is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified. Application of the Proven Mineral Reserve category implies that the Qualified Person has the highest degree of confidence in the estimate with the consequent expectation in the minds of the readers of the report. The term should be restricted to that part of the Deposit where production planning is taking place and for which any variation in the estimate would not significantly affect potential economic viability.

16 MINING METHODS

16.1 PINE COVE MINE

The Pine Cove Mine is an open pit mine consisting of traditional drill and blast operations followed by and transport of ore by haul trucks to the crusher run-of-mine pad ("ROM Pad") and transport of waste to the waste rock piles (Plate 12). On average, between 8,000 and 10,000 tonnes per day ("tpd") of waste and ore is mined.

To date, the Pine Cove Pit has produced approximately 2.7 million tonnes of ore, and 13.6 million tonnes of waste for a total production of approximately 16.3 million tonnes of material. Yearly mining statistics for the period 2009 to 2018 are presented in Table 49.

Table 49: Mining statistics for the Pine Cove pit from 2009 to 2018.

Mining Stats	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Total
Ore Mined	39,407	128,993	135,669	272,854	289,743	296,152	321,532	370,561	432,081	382,111	2,669,103
Waste Mined	203,403	870,512	938,180	1,306,163	1,649,408	1,623,544	1,762,313	2,366,842	2,197,251	692,815	13,610,431
Total Material Mined	242,810	999,505	1,073,849	1,579,017	1,939,151	1,919,696	2,083,845	2,737,403	2,629,332	1,074,926	16,279,534
Strip Ratio	5.16	6.75	6.92	4.79	5.69	5.48	5.48	6.39	5.09	1.81	5.10
Cost Per Tonne	-	$3.01	$3.11	$3.18	$3.23	$3.60	$4.09	$3.87	$4.41	$4.97	$3.72

Plate 12: Pine Cove Open Pit Looking North-Northeast, October 2017

16.1.1 Open Pit Mining

The mine is being developed as a 350 m wide open pit that will have a maximum depth of 154 m by end of the mine life. On January 1, 2018, an estimated 264,000tonnes of ore, and 1,123,800 tonnes of waste (total of 1,387,800 tonnes) remaining in the Pine Cove pit (Figure 82). There is an additional 150,000 tonnes of the stockpiled ROM ore at an average grade of 1.25 g/t gold and 268,500 tonnes of marginal material which has been stockpiled separately. With the current in Mineral Reserves, and marginal stockpiles there is approximately 696,200t @0.96g/t gold or 1.7 years of mine life remaining (Figure 82).

The main access ramps are designed at a 10% gradient to accommodate rear wheel drive haulage trucks. The 15 m wide ramps are designed to facilitate two-way truck traffic at all points, assuming a John Deere 460E production haulage truck with a 44 tonne capacity. Final pit bottom access ramps are designed at a gradient of –10% and a width of 10 m to accommodate one-way traffic between the 4,940 m elevation (mine datum, Geodetic + 5000 m) and the pit bottom. The last pit bench at 4910 m elevation (mine datum) will be excavated primarily with a back-hoe due to the steep temporary access ramp on broken ore and minimal working space.

Anaconda employs its own technical staff (engineering and geological) who plan and supervise the mining operations. They are responsible for all day-to-day operations including grade control, blast design and layout, surveying, and environmental monitoring. Longer term planning is done in conjunction with Mine and Engineering Superintendent (mine engineer). Other technical support, such as resource/reserve estimates and geotechnical studies relating to slope stability and tailings pond design, is contracted as needed.

Anaconda uses a local contract miner, Guy J. Bailey Ltd. (“Bailey”), who operates on a single 10 hour dayshift and five day work week. Mining can move to a seven day work week as required. The primary equipment fleet includes six John Deere 460E trucks (44 tonnes), one shovel and one bulldozer. Table 50 lists the mining fleet including support and service vehicles. Approximately 20 people are employed directly and indirectly in the trucking of ore. Bailey is also responsible for ramp/road maintenance and snow clearing.

Blasting operations are contracted to Newfoundland Hard Rok Inc. ("NL Hard Rok") which typically has 4 employees on site. Production and pre-shear drilling is done using an Atlas Copco T40, 4 inch top hammer drill and a Tamrock Ranger, 4 inch top hammer drill. Production holes are typically drilled on a 3 by 3 m pattern with a bench height of 6 m (Plate 13). Explosives used include Titan XL 1000 bulk emulsion for production blasting and Unimax Dynamite for pre-shear blasting. Nonel EZ DET detonators and Trojan Brand Cast boosters are used. There are generally two blasts per week.

VHF radios with a dedicated channel are used to communicate within the pit and between the pit and the mine office.

Ore is hauled via a single 15 m wide ramp (10% grade) to the ore storage area adjacent to the mill. Oversize material is broken using an excavator-mounted buster. The broken ore is fed into the primary crusher using a dedicated loader. There are several waste rock dumps adjacent to the open pit. Refer to Figures 83 & 84 for details.

The pit is subject to quite variable influxes of surface water (rain and melting snow). Water is pumped from the bottom of the pit to the polishing pond using a 2 - 6 inch, 60 horsepower submersible pump in series, with a capacity of 650 gallons per minute.

Table 50: List of Equipment Typically Operating at the Pine Cove Mine.

Item	Quantity
Excavator 470 (Pit)	1
Excavator 670 (Pit)	1
Excavator 200 CLC (Crusher)	1
Loader 724 K (Crusher)	1
Loader 644K (Float)	1
Tractors 700J (Crusher/Pit)	2
Haul Trucks 460E (Pit)	7
Grader 770G (Roads and Ramp)	1
Water Truck (Roads and Ramp)	1
Mobile Welder	1
Service Vehicle 2500	1
Fuel Truck F350	1
Pickup Trucks	3
Passenger Van	1
Production Drills	2

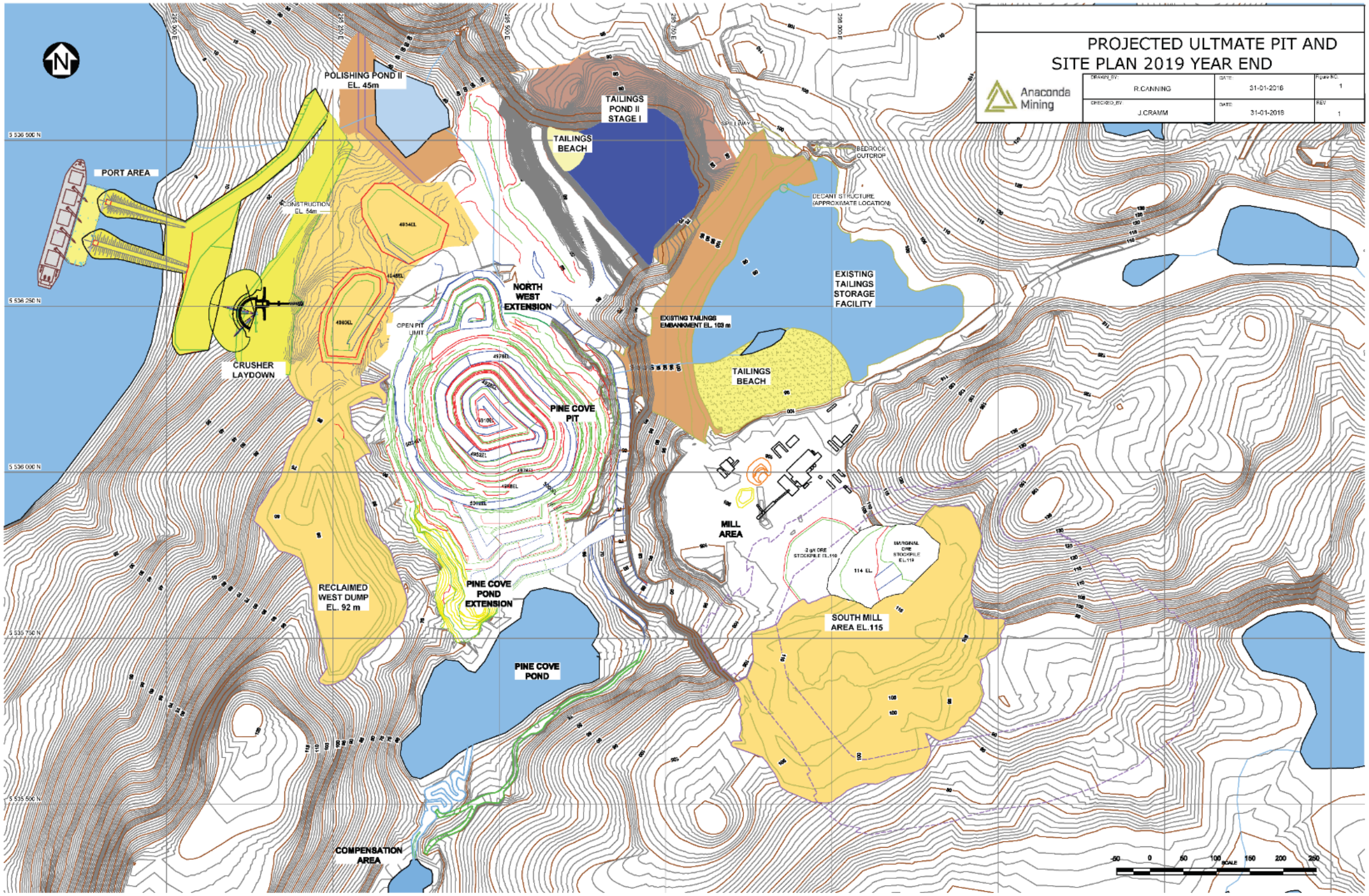

Figure 83: Projected Site Plan, Q2 2019.

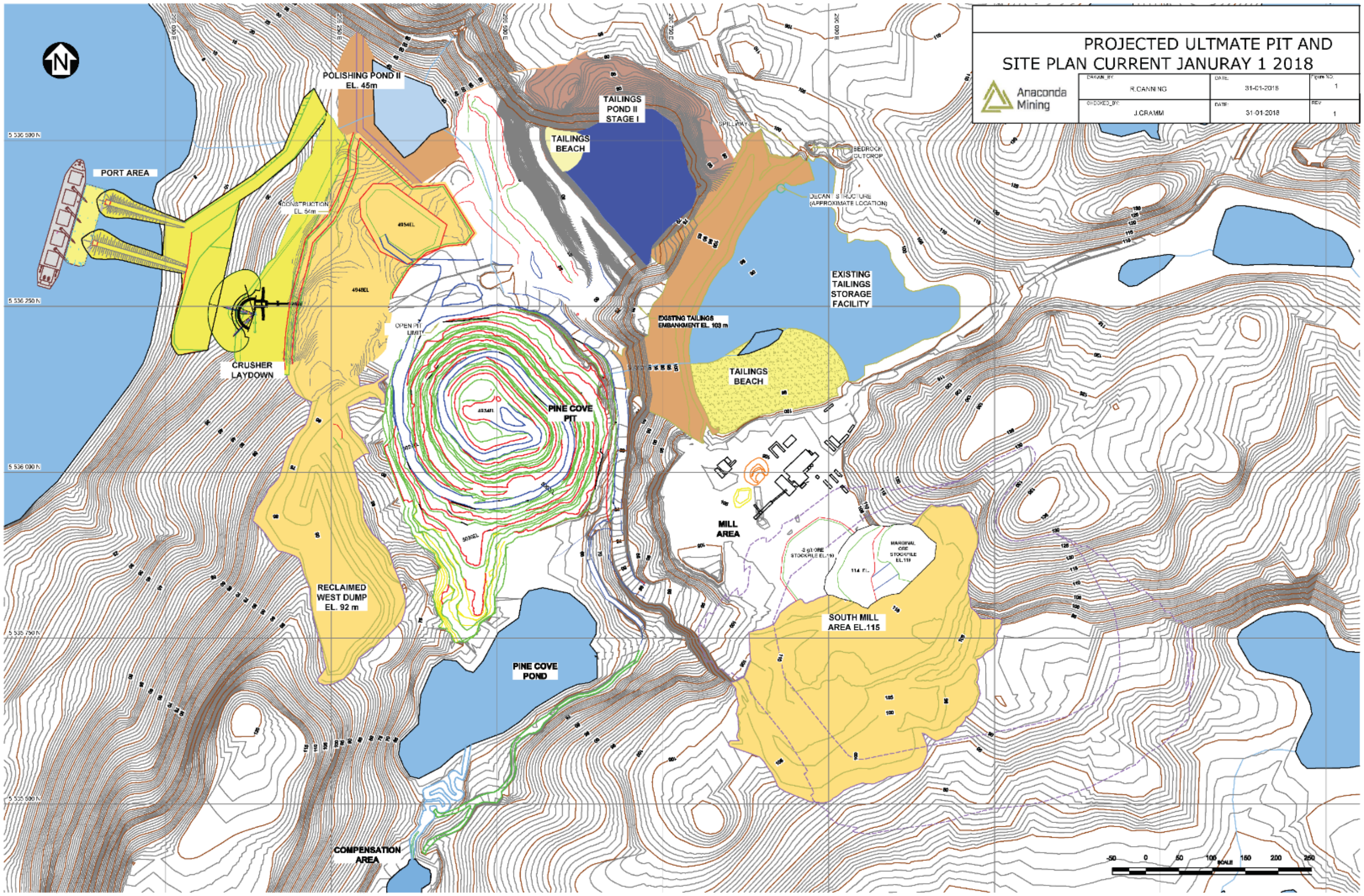

Figure 84: Current Site Plan, December 2017.

Plate 13: Pre-Blast Drill Pattern, Pine Cove Mine (2014)

16.1.2 Low Grade Ore Stockpile – Marginal Ore

There are two low-grade ore stockpiles. One is located on the slope to the southwest of the mill site while the second on is built on the top of the South Mill Dump. The low-grade ore stockpiles are used to store lower grade ore that is considered marginally economic to mill at the time it is mined. The material will be milled if or when economic or processing conditions improve or if there is a disruption in the supply of higher grade ore to the mill. Each of the piles is estimated to contain about 268,000 tonnes at a grade of 0.55 g/t gold.

16.1.3 Waste Rock Piles

The main Waste Rock Pile is located southeast of the plant site. Access to the dump is provided via the haulage road that runs south of the mill. This dump was utilized until an interim dump was designed, approved and constructed north-west of the open pit. Usage of The North Pit Dump provided considerable cost savings by the way of shorter hauls while stripping the waste in the east side of the pit. This dump was utilized during winter and spring of 2015/2016 until construction on Tailings II facility started.

When required, dozers and/or excavators are employed to manage and shape the dump. All dumps were designed and are being built at overall slopes of 2H: 1V. Geotechnical dump site investigations for South Mill and North Pit Dumps were completed by Knight-Piesold engineering firm annually. This recommendation was in line with initial site investigation and recommendations completed by Stantec prior to mine start-up. Slopes are graded as required to allow for progressive rehabilitation and natural re-vegetation.

16.1.4 Aggregates

Starting in September 2016 and extending into October 2017, Anaconda entered into an agreement to sell its waste rock. This included crushing the waste rock from the North Pit Dump, Open Pit Operations, and the South Mill Dump. Approximately 3 million tonnes of the waste rock was crushed by Shoreline Aggregates ("Shoreline") wholly owned subsidiary of Bailey's. Felix Bulk Carriers carried out loading and sipping of the aggregates with Panamax size vessels from newly constructed Point Rousse shipping facility. Reclaiming waste rock from the North Pit Dump created additional storage capacity which eliminated the need to utilize the South Mill Dump for the remainder of the Pine Cove Operation (Expected Completion Q2 2019).

16.1.5 Grade Control

Percussion drill hole samples used for grade control purposes at the Pine Cove mine utilize two methods of analysis; gold grades estimated using a sulfur/gold ratio, and gold grades determined from a bottle roll leach test.

The sulfur/gold ratio procedure is based the observation that gold is directly linked to pyrite content of the rock, which can be quickly analyzed using a LECO CS-230 located at the Pine Cove laboratory. Based on thousands of sample analyses there is an average sulfur/gold ratio of approximately 3000:1. In practice this relationship breaks down for sulfur values between 1,800 and 6,000 ppm. These samples are sent to Eastern Analytical for fire assay with results typically returned overnight. To date, analysis of thousands of samples it has been determined that a sulfur to gold ratio of 2800-3200 ppm sulfur corresponds to 1.0 gram of gold. Samples with sulfur values below 1500 ppm represent areas of waste. It has been noted that there are barren pyritic zones in the pit, hence locally, sulfur values in the range of 1500-4500 ppm may be waste, though this is determined through fire assay. The Samples that have sulfur results greater than 6000 ppm usually display higher correlations with gold than samples with low to mid-range sulfur values and generally represent high grade ore zones which are not routinely assayed at Eastern Analytical.

Since early 2016 in-house assaying was transitioned to bottle leaching technology with every 10th sample being sent to external lab for check assay. The total gold content of the sample is determined by combining the assay values for both the solution and solid residues. Solutions samples are processed in house using AA solution machine while solid residues are processed by Eastern Analytical. Anaconda's lab personnel provides combined assays to the geology and engineering groups for further use.

Surpac mine planning and modeling software is used to assemble all assay/gold results in the blast hole database. All ore plans and ore outlines are determined using sulfur/assay-estimated gold grades from the blast-hole cuttings and geological mapping and other relevant information. Ore and waste is color coded based on its gold content as per classifications below:

- High Grade +4 g/t gold,
- +2 2.0 - 4.0 g/t gold,
- - 2 0.5 - 2.0 g/t gold,
- Waste <0.5 g/t gold

To minimize dilution and ore loss Anaconda has been using Blast Movement Technologies to determine the ore movement during a blast. This technology/software produces moved ore outlines which are then defined with spray paint in corresponding colours on the blasted ore and downloaded to the excavators' Leica GPS system. This system is backed up and aided by visual observations by the mine geologists. The ore is mined in three cuts in order to minimize ore/waste mixing and loss. Mined rock is separated and stockpiled according to its gold content where all rock above 0.5 g/t gold is stockpiled at the ROM pad and its corresponding ore piles while waste rock is hauled to the waste dumps.

A SmartPlane C Unmanned Aerial Vehicle ("UAV") is used for topographic surveys and to aid in the month end reconciliation process.

16.2 STOG'ER TIGHT

16.2.1 Open Pit

Development of the Stog'er Tight mine will include two adjacent open pits: The West and East pits. Approximately 1,100,000 tonnes of material will be mined while developing the West pit, followed by 533,000 tonnes of material while expanding the East pit. The design parameters for the pit designs can be found in Table 51 below. Optimal pit shell derived from the GENOVIA Whittle 4.5 optimization process projected West pits north pith limit within the footprint of Fox pond. Following the planning and consultation process with government official including Department of Fisheries and Oceans and Environmental Assessment division a plan was created that provided for a pit expansion and temporary impact to the environment. Anaconda would decrease water levels in a Fox pond to 1 metre below pit rim during construction and keep it at required levels during the operation. A fish passage will be constructed from Fox pond down to outlet to allow fish movement during the spring and fall. Once west pit is exhausted, waste rock from East pit would be placed into it to about 6 metres below water level. The exhausted east pit will also expand the existing Fox Pond to have larger pond footprint. The current site plan as well as the projected end of life plan illustrating the pit designs, infrastructure and waste rock dumps can been seen in Figure 85 and Figure 86 respectively.

Table 51: Pit Design Specifications

Open Pit Design Specifications		
	East Pit	West Pit
Mining Height	4m	5m
Bench Height	20m	20m
Berm Width	8m	8m
Face Angle	75°	75°
Overall Pit Slope (average)	51°	48°
Ramp Width	15m	15m
Ramp Grade	10%	10%

Knight Piesold have provided input parameters for the pit and dump designs based on the experience at the Pine Cove Pit and waste storage areas. Knight-Piesold has visited the site, examined the exposed walls, and gathered information to determine if the pit designs going forward was adequate. A recommendation was made to carefully document the procedures in the early stages of mining to determine the impact of blasting procedures and blasting along final walls. This will provide valuable information which can be used going forward to optimize geotechnical procedures for the advancement of the Stog'er Tight mine.

Additional geotechnical work has been done during the summer and fall of 2017 by Terrane Geoscience Inc. including review of the exploration holes and drilling two geotechnical holes along the north wall of West Pit. Final report will be completed in early 2018.

Equipment at Stog'er Tight will be operated by the same contractors as the Pine Cove site: Bailey and NL Hardrok. The projected equipment list for the Stog'er Tight Operation can be found in Table 52.

Table 52: List of Equipment Typically Operating at the Stog'er Tight Mine.

Item	Quantity
Excavator 470 (Pit)	2
Loader 644K (Float)	1
Tractors 700J (Stockpile/Pit)	1
Haul Trucks 460E (Pit)	4
Grader 770G (Roads and Ramp)	1
Water Truck (Roads and Ramp)	1
Mobile Welder	1
Service Vehicle 2500	1
Fuel Truck F350	1
Pickup Trucks	3
Passenger Van	1
Production Drills	2

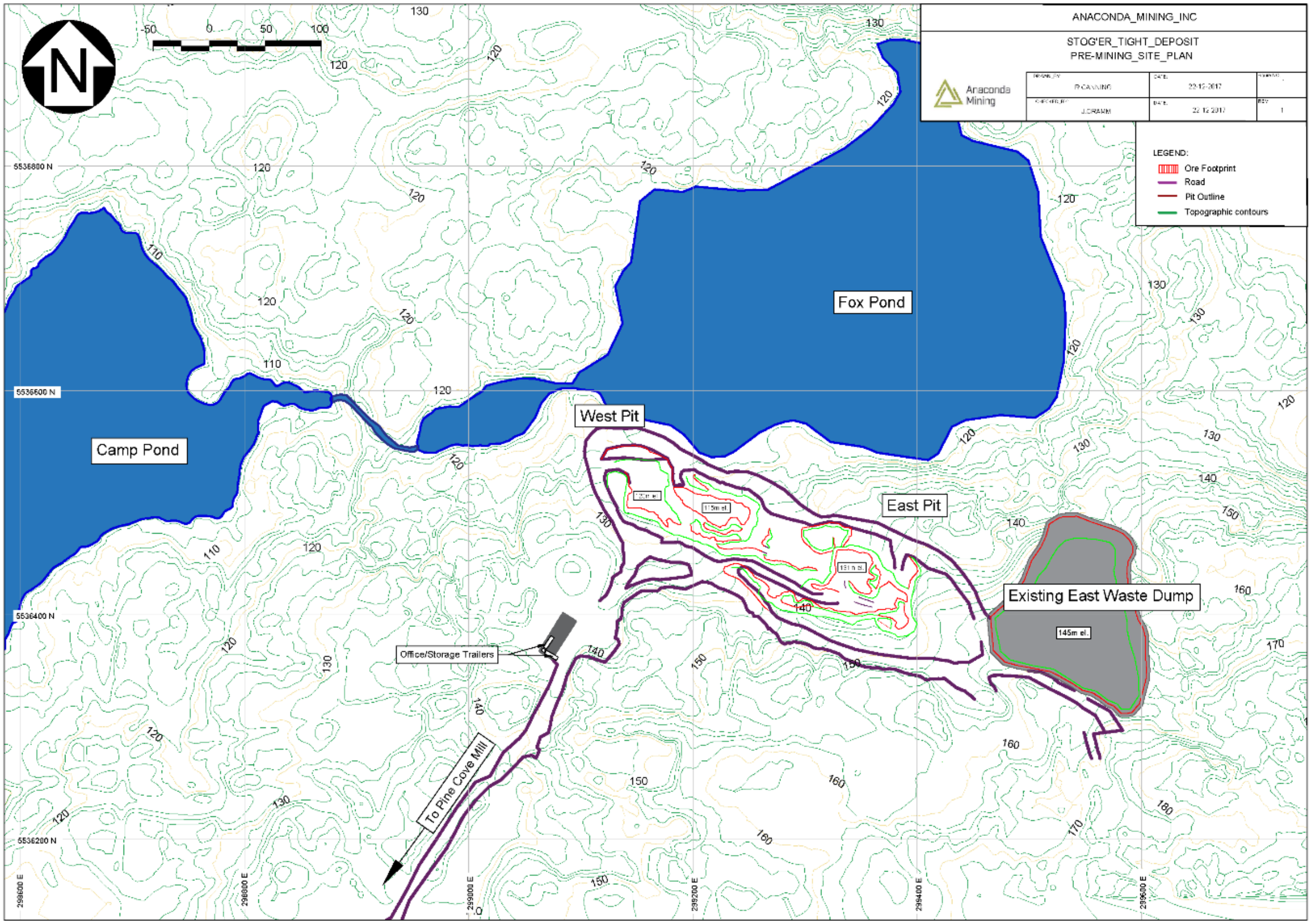

Figure 85: Stog'er Tight Site Plan – January 2018.

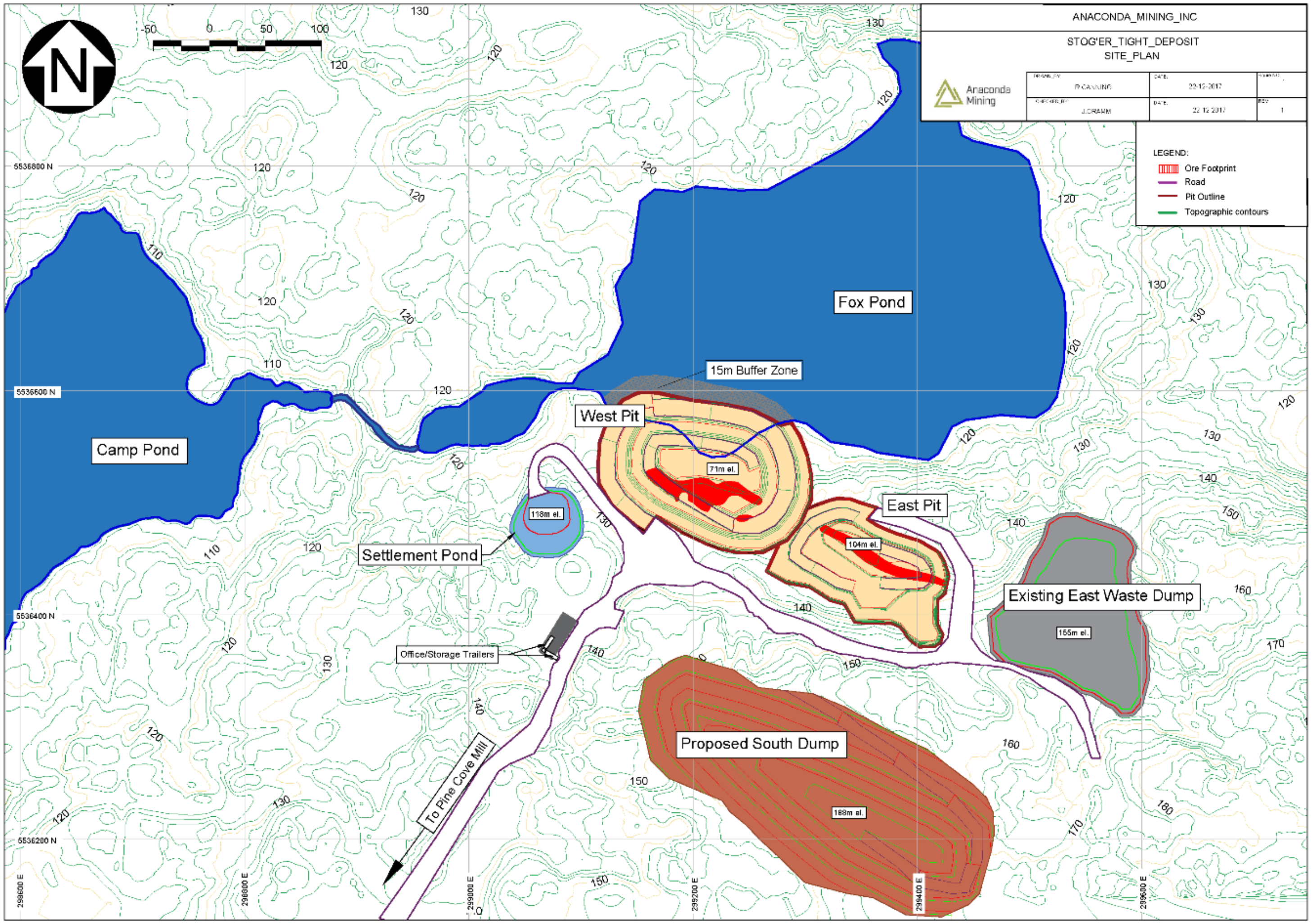

Figure 86: Stog'er Tight Projected End of Mine Plan Q2 2019.

16.2.2 Stockpiles

The mining operation at Stog'er Tight will stockpile the ore on the Stog'er Tight property initially. A separate activity will transport ore from Stog'er Tight to Pine Cove mill for processing. This material will be stockpiled in the same location as the current Pine Cove ore.

16.2.3 Waste Rock and Overburden Piles

Previous mining on the Stog'er Tight Property has seen waste rock stored to the east of the proposed open pit area. Both previous operators, Ming Minerals and Tenacity, have utilized this area. Ming Minerals placed approximately 135,000 tonnes of waste rock during their 1996/97 operations, while Tenacity added approximately 12,400 tonnes of material in its 2010 campaign.

Figure 72 depicts the locations of the overburden and waste rock storage areas. During 2015/2016 test mining Anaconda has mined 39,121 tonnes of waste which were stored on the East Dump.

Anaconda has estimated a total of 10,325 cubic meters of material will be stripped in preparation for the South Waste Rock Storage Area. The depth of overburden that will be stripped was estimated to be 0.15 m. The original plan would have seen waste rock from the West Pit being hauled to the existing area that was previously used by Ming Minerals and Tenacity. This area has been identified as the East Waste Rock Storage Area and has an expected remaining capacity of 370,000 tonnes and will be filled to its capacity. An area to the South of the West Pit has been proposed as an additional waste rock storage area. This area has been identified as the South Waste Rock Storage Area and has a total estimated capacity of 1,220,000 tonnes. The original plan saw the South Waste Rock Storage Area holding approximately 571,000 tonnes from the West Pit and 470,000 tonnes from the East Pit.

Anaconda is now planning on storing all of the waste rock from the West Pit on the South Waste Dump as it will optimize mining and haulage profiles. Backfilling the West Pit with waste from the East Pits was approved by DFO.

An area South-East of the East Waste Rock Storage Area has been designated for overburden and organics storage. Organics will be kept at the southern end of the overburden dump for easy access during rehabilitation. Additionally, there is overburden stored South-East of the East Waste Dump from previous mining activity. No organics were stored separately from previous mining activity. Tables 53 and 54 below outline the expected waste rock tonnages being hauled out during mining operations and the capacities of each storage area. It should be noted that a broken rock density of 2.1 tonnes per cubic meter has been used to estimate the capacities and that the current plan is subject to the change in accordance to results from the condemnation drilling program for the South Waste Dump Area. The East Waste Dump can be expanded if the South Waste Rock Storage Area cannot be condemned.

Table 53: Waste Rock Storage Area Capacities.

Storage Area	Capacity
East Dump	370,856 tonnes
South Dump	1,220,255 tonnes
East Pit	400,044 tonnes
Total	**1,991,155 tonnes**

Table 54: Estimated waste rock Tonnages.

Pit	Waste Rock
West Pit	942,091 tonnes
East Pit	469,568 tonnes
Total	**1,411,659 tonnes**

17 RECOVERY METHODS

17.1 PINE COVE MILL

The Pine Cove Mill operates as a grind/flotation circuit followed by leaching. Comminution is via a two-stage crushing plant followed by a 10 ft by 14 ft primary ball mill, which processes an average of 1,340 tonnes per day of ore. Cyclone overflow feeds the flotation circuit, with 3 column cells for roughing, 1 scavenger/staged reactor cell, and one cleaner cell. The concentrator has a flotation circuit which produces a gold-pyrite concentrate that advances to the leach circuit. Mass concentration is typically 2-4%, with a recovery of 92-93%. Flotation concentrate is thickened in a 4.5 m diameter thickener and reground in a 5.5 ft diameter ball mill down to a P80 of 20 microns. Leaching is conducted in a series of four 70 m3, mechanically-agitated leach tanks. Two drum filters and a Merrill-Crowe circuit are used for gold recovery from the pregnant solution.

17.1.1 Pine Cove Mill Flow Sheet

The mill process at the Pine Cove site consists of 6 major systems: crushing, grinding, flotation, leaching, drum filtration, and Merrill Crowe (Table 55 and Figure 87, 88). Ore is fed to the crushing plant via front end loader, where it first enters a jaw crusher. After crushing, a conveyor takes the ore to a screen deck, where the fine material is separated. Oversize ore is recirculated through a cone crusher until it reaches the desired top size of 0.5 inches.

Table 55: Pine Cove Mill Components.

Item	Number
Primary Jaw Crusher	1
Cone Crusher	1
Marcy Ball Mill - Diameter 10.5', Length 15'	1
Flotation Columns – Diameter 1.52 m, Height 3.85 m	4
Regrind Mill – Diameter 2.1 m Length 3.65 m	1
Thickener – Diameter 7.7 m	1
Leach Tanks – 4.6 m	4
Drum Filters – 22 m^2	2
Clarifier – Length 5.5 m, Width 2.4 m, Height 1.5 m	1
Merrill-Crowe Unit	1
Plate and Frame Filter – 21.2 m^2	1
Refining Furnace	1
Miscellaneous – Screens, Filters, Pumps, Reagent Addition System, 2- Belt Conveyors	

Ore from the crushed stockpile is then fed to the primary ball mill via conveyor belt, and typically averages 1.5 to 2.0 g/t gold. The ball mill is charged with 3 inch and 3.5 inch balls, and grinds material to a K80 of 150 micron. Material from the ball mill is pumped through a cyclone, where liberated material is fed into the flotation circuit via an overflow. Any coarse material is returned to the ball mill.

The flotation circuit at Pine Cove utilizes 3 rougher columns, 1 cleaner column, and 1 scavenger cell. PAX and Maxgold are introduced to the circuit as collectors, and MIBC as a frothing agent. Overflow material is sent to a thickener tank, typically at concentrations of 75-100 g/t gold. Tailings from the flotation circuit are pumped to the tailings pond via the final tailings pump. Flocculent is added to the thickener tank to increase the density of the slurry from 1300 kg/m^3 to 1600 kg/m^3.

The underflow from the thickener tank is pumped to a regrind mill, to further liberate the gold particles in preparation for the leaching process. The regrind mill is filled with half inch balls, and grinds material to a K80 of less than 20 micron. The discharge of the regrind mill is fed to the leaching circuit, which consists of 4 large tanks, where cyanide solution, lime, and lead nitrate are added. Leaching takes 36 hours on average, and yields upwards of 97% recovery of gold. Solution from the leach circuit is pumped to a series of rotary drum filters, which separate the solution containing the high-grade gold from the solid leached tailings. The Leach Plant includes an Inco SO2/Air type cyanide detoxification circuit which treats the slurry prior to its discharge to the tailings management facility.

From the drums the pregnant solution is sent to a series of holding tanks, before eventually entering the Merrill Crowe tower. Zinc dust is added to the tower to precipitate the gold, which is then collected in a filter press. Tailings from the press are sent to the final tailings. Once a week, the press is opened to remove the solid gold so that it can be refined into a doré bar. Table 56 outlines mill statistics up to FY2016

The Pine Cove milling complex has a fully-permitted tailings impoundment facility consisting of both a tailings and polishing pond. The existing tailings facilities have been engineered with rock-fill embankments. The upstream face consists of a till layer and 60mm HDPE liner. Tailings are deposited into the tailings pond in the form of a slurry with a 1.30 T/m^3 settled dry density (Stantec, 2010). A decant structure allows for water to be discharged from the tailings pond to the polishing pond, and from the polishing pond to the final discharge point into the Pine Cove Brook.

The initial tailings facility was expanded in 2014/2015 to an elevation of 103 m, extending the facility life until the fall of 2016 when the tailings were redirected to Tailings facility II ('TSF2') which was constructed above existing Polishing Pond. New Polishing Pond II ('PP2') construction was completed in the spring of 2016 to facilitate decommissioning of the existing Polishing Pond and construction of the new Tailings Facility II above it. Refer to Figure 70 and Figure 71 for existing tailings dam and polishing ponds locations. The geotechnical engineering firm Knight-Piesold at the Company's request have prepared plans and construction designs for 2014/2015 Tailings I (Knight-Piesold, 2014) and 2015 Tailings II and New Polishing Pond expansion (Knight-Piesold, 2015). Knight-Piesold conducted construction monitoring and reporting for Tailings I expansion (Knight-Piesold, 2015), construction monitoring of New Polishing Pond II (PP 2) and new Tailings facility II (TSF 2). Tailings II expansion (TSF 2) was completed in the fall of 2016. Once capacity is reached in the Tailings II pond, tailings will then be re-directed into the pit, where approvals were received in Q4 of 2017. It is estimated that the pit can hold approximately 4,363,000 m3 of tailings, which will allow Anaconda to operate for approximately 13 years at the mill throughput of 1,280 tpd.

Table 56: Yearly Mill Statistics Fiscal 2012 through First Quarter Fiscal 2016, Pine Cove Mill.

Mill Stats	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 (June - December 2017)
Availability	85%	88%	88%	92%	94%	95%	98%
Tonnes processed	286,139	287,747	304,696	343,178	387,694	1,224	275,640
Throughput (t/24-hour)	925	891	946	1,022	1,135	1,224	1,316
Head grade (g/t)	1.81	1.99	1.83	1.72	1.50	1.32	1.32
Overall mill recovery	80%	83%	83%	84%	85%	85%	86%
Cost per tonne processed	$17.88	$21.33	$23.52	$22.59	$18.65	$19.08	$18.73

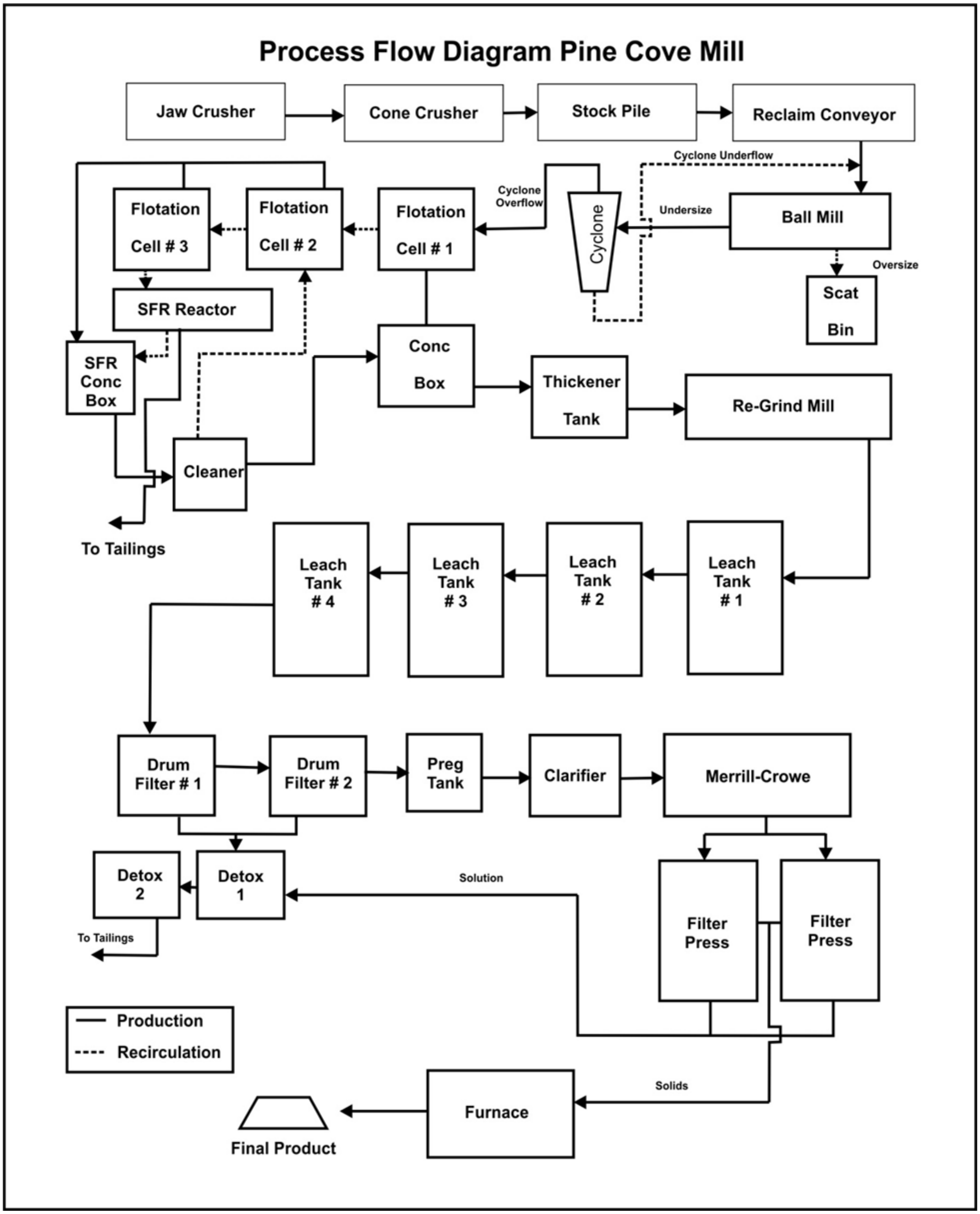

Figure 87: Process Flow Sheet for the Pine Cove Milling Operation.

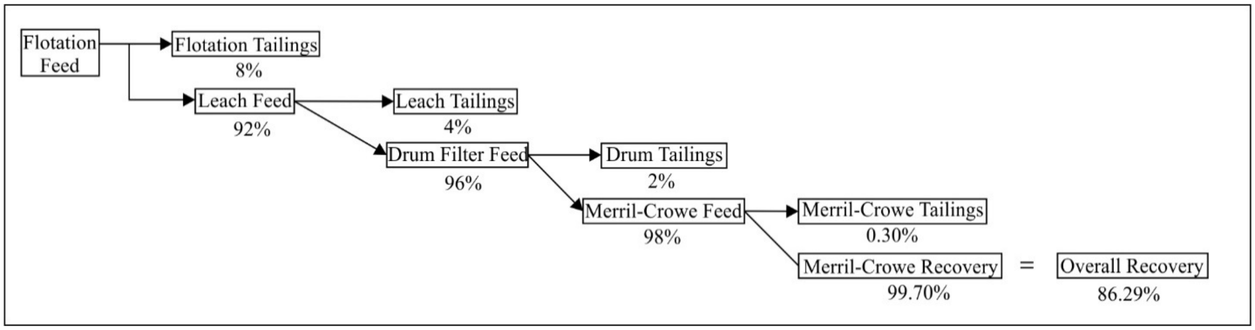

Figure 88: Mill Recovery Flow Sheet.

18 PROJECT INFRASTRUCTURE

18.1 PINE COVE MINE AND MILL

The following is a listing of infrastructure present at the Pine Cove Mine and mill complex and illustrated on Figure 89:

Access

- 5.5 km long all-weather gravel road that links the mine with the Ming's Bight Highway (Route 418)
- Mine roads/ramp, maintained by Bailey
- Access roads to Romeo & Juliet and Anoroc

Administration Buildings (Plate 14))

- Administration office – wooden building with pitched roof
- Engineering and Geology – modified trailer with pitched roof
- Emergency Response Building – modified trailer
- Mine Dry – modified trailer with pitched roof

Exploration

- Core logging building and core storage racks

Mill

- Mill Building – steel building (includes laboratory) (Plate 15)
- Reagent Storage – wooden building (Figures)
- Warehouse – 3 modified Sea Can Containers (Plate 16)
- Primary Crusher – enclosed (Plate 15)
- Onsite assay lab
- Mill reclaim pump and 6" HDPE pipeline system running from the Polishing Pond to the Pine Cove mill

Mine

- Standard open pit operation with 15 m wide ramp
- Waste Dumps (Reclaimed West Dump, South Dump and North Dump)
- Tailings Ponds TSF 1 and TSF2 (Phase I) – with geomembrane lined waste rock embankment
- Polishing Pond
- Run of the Mine Ore Pad and Ore Stockpiles (Including Marginal Piles)
- Topsoil Stockpiles
- Open pit dewatering system

Mine Contractor

- Garage – steel building (Plate 17)
- Office – modified trailer
- Aggregate Crusher
- Maintenance Shop – Crusher Area
- Ship loading Office
- Ship loading Conveyance System

Power

- 25 kV three-phase power line connected to the provincial power grid – the mill consumes 900,000 kW hours per month on average
- 150 KW/600 V through on-site generators for essential power to the plant for sanitary/minimum equipment operations

Water Supply

- Pine Cove Pond water supply. The mill consumes an average of 70-80 m^3 of water per hour

Port

- Causeway and Timber Cribs
- Barge offloading Facility
- Access Road and Laydown

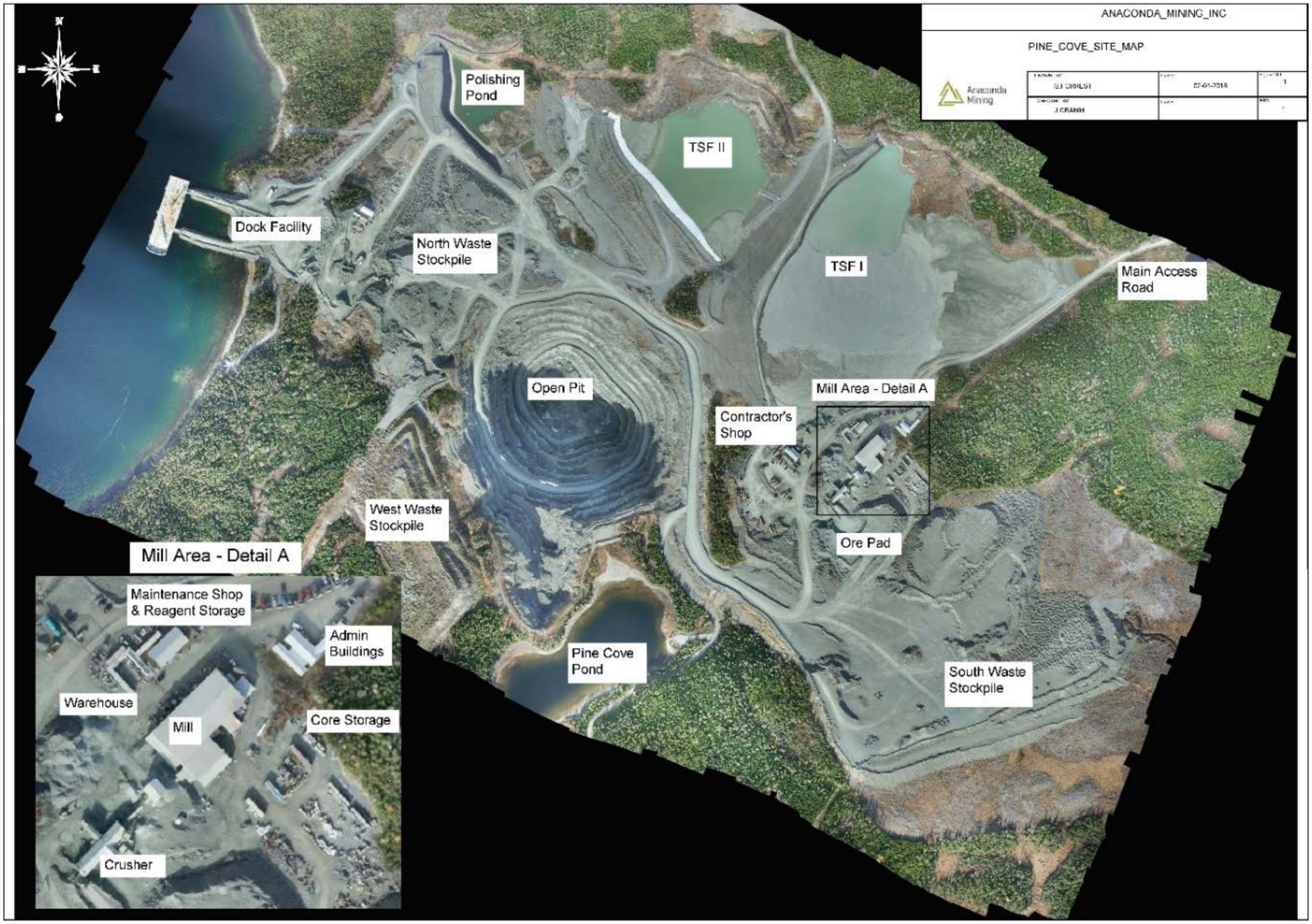

Figure 89: Plan of Pine Cove Mine and Mill Infrastructure.

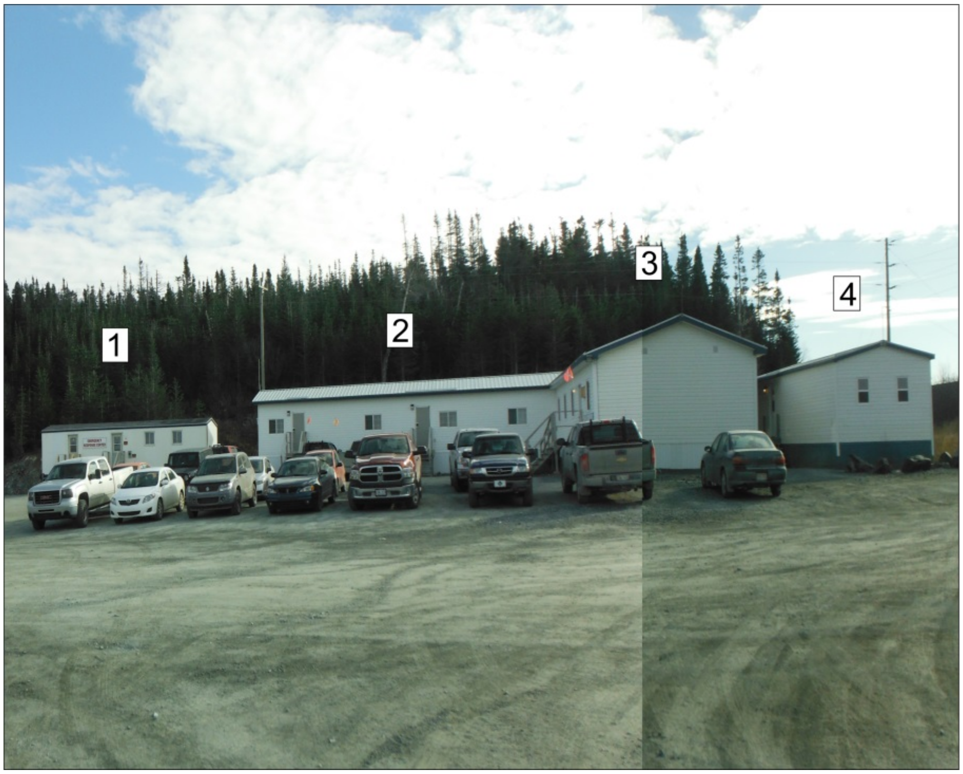

Plate 14: Pine Cove Mine Administration Buildings 1) Emergency Response, 2) Engineering and Geology, 3) Administration, and 4) Mine Dry

Plate 15: Primary Crusher, Mill and Ore Pad, Looking North from South Waste Dump

Plate 16: Warehouse and Reagent Storage Area

Plate 17: Mine Contractor's Garage and Warehouse

Figure 90: Stog'er Tight Infrastructure.

18.2 STOG'ER TIGHT

The following is a listing of infrastructure present or available at Stog'er Tight (Figure 90);

Stog'er Tight

- Road access to Pine Cove Mill
- Water Supply (Fox Pond)
- Ramps and waste rock storage
- 25 kV three-phase power line
- Office Trailer
- Core Logging Facility
- Electrical MCC

19 MARKET STUDIES AND CONTRACTS

19.1 MARKET FOR THE PRODUCT

The Company has not completed any formal marketing studies with respect to gold production from the Point Rousse Project. Gold doré bars produced at the Pine Cove Mill are shipped to a third-party refinery to refine into saleable gold bullion.

Gold production is generally sold at spot market rates by precious metals marketing professionals retained on behalf of Anaconda. Terms and conditions included as part of the sales contracts are typical of similar contracts for the sale of gold bullion.

There are many markets in the world where gold is bought and sold and it is not difficult to obtain a market price at any particular time. The gold market is very liquid with a large number of well-informed potential buyers and sellers active at any given time.

The QP has reviewed contract with the refiner and he is satisfied that the contract reflects industry norms and reasonable market terms for selling gold production.

19.2 MATERIAL CONTRACTS

Mining operations at the Point Rouse Project employ established local contractors with documented experience with the Project. Drilling and blasting is performed by NL Hard Rok Ltd., and load, haul and dump activities are undertaken by Guy J. Bailey Contractors Ltd. These key contractors possess the necessary equipment, well trained personnel, and appropriate replacement part inventory to ensure continuity of the mine operation.

Gold doré bars are shipped by Brinks to the Canadian Mint, and cost assumptions used in this Report are based on the existing contracts with those parties. These contracts were subject to a recent tender process and are continuously reviewed against other market participations, consequently the terms and conditions are consistent with industry standards.

Anaconda may enter into contracts for forward sales of gold or prepayments of gold, and other similar contracts, under terms and conditions that would be typical of, and consistent with, normal practices within the industry in Canada and in many other gold-producing countries.

20 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

Anaconda is fully committed to environmentally responsible development. The Company has a "Corporate Environmental Policy" that guides the action of the Company, its employees and contractors. The policy is regularly monitored for compliance with appropriate reviews to ensure effective implementation.

Anaconda's exploration, development and mining activities are subject to laws and regulations governing environmental protection, employee health and safety, waste disposal, remediation of environmental sites, reclamation, mine safety, control of toxic substances and other matters. Compliance with applicable laws and regulation requires forethought and diligence in the conduct of the Company's activities.

To conduct mineral exploration within the Province of Newfoundland and Labrador exploration companies must first be registered with the Registry of Companies as per the Corporations Act. At a minimum the Company's senior geologist and engineer are obligated to be registered with the Newfoundland and Labrador Professional Engineers and Geoscientists as per the Engineers and Geoscientists Act.

All exploration activities are governed by the provincial Mining Act. Prior to beginning exploration the proponent must acquire a mineral exploration licence (either through online map staking or through an option or joint-venture agreement) covering the area to be explored. A licence gives the licensee the exclusive rights to explore for minerals in, on or under the area of land described under the licence. A licence is for a term of 5 years and can be renewed for a maximum of 20 years. The licensee is required to submit yearly assessment reports detailing exploration activities, results and expenditures in order to maintain the licence in good standing.

Prior to conducting exploration work the proponent must apply for an Exploration Approval. All proposed exploration activities such as prospecting, geological-mapping, geophysical surveys, trenching and diamond-drilling, require that the proponent has a valid Exploration Approval from the Department of Natural Resources. As part of the approval process the application is referred to the various government departments and agencies and municipalities for comment.

This application process may trigger other permits. Clearing of timber requires a Cutting Permit from the Forestry and Agrifoods Agency. During cutting, appropriate buffers must be left adjacent to water bodies. If the exploration activities are to take place within designated sensitive areas or if they will involve road construction or bulk sampling registration for environmental assessment may be required. Depending upon the outcome, a full environmental assessment may be required. A Water Use Permit (as per the Water Resources Act) is required for drilling and trenching programs or if exploration will take place within Protected Water Supply areas. Proposed stream crossings require approval from both, the Water Resources Division, Provincial Department of Environment and Labour and the Federal Department of Fisheries and Oceans. Exploration activities must adhere to the Occupational Health and Safety Act.

Once an exploration project has advanced to the development stage the proponent must obtain a mining lease which gives the lessee exclusive rights to develop and mine minerals in, on or under the land covered by the lease. To develop the property the project operator must also obtain the surface rights, including right-of-way, sufficient to hold mine and related infrastructure.

Before development can proceed the project must be registered for environmental assessment as per the Environmental Protection Act and the Environmental Assessment Regulations. Also under the Mining Act the proponent must file a Development Plan, a Rehabilitation and Closure Plan and provide financial assurance for rehabilitation and closure. They are also required to file annual reports on operations. A licence is also required if a mill is to be operated. A certificate of Approval is required to build and operate the mine as per the Environmental Protection Act.

The construction and maintenance of tailings dams and other water-control structures are governed by the Water Resources Act. All development and mining activities must adhere to the Occupational Health and Safety Act. Provincial taxes and royalties and tax credits related to the mining sector are covered under the Revenue Administration Act.

20.1 PINE COVE MINE ENVIRONMENTAL STUDIES, PERMITTING

In 2006, Anaconda proposed to develop the Pine Cove Mine. The project was registered, as per the Newfoundland and Labrador Environmental Protection Act and Regulations, and released from further studies. The: "*Pine Cove Property Development Plan: Submission under M15.1 of the Mining Act, Province of Newfoundland and Labrador";* and "*Pine Cove Property Rehabilitation and Closure Plan: Submission under M15.1 of the Mining Act, Province of Newfoundland and Labrador*, both prepared by Jacques Whitford Ltd (Jacques Whitford Ltd., 2006; Powell, 2006) were submitted to and accepted by the Department of Natural Resources. The mine and mill have been in operation since 2008 and all permits, authorizations and approvals are in good standing.

Environmental monitoring at Pine Cove is regulated by Environment Canada and the provincial Department of Environment and Conservation. Environment Canada's Metal Mining Effluent Regulations are applicable to all mines throughout Canada and cover all phases of an operation from pre-production to closure. The provincial regulations are in the form of a "Certificate of Approval" which can be specific to the operation and maybe revised if changes in operational activities occur.

At Pine Cove extensive base-line environmental assessment data was collected prior to the start of mining. Anaconda has implemented a comprehensive environmental monitoring program as part of its mine-life cycle which includes:

- Deleterious Substance monitoring;
- Acute Lethality Testing;
- Environmental Effects Monitoring;

- Sub-Lethal Toxicity Testing; and
- Biological Monitoring.

Sampling is conducted at regular intervals from mine-site wide monitoring stations. Samples are analyzed externally at accredited laboratories. The data is routinely uploaded to Environment Canada's website "The Regulatory Information Submission System (RISS)" which monitors for potential environmental impacts that could be linked to the mining operation. Detailed monthly reports are also submitted to the Department of Environment and Conservation.

The Company disrupted and removed part of the Pine Cove Brook and the entire Pasture Pond to accommodate mining activities in 2009. This activity was classified as HADD (Harmful Alteration, Disruption or Destruction) of a fish habitat. As a part of the compensation/off-setting package, Anaconda has now replaced the decommissioned part of the Pine Cove Brook and has built the new Pasture Pond. The Company completed three years of compensation habitat monitoring of the compensation brook by the end of 2012 (Gray, 2012). Pasture Pond compensation work was completed in the summer of 2013. Due to changes to the Fisheries Act, it was determined that this historic work, undertaking or activity did not result in serious harm to fish that are part of a commercial, recreational or Aboriginal fishery, or to fish that support such a fishery. Therefore, a Fisheries Act Authorization was no longer required for the work, undertaking or activity, and Anaconda's current Authorization has been suspended. This determination applies to all aspects of the Authorization including the need for habitat compensation/off-setting and monitoring.

In the spring of 2014, the Company received approvals to expand its South Mill Waste Rock Dump to east of the previously-approved South Mill Dump Phase I and into the Phase II Dump. The Waste dump design was prepared by Knight-Piesold following site investigation in the fall of 2013 (Knight-Piesold, 2013).

Also in spring of 2014, Anaconda proposed to move ahead with a 5 m downstream rise/expansion of its Phase I Tailings, from an elevation of 98 to 103. This proposal was approved in late spring of 2015 when construction on the expansion commenced. This work has been performed under the supervision of Knight-Piesold, a geotechnical engineering firm who prepared the designs and construction drawings (Knight-Piesold, 2014). These new dump and tailings developments necessitated revision of both the operating and rehabilitation and closure plans. The revised "*Rehabilitation and Closure Plan November 2014 Revision* (Slepcev, 2014).

In late winter/early spring of 2015, Anaconda initiated approvals to begin construction of the North Waste Dump. The dump, which is located northwest of the existing Pine Cove pit was approved in the summer of 2015. The convenience of the short haul is used to move increased waste quantities on the east side of the open pit during the final wall pushback and to expose the ore deeper in the pit.

In the summer of 2015, Anaconda applied for permits to further expand its tailings and polishing ponds as the 2014 expansion provided for mill tailings storage until the fall of 2016. Geotechnical engineering firm Knight-Piesold have prepared the construction designs for new expansions which feature a New Polishing Pond west of the existing Polishing Pond and Tailings Facility II being built above the existing Polishing Pond once the New Polishing Pond is constructed and functional (Knight-Piesold, 2015). This new construction is impacting local waterbodies including part of the Pine Cove Brook and its Tributary 1. Refer to Figure 83 for details. The Company has obtained all necessary permits to reroute the Tributary 1 and keep the water flowing to the lower section of the Pine Cove Creek and away from the proposed construction zone. The permits to relocate the brook were received from the Department of Fisheries and Oceans and from the Department of the Environment and Conservation in late summer 2015. Impacted sections were surveyed by a qualified biologist from Sikumiut Environmental Management, who supervised the fish relocation to the Pine Cove Pond in September of 2015. The permits for the New Polishing Pond II construction were received from Department of Natural Resources in October of 2015 when the work to construct this facility began finishing in spring of 2016. Anaconda finished Tailings II expansion, by end of December 2016. Refer to Figure 82 and Figure 83 for existing and future tailings dam and polishing pond locations.

These developments above resulted in a revision of both the operating and rehabilitation and closure plans. The document, *"Rehabilitation and Closure Plan, November 2016 Revision"* (Slepcev, 2016) was submitted to reflect the changes in waste rock and tailings storage.

In December 2016, Anaconda submitted a proposal to permit the Pine Cove open pit as a tailings facility upon completion. This proposal resulted in an amendment to the Development, Rehabilitation and Closure plan by which the slurry tailings will be pumped into the open pit, and the tailings will settle to the bottom and supernatant water accumulating above the solids will be reclaimed and used in the process plant. In-pit tailings disposal offers a number of advantages over conventional surface impoundments:

- The long-term risks associated with in-pit tailings disposal are reduced compared to on-land tailings disposal in a conventional engineered embankment.
- Maintenance of a water cover over the tailings to manage acid rock drainage (ARD) potential is likely more easily achieved in the Pine Cove Pit, compared to an on-land tailings facility.
- Use of the exhausted Pine Cove Pit will extend the useful life of the Point Rousse Project and increase the long term stability of the pit.

Upon submission of the revised plans in May, approval for the in-pit tailings facility was received in August 2017. This approval was for the storage of tailings generated projects currently approved under the existing mill license. Any future processing of material not currently permitted for processing at the Pine Cove mill will have to undergo the necessary due-diligence prior to Deposition.

The Company has completed ARD tests on the Pine Cove tailings in 2015. A total of six samples were collected from the tailings facility and sent to the RPC laboratory in New Brunswick for Acid Drainage Testing. All tests were negative proving that Pine Cove ore tailings are not acid generating (RPC, 2015) thus not posing any harm to the environment. Ores from Stog'er Tight may be exhibiting acid generating characteristic requiring sub-aqueous disposal in Pine Cove pit tailings facility. ARD testing in 2010, 2015 and 2017 has shown that waste doesn't show any ARD characteristics and it is safe to store on designated waste dumps.

A final Rehabilitation and Closure Plan is being submitted in Q1, 2018. This plan is in accordance to the Provincial Mining Act which states that the Rehabilitation and closure plan must be reviewed 2 years before the operation is complete. The recent submission will update the plans as per the most recent changes which include the dock area and the in-pit tailings. This plan sets out the measures to be taken to restore the property as close as reasonably possible to its former condition or to an alternate use or condition that is considered appropriate and acceptable by the Department of Natural Resources. The plan covers: physical and chemical stability, natural aesthetic requirements, revegetation and wildlife, water management, air quality, noise levels and long term land use. There are three stages of rehabilitation that occur over the life of a mine:

1. Progressive rehabilitation – carried out during the mining stage;
2. Closure rehabilitation – carried out post mining stage; and
3. Post-closure monitoring and treatment.

Progressive rehabilitation will include, but not limited to the following:

- Rehabilitation of any construction-related laydown areas;
- Rehabilitation of the Waste Rock Pile benches;
- Development and implementation of an integrated Waste Management Plan;
- Rehabilitation of the Phase 1 Tailings Impoundment area;

Berm construction around the pit perimeter

Mining will involve a comprehensive environmental monitoring program that will help monitor the progressive rehabilitation program and the help update or revise the overall Rehabilitation and Closure Plan. A final review of the Rehabilitation and Closure program will take place once the mine closure schedule is known, generally about twelve months prior to closure.

Once mine operations have ceased, closure rehabilitation activities will commence as per the 'final' Rehabilitation and Closure Plan. Closure rehabilitation will generally include:

- Dismantling and removal/disposal of all buildings and surface infrastructure. The rehabilitation and closure assumes that all surface buildings and infrastructure to be demolished or removed have been cleaned of process materials and after all potentially hazardous material have been removed.
- Material and equipment with salvage value will be removed and sold for its value. This expected salvage value will not be used to reduce the decommissioning cost estimate. Equipment and demolition debris with no marketable value will be disposed of in a manner consistent with the disposal of other building demolisher waste.
- Waste rock will be used as a borrow supply for tailings cover.

- Rehabilitation and stabilization of remaining waste rock areas by grading and contouring to a stable slope angle to reduce erosion and sedimentation. The waste rock will subsequently be covered with a soil cap and revegetated.
- The Tailings Impoundment will be graded as required and covered with a layer of waste rock to stabilize the surface and minimize dust generation. “Vegetation islands” will be placed around the Tailings Impoundment area to promote natural accumulation of organic surface soils and natural seeding and re-vegetation.
- The Open Pit will be allowed to flood, creating a small lake with a final water surface elevation at approximately 48 m elevation, geodetic datum (5048 m mine datum). Pit benches above and just below the final water surface will be graded and contoured for safety and access.
- Effluent treatment ponds will be drained and the dams will be graded and contoured to blend with the existing topography.
- In general, site drainage patterns will be re-established, as near as practical, to natural, pre-development conditions. This includes re-establishment of Pine Cove Brook from Pine Cove Pond to the undisturbed section of the brook below the Polishing Pond.
- Grading and/or scarification of disturbed areas to promote natural revegetation, or the placement and grading of overburden for revegetation in areas where natural revegetation is not sufficiently rapid to control erosion and sedimentation.
- Attending to any special rehabilitation requirements associated with the site such as removal of culverts and power lines, and infilling of any drainage or diversion ditches which are no longer required.

The estimated cost to complete the Pine Cove Mine rehabilitation and closure is $2.5 million. It is anticipated that a five year, post-closure monitoring program will be needed to meet the rehabilitation requirements. Year 1 will see most of the active decommissioning of the mine site infrastructure. Years 2 and 3 of the post closure period will deal with monitoring of the site to ensure the effectiveness of the rehabilitation measures. Years 4 and 5 will focus on the environmental and water quality monitoring. If instabilities in the physical or chemical aspects of the rehabilitation work then the monitoring program will be extended.

20.2 STOG’ER TIGHT ENVIRONMENTAL STUDIES, PERMITTING

20.2.1 Approvals and Environment

All approvals, certificates and permits have been received to conduct planned mining activities at Stog’er Tight. Table 57 outlined these approvals, certificates and permits.

The environmental assessment approval is based on documents submitted to the Minister of Environment, Department of Environment, NL. In part the environmental assessment registration document was based on a previous environmental assessment work conducted by a previous operator (Tenacity), which included a similar scope to Anacondas mining plans. The Anaconda was released from further environmental assessment registration in the spring of, 2017 while updates to Development, Rehabilitation and Closure plan have been accepted in December of 2017.

The Stog'er Tight mine plan includes an encroachment on Fox Pond by the West Pit. In order to develop the West Pit, Anaconda will temporarily decrease water levels in Fox Pond from the current water elevation of 114 metres above sea level ("ASL") down to 111 metres during mining operations. Water levels will resume to normal levels once the mining operation cease.

A study of fish and habitat concluded that Fox Pond and its tributaries are fish habitat and are inhabited by Brook Trout. To minimize impact on habitat and fish, a temporary pumping system will allow the water level down to draw down to the 111m elevation during the mining activity, but maintain the Fox Pond outflow to its tributaries downstream.

Table 57: Fox Pond Dewatering approvals and permits.

Approvals/Certificate/Permits	Regulatory Authority
NL Environmental Assessment Registration	NL Department of Environment and Conservation, Environmental Assessment Division
Fish Habitat Approval	Fisheries and Oceans Canada, Habitat Protection Division
Application to Alter a Body of Water	NL Department of Environment and Conservation, Water Resources Division
Navigable Waters Protection Approval	Transport Canada
Surface Lease	NL Department of Natural Resources, Minerals Lands Division

20.2.2 Mine Closure, Remediation and Reclamation and Costs

Closure rehabilitation, carried out once mining operations have ceased, includes all activities required to fully restore or reclaim the property as close as is reasonably possible to its former condition or to an approved alternate condition. This would include removal of site infrastructure, re-vegetation and all other activities required to achieve the requirements and goals detailed in this Rehabilitation and Closure Plan.

Anaconda will implement progressive rehabilitation where possible during the development and operation of the mine site. Progressive rehabilitation has been carried out on the Pine Cove Mine site, and has proved to not only help with the aesthetics of the site, but also helps to mitigate potential issues such as dust and contaminated water run-off. The steps carried out in conjunction with the development and mining of the Stog'er Tight open pits will include the following:

- Terrain, soil and vegetation disturbances will be limited to that which is absolutely necessary to complete the work within the defined project boundaries;
- Overburden and excavated waste rock will be stockpiled separately in the existing storage areas on site and reserved for later rehabilitation work;

- The overburden stockpile will be temporary and used for progressive and closure rehabilitation. This material will consist of roots, stumps, vegetation mat and the B soil horizon;
- Areas for waste rock storage will be grubbed as needed, and material will also be stockpiled within the footprints to be utilized in the respective waste rock storage areas.
- Waste rock will be progressively placed in sections and vertical tiers with benching. As the pile rises in elevation, organic materials will be placed on the previous bench, to promote revegetation;
- The dyke constructed at the Fox Pond outlet will be removed once backfilling the West Pit has ceased to re-establish the natural flow and water elevation of the pond.
- Natural revegetation of surface disturbances will be encouraged and active revegetation will be pursued where this is deemed critical and where terrain and soil conditions permit; and
- A waste management plan will be implemented to address all forms of waste and to minimize storage of waste materials at the site.

Upon completion of mining activities at Stog'er Tight the following activities will be carried out;

- Dismantling and removal/disposal of all buildings and surface infrastructure. The rehabilitation and closure assumes that all surface buildings and infrastructure to be demolished or removed have been cleaned of process materials and after all potentially hazardous material have been removed.
- Material and equipment with salvage value will be removed and sold for its value. This expected salvage value will not be used to reduce the decommissioning cost estimate. Equipment and demolition debris with no marketable value will be disposed of in a manner consistent with the disposal of other building demolisher waste.
- Rehabilitation and stabilization of remaining waste rock areas by grading and contouring to a stable slope angle to reduce erosion and sedimentation. The waste rock will subsequently be covered with a soil cap and revegetated.
- The Open Pits will be allowed to flood. Areas at the flooded perimeter, near the entrance ramp and at the south end of the pit, will be sloped above and below the water line to allow entry and egress from the flooded pits. The west pit will become part of the Fox Pond.
- In general, site drainage patterns will be re-established, as near as practical, to natural, pre-development conditions. This includes re-establishment of Pine Cove Brook from Pine Cove Pond to the undisturbed section of the brook below the Polishing Pond.
- Grading and/or scarification of disturbed areas to promote natural revegetation, or the placement and grading of overburden for revegetation in areas where natural revegetation is not sufficiently rapid to control erosion and sedimentation.
- Attending to any special rehabilitation requirements associated with the site such as removal of culverts and power lines, and infilling of any drainage or diversion ditches which are no longer required.

The estimated cost to complete the Stog'er Tight Mine rehabilitation and closure is $139,984. It is anticipated that a five-year, post-closure monitoring program will be needed to meet the rehabilitation requirements. Year 1 will see most of the active decommissioning of the mine site infrastructure. Years 2 and 3 of the post closure period will deal with monitoring of the site to ensure the effectiveness of the rehabilitation measures. Years 4 and 5 will focus on the environmental and water quality monitoring. If instabilities in the physical or chemical aspects of the rehabilitation work then the monitoring program will be extended.

20.3 ARGYLE ENVIRONMENAL STUDIES AND PERMITTING

Anaconda intends on developing the Argyle Property, completing mining activities and processing the material at the Pine Cove Mill if the internal feasibility study shows positive economics.

To Date, Exploration approvals have been granted covering all phases of the Argyle exploration program including trenching, stripping and diamond drilling. Anaconda is currently preparing the Environmental Assessment registration document, which is projected to be submitted in Q1 of 2018. A bulk sample is also planned for Q3, 2018. Table 58 lists the various permits, authorizations or approvals required to carry out the bulk sampling program and further development of the Argyle property.

Table 58: List of Permits, Authorizations and Approvals Required Prior to Mining Argyle Deposit.

Permit/Authorization/Approval	Activity	Agency
Department of Natural Resources		
Mining Lease	Mining	Mineral Lands Division
Surface Lease	Mining	Mineral Lands Division
Exploration Approval	Drilling, trenching etc.	Mineral Lands Division
Notice for Planned Mine	Mining	Mineral Development Division
Development and Operational Plan	Mining, Milling	Mineral Development Division
Reclamation and Closure Plan	Mining	Mineral Development Division
Financial Assurance	Reclamation & Closure	Mineral Development Division
Department of Environment and Conservation		
Release from Environmental Registration	Mining	Environmental Assessment Division
Certificate of Approval for Site Drainage	Water run-off	Water Resources Division
Water Use Authorizations	Fox Pond water supply	Water Resources Division
Certificate of Approval	Temporary AGM (ARD) rock storage	Pollution Prevention Division
Environmental Protection Plan	Mining	Pollution Prevention Division
Emergency Response Plan	Mining	Pollution Prevention Division
Environmental Effects Monitoring Plan	Mining	Pollution Prevention Division
Department of Government Services		
Certificate of Approval	Septic Tank	Government Services

Permit of Flammable and Combustible Liquid Storage and Dispensing Mine	Mining	Government Services

As the Argyle project is located within the municipal boundary of the town of Ming's Bight, regular update meeting as scheduled as new information becomes available.

20.4 POINT ROUSSE SOCIAL OR COMMUNITY IMPACT

The Baie Verte Peninsula has 21 communities including Baie Verte and Ming's Bight which are adjacent to the Point Rousse Project. According to a Statistics Canada 2011 survey, the population of the Baie Verte Peninsula was 5,470, with Baie Verte the largest town with a population of 1,370.

The economy of the Baie Verte Peninsula is based primary on mining but also includes resource the forestry and fishing industries. Anaconda Mining Inc., Rambler Mining & Metals, and Guy J Bailey Inc. are significant mining related employers in the Baie Verte region.

20.4.1 Employment

The Point Rousse Project operation is a significant employer in the Baie Verte area. There are presently 102 people working at the mine and mill.

Table 59 provides a breakdown of the job categories and numbers of employees. Anaconda has 67 employees on site and the remainder are employed with contractors Bailey (20), NL Hard- Rok (4). Anaconda also has 5 employees located at its head office in Toronto, ON, 5 full time employees in St. John's, NL and 2 in Goldboro, NS. Most of the employees are from the Baie Verte Peninsula and many reside either in Baie Verte or Ming's Bight.
The Company has also taken a more proactive approach related to training its employees. Initially, the Company only focused on safety training. But, since early 2013, there has been a concerted effort to offer more operator and managerial training. As the Company moves forward, Anaconda will provide a variety of training to improve the skillsets of its workforce through the development of a company-wide initiative called Anaconda University. The Company expects to enhance its training in five key areas - orientation, operations, safety, information technology and management.

For operations training, the Company completed a program with NORCAT, an industry leading mill operations training firm. The program was 16 weeks and included an assessment of mill operators to determine existing level of knowledge, developing standard operating procedures and providing training to supervisory personnel to teach them how to train the operators. Whether it is outsourced or not in the future, Anaconda expects to continue this practice and have an annual training update.

Safety training at the Point Rousse Project must meet all provincial legislation requirements. The day-to-day operation requires that employees are competent in their job tasks. The key to this is well-trained employees that perform their jobs in a safe manner. Training requirements for the site involve courses in Fall Protection, Confined Space Entry, First Aid, Arc Flash, WHMIS, and Medical Oxygen Administration.

At the beginning of fiscal 2014, the Company implemented a five-module computer-based supervisory training course in conjunction with the College of the North Atlantic. In fiscal 2015, all crew leads completed another supervisory course and a "Train the Trainer" course in supervisory skills. The Company expects to continue to make this type of training a regular practice.

Anaconda Mining Inc. employees took part in LEAN training provided by facilitators from the Canadian Manufacturers and Exporters (CME). Employees have found the training to be of great importance and very applicable to everyday mine and mill operations. Training modules were presented by CME facilitators between June 2015 and February 2018. Those included the following:

- LEAN 101
- 5S and Visual Management
- Achieving Results Through People
- Setting KPI's
- Value Stream Mapping
- Kaizen 6 Step
- Employee Engagement
- Team Time
- Continuous Improvement Through Teams
- Productivity
- Kaizen Event Planning
- LEAN and Green

Facilitators from CME included Paul Kaulback, Sharon Dominey, and Dave Gill.

Anaconda is committed to investing more in workforce to improve the overall knowledge base and give it the tools to perform at an optimal level. We plan to do this by creating Anaconda University, an in-house continuing education system for all employees. With assistance from Training Works, an external firm that specializes in workforce training, an evaluation of the workforce had been performed and preparation work was done in anticipation of launching our pilot course by the end of March of 2018.

20.4.2 Employee Retention

Anaconda has a high employee satisfaction and retention. Anaconda has invested and will continue to invest in the education and training of its employees. Its goal is to attract and retain the best quality personnel. To that end, the Company has worked hard at improving its compensation and benefits packages and employee/management communication. Anaconda performs annual reviews of compensation taking into account comparable companies, industry parameters and Company-specific performance.

Communication has improved tremendously with better reporting and moving all field-level personnel on site at the Point Rousse Project. In addition, the Company created an Operations Liaison Committee in the summer of 2013 to facilitate communication between the hourly employees and management and to give the employees a voice in the decision making process for certain issues. The committee is comprised of five hourly employees, the Safety Coordinator, the General Manager of the Point Rousse Project and the CEO.

In fiscal 2015, Anaconda implemented some additional communications tools to further ensure that the entire workforce was aware of the Company's strategy, developments and current events. The Company put up 12 message boards around the Point Rousse Project site (including Bailey's trailer) and the corporate office, displaying key information about production and strategic initiatives. On a monthly basis, the CEO issues a newsletter that is distributed to all employees and a calendar is posted with important dates.

The Company engages in annual workforce satisfaction surveys and uses findings to implement positive changes and improve communication.

Area	Description	Permanent	Casual	Contractors
Mill	Mill Operators	12		
	Supervisors	4		
	Electrician	2		
	Millwright/Welder	5		
	Crusher Operator	4		
	Labourers/Process Helpers	3		
	Labourers/Casuals		3	
	Site Utility	1		
	Mine Labour	2		
	Work Term Student (Temporary)		1	
	Contract Workers/Equipment Operators			20
	Drill & Blast Contractor			4
Admin. & Engineering	General Manager	1		
	Mine Superintendent	1		
	Mill Superintendent (Vacant)	0		
	Process Engineer	1		
	Mill Maintenance	2		
	Manager of Technical Services	1		
	Accountant	1		
	Mining Technical (Engineering/Geology)	6		

	Environmental Coordinator/Lab Supervisor	1		
	Analytical Staff (Lab)	2		
	Warehouse	1		
	Warehouse (Casual)		1	
	Safety/HR Coordinator	1		
	Office Administration	3		
	Mill Foreman	1		
Explor.	Vice President Exploration	1		
	Exploration Manager	1		
	Chief Geologist	1		
	Geologists/Geotechnicians/Database Manager	1		6
	Peter Hourley Janitorial	2		
	Toronto Office	5		
	Vice President Innovation & Development	1		
	Vice President Public Relations	1		
	Grand Totals	67	5	30

Table 59: Breakdown of Employees Working with Anaconda or its Contractors.

20.4.3 Benefit to Local Economy

The economy of the Baie Verte Peninsula has benefitted greatly from the Point Rousse Project. The mine provides year-round well-paying jobs to over 100 employees and most of the workforce lives either in Baie Verte or other nearby communities. Goods and services are acquired locally whenever practical, maintaining the economic benefits throughout Newfoundland and Labrador. On an annual basis, Anaconda spends over $20 million on payroll, contractor costs and other goods and services within the province. The requirements for goods and services will change over time for construction, operations, and post-closure, depending on the phase of the project.

20.4.4 Effect on Local Transportation Infrastructure

The Point Rousse Project has had minimal effect on the local transportation network. The Point Rousse Project access road was upgraded and continues to be maintained.

20.4.5 Community Benefits

Anaconda has contributed significantly to the well-being of the Baie Verte Peninsula area. This has included: an upgrade to the Baie Verte Stadium (a regional recreation facility); upgrades to the regional swimming pool; supporting the Ming's Bight fire department with their purchase of a new fire truck. The Company jointly funded with Rambler and Bailey the purchase of pulmonary testing equipment for the miner's medical program at the Baie Verte Regional Health Centre. The Company funds free swim lessons for children in the region at an annual cost of $10,000 per year. Anaconda regularly donates to various regional sporting events including minor hockey and school sports programs. This year Anaconda donated the signage for the Ming's Bight Memorial Park. Anaconda is an active member of the Baie Verte and Area Chamber of Commerce.

20.4.6 Community Awareness

Anaconda has held two official meeting with the Town of Ming's Bight in the past year, however Anaconda regularly provides updates to the Town Council of Ming's Bight regarding planned exploration activities proximal to either the town or its community water supply (Ming's Bight Protected Water Supply Area). The Company responds promptly to any concerns or questions regarding planned or ongoing exploration activities.

Anaconda also shares corporate news releases directly with the Town Council as well as posts updates on social media including Facebook and Twitter. As well the Company regularly conducts interviews with local media. The Company also maintains an up-to-date website. Any issues regarding health and safety are posted on social media as well as posted in community stores and other locations.

21 CAPITAL AND OPERATING COSTS

21.1 CAPITAL COSTS

21.1.1 Basis of Estimate

Capital costs estimate for major items is based on historical costs at the Point Rousse Project, costs included in the 2018 Budget or budgetary quotations from suppliers in the industry.

21.1.2 Cost Estimate

Capital expenditures budgeted for the Point Rousse Project for 2018 are $1,250,000, which includes sustaining capital of $520,000 for the Pine Cove Mill and $145,000 for the mine operations.

A total of $550,000 is projected for development costs at Stog’er Tight under the current mine plan, and a total of $1,195,000 has been budgeted for environmental, permitting, engineering studies, and development at Argyle.

Details of the capital expenditure program at the Point Rousse Project are presented in Table 60.

Table 60: Capital Expenditures Breakdown for the Point Rousse Project.

Capital Expenditure	2018	2019	2020
Pine Cove Mine	145,000	-	-
Pine Cove Mill	520,000	250,000	100,000
Stog'er Tight Development	320,000	230,000	0
Argyle Development	265,000	880,000	50,000
Total	**1,250,000**	**1,360,000**	**150,000**

21.2 OPERATING COSTS

21.2.1 Basis for Estimate

Operating unit costs per tonne of ore for the Point Rousse Project are based on budgeted costs for 2018, based on the current mining and development, and projected costs for mining activity at Argyle based on operating experience in the area since 2010.

21.2.2 Cost Estimate

Operating unit costs per tonne of ore for the Point Rousse Project are in include in the following table (Table 61). It should be noted that the Ore Trucking cost is only applied to the Stog'er Tight operation, and the activity of bringing ore from Stog'er Tight to Pine Cove.

Table 61: Point Rousse Operating Unit Cost Breakdown.

Operating Cost Estimates	Unit Basis	Cost per Unit ($)
Drilling & blasting	Total material mined	2.11
Load/haul	Total material mined	2.12
Trucking (Stog'er Tight)	Tonnes mined	3.00
Trucking (Argyle)	Tonnes mined	6.00
Services (indirect & maintenance)	Total material mined	4.78
Processing	Tonnes Milled	19.20
General and administrative	Tonnes Milled	3.00
Variable costs (shipments & refinery)	Tonnes Milled	0.49

22 ECONOMIC ANALYSIS

Under the definitions contained in Form 43-101F1 Technical Report, a "producing issuer" means an issuer with annual audited financial statements that disclose:

(a) gross revenue, derived from mining operations, of at least $30 million Canadian for the issuer's most recently completed financial year; and

(b) gross revenue, derived from mining operations, of at least $90 million Canadian in the aggregate for the issuer's three most recently completed financial years.

Anaconda is a not a "producing issuer" under the definitions contained in Form 43-101F1 Technical Report and, following instructions contained therein, may exclude information required under Item 22 (Economic Analysis) for Technical Reports on properties currently in production unless the technical report includes a material expansion of current production.

23 ADJACENT PROPERTIES

Several companies and individuals hold mineral exploration licences adjacent to Point Rousse Project. Some licenses are underlain by geology similar to the Point Rousse Project and there are gold showings and prospectivity associated with these licenses, however there are no gold resources reported for any of these licences.

Immediately south of the Point Rousse Project, Rambler operates the Ming Copper mine. The Deposit is hosted in the Pacquet Harbour Group of rocks, dissimilar to the underlying the Point Rousse Project. The deposit has had several generations of mining. Commercial production by Rambler began in November 2012 targeting copper-rich massive sulphides, stinger zones and gold-rich zones from the 1806, 1807 and North and South zones. Daily underground production is about 650 tpd and transitioning to 1250 tpd. The ore is trucked to the Nugget Pond milling facility and the concentrate is trucked 140 km to Goodyear’s Cove where it is loaded aboard bulk carriers.

24 OTHER RELEVANT DATA AND INFORMATION

There is no other relevant data or information to report.

25 INTERPRETATION AND CONCLUSIONS

The Technical Report demonstrates the significant advances Anaconda has made at the Point Rousse Project since 2015:

- The discovery of and delineation of a maiden Mineral Resource at the Argyle Deposit;
- Mining at Stog'er Tight beginning in Q1 of 2018;
- The construction of a new port and tailings storage facilities;
- Approval of the in-pit tailings storage facility with over 7 million tonnes capacity; and
- Generation of a new revenue source through the sale of waste rock as aggregate.

These advances build on previous achievements by the Company which have been leveraged since 2015 at Point Rousse including:

- The recognition of the 3 major geological trends;
- The refinement of the role of structure in the formation of gold deposits at Point Rousse and the specific correlation of deposits to the Scrape Thrust Fault;
- An improved understanding of deposit geology, geometry, stratigraphy and alteration, which has improved the overall exploration model;
- The recognition that host rocks are iron and titanium enriched relative to other lithologies;
- The production of a NI 43-101 compliant Probable Mineral Reserves at Stog'er Tight;
- Successful and continuous mining since June 2012 in variable gold price environments; and
- Improvements in mining and milling efficiency.

25.1 EXPANSION OF MINERAL RESOURCES AND MINERAL RESERVES

Mineral Resources and Mineral Reserves at Point Rousse have increased since 2015 through the expansion of Mineral Resources at the Pine Cove Mine (addition of Pine Cove Pond and Northwest Extension zones), the development of the Stog'er Tight Deposit and the creation of Mineral Reserves and the discovery and maiden Mineral Resource on the Argyle Deposit. Currently, Mineral Resource for the Pine Cove Mine with current Indicated Resources of 863,500 tonnes grading 2.07 g/t gold for 57,730 ounces of gold and Inferred Resources of 476,300 tonnes grading 1.39 g/t gold for 21,330 ounces of gold at a cut-off of 0.5 g/t gold. The Stog'er Tight Deposit includes an Indicated Resource of 204,100 tonnes grading 3.59 g/t gold for 23,540 ounces and an Inferred Resource of 252,000 tonnes grading 3.30g/t gold for 26,460 ounces of gold at a cut of 0.8 g/t gold. The Argyle Deposit includes an Indicated Resource of 543,000 tonnes grading 2.19 g/t gold for 38,300 ounces and an Inferred Resource of 517,000 tonnes grading 1.8 g/t gold for 30,300 ounces at a cut off of 0.5 g/t gold

Table 62: Pine Cove and Stog'er Tight Mineral Resource and Reserve Estimate

Point Rousse Mineral Resources[1] (Effective December 31, 2017)				
Deposit	**[3]Cut-off (g/t)[3]**	**Indicated Tonnes[4]**	**Au (g/t)**	**Ounces**
Pine Cove	0.5	863,500	2.07	57,730
Stog'er Tight	0.8	204,100	3.59	23,540
Argyle	0.5	543,000	2.19	38,300
Total Point Rousse		**1,610,600**	**2.30**	**119,570**
Deposit	**[3]Cut-off (g/t)**	**Inferred Tonnes[4]**	**Au (g/t)**	**Ounces**
Pine Cove	0.5	476,300	1.39	21,330
Stog'er Tight	0.8	252,000	3.30	26,460
Argyle	0.5	517,000	1.80	30,300
Total Point Rousse		**1,245,300**	**1.95**	**78,090**

Point Rousse Probable Mineral Reserves[2,5] (Effective December 31, 2017)				
Deposit	**[3]Cut-off (g/t)**	**Probable Tonnes[4]**	**Au (g/t)**	**Ounces**
Pine Cove	0.5	696,200	0.96	21,440
Stog'er Tight	1.0	191,500	2.39	14,740
Total		**887,700**		**36,180**

1 – Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability
2 – The Pine Cove and Stog'er Tight Mineral Resource statement is inclusive of Mineral Reserves
3 – Grams per tonne
4 – Rounded tonnes
5 – Proven Mineral Reserves have not been defined at the Point Rousse Project

Included within the Mineral Resources for Pine Cove and Stog'er Tight are Probable Mineral Reserves. At Pine Cove Probable Mineral Reserves includes 696,200 tonnes grading 0.96 g/t gold for 21,430 ounces of gold at a cut-off grade of 0.5 g/t gold. At Stog'er Tight Probably Mineral Reserves are 191,500 tonnes grading 2.3g/t gold for 14,740 ounces of gold at cut-off grade of 1g/t gold. Total Point Rousse Probable Mineral Reserves are 887,700t @1.27g/t gold or 36,100 ounces. Point Rousse Mineral Reserves will be mined over the next two years.

The Company remains focused on Resource Growth and development of Mineral Resources. There are key areas within the Point Rousse Project what remain prospective for discovery as at Argyle, which is also open for expansion. Similarly, recent drill programs along strike from Stog'er Tight intersected mineralization and have not been further tested. Adjacent to the Pine Cove Mine, the stratigraphy which hosts the Pine Cove deposit continues both east and west of the deposit and have not been fully explored yet remain prospective for gold deposits.

The Argyle Deposit provides the potential for further mine development along the Scrape Trend. With baseline studies underway, environmental assessment applications anticipated for 2018, and work begun on mine design, Anaconda is gathering the information required to determine the viability of mining at Argyle, with the goal of expanding Mineral Reserves.

25.2 THE PINE COVE MINE

Through years of operation experience at the Pine Cove Mine Anaconda has collected and structured geological and production data in the numerous databases. During those years numerous improvements have been made especially in understanding the mine site geology and controlling features. Geological and mine modeling have led to the current ore zones interpretation that is the basis of the updated Mineral Resource Estimate by AdiuvareGE.

Over the past few years considerable focus has been made to manage dilution and increase ore recovery. The Company’s shift to the application of new technologies like Blast Movement Monitoring and GPS on the shovel have led to dilution decrease from over 20% to 5%. The use of a UAV has also made the monthly reconciliation process more efficient and safer.

Similarly, a mill automation project has been completed recently at the Pine Cove mill that has made improvements to the overall running of the mill.

The onsite assay lab uses both bottle roll/leaching as well as sulfur analysis by LECO. Both these systems have been used for grade control purposes over the past few years and are augmented by fire assay on 10% of samples at Eastern Analytical.

The following comments and recommendations have been made by Ms. Pitman of AdiuvareGE in relation to her site visit to the Point Rousse Project:

- The grade control sampling procedures for the blast holes can be improved by homogenization of the sample at the collection site/drill muck pile. The sample represents a (6 m) drill interval which would be better represented with homogenization of the samples. Improving these procedures will help both with grade control during mining and localised block grade estimates. Ms. Pitman also recommends that Anaconda introduces an internal QA/QC procedures with respect to grade control sampling.
- Core handling and sampling procedures meet industry standards. The logging shed and core storage facility are located within the property boundaries which has restricted access. Eastern Analytical facilities were clean and well organized during the site visits and the facility is ISO 17025 accredited. The data collected is suitable for use in Mineral Resource Estimation.

All mining, development and exploration projects at Point Rousse are part of a program to implementing Lean Manufacturing principles especially the mill, mine and maintenance departments. The efforts have proven valuable and are reflected in better performance and employee satisfaction.

Anaconda is involved in numerous research projects. These projects are conducted through collaboration with and integration of the Point Rousse Project with numerous educational and funding organizations including IRAP, ACOA, NSERC, College of North Atlantic, Grenfell College and Memorial University. Many of these projects are specific to the Pine Cove Mine and Mine Site, but several are more broadly engaged with the Point Rousse Project in general. It is Anaconda's belief, and ingrained in the culture of the Company, that engagement in research ultimately provides benefits to the Point Rousse Project and to all its stakeholders.

25.3 THE STOG'ER TIGHT MINE

Exploration and development work since 2012 on the Stog'er Tight Deposit has led to an initial Mineral Reserve and the transition to mining is planned for early in 2018.

Further prospectivity has been recognized through drilling along strike to the west of the Stog'er Tight Deposit. In particular, drilling within the West Extension, the Gabbro Zone, and the 786 zone intersected significant grades and widths near surface indicating that more mineralization may be present. More drilling is warranted in these areas to determine if Mineral Resources at Stog'er Tight can be expanded.

Based on a site visit by Ms. Pitman, the following comments are made:

- Ms. Pitman believes that Anaconda should continuously sampling drill holes in areas of new drilling to better mitigate the effects of nuggety gold and because of the pinch-and-swell nature of the deposit.
- Ms. Pitman also recommends the systematic logging of secondary structures via geotechnical logging of the core. This will help with early identification of structural trends during exploration for satellite Deposits.

25.4 THE ARGYLE DEPOSIT

The Argyle deposit remains open for expansion along strike and at depth. The deposit also appears to contain a plunging control on high grade mineralization. Both these observations indicated that further drilling is warranted with the goal of expanding the deposit as well as identifying the high-grade zones and their geometry.

There are numerous geological similarities between the Stog'er Tight and Argyle deposits. Recent drilling indicates that the geological setting of these deposits are likewise similar and that the two may be part of a continuous geological belt of rocks. To determine if this interpretation is correct, ground geophysical surveys and further drilling of targets and geological mapping are warranted.

Environmental Assessment and engineering studies are being conducted on the Argyle deposit to determine the feasibility of mining.

25.5 PROSPECTIVITY

The Point Rousse Project contains numerous prospects and showings that have not been explored in detail through drilling. With the local geological understanding from Anaconda's work in the area over the past five years, the broader prospectivity of the Project are better understood. For example, the association of Pine Cove, Stog'er Tight and the Argyle Deposits with the Scrape Fault. These observations better refine the exploration model. The discovery of the Argyle Deposit is an example.

Of interest for future exploration is the Deer Cove Trend, The Goldenville Horizon and the stratigraphy which hosts the Pine Cove Deposit, including the Anaroc prospect. All are coincident with numerous showings and prospects and have local analogs as deposits or mines, and all are within 8 kilometers of the Pine Cove Mill.

26 RECOMMENDATIONS

Based on the available information, further exploration work at Point Rousse is warranted. This work includes ground geophysical surveys and diamond drilling at Argyle as well as successive 2,700 and 30,000 tonne bulk samples. At Stog'er Tight, further diamond drilling is warranted along strike. At Anaroc diamond drilling is warranted to test the Pine Cove geology along strike from the Pine Cove Mine as well as along the Deer Cove and Goldenville Trends. The expenditures required to facilitate this program is $5,250,000.

Pine Cove

- Conduct a 2,500 metre diamond drill program to better define mineralized zones at Pine Cove Pond and Northwest Extension.

Stog'er Tight

- Conduct a 2,500 metre diamond drill program to better define mineralized zones intersected along strike from the deposit with the goal of outlining further near surface Mineral Resources adjacent to Stog'er Tight.
- Conduct grade control infill program in Gabbro zone to further define any mineable resource in Gabbro zone (west of the current East and West Pits).
- Refine West and East pit designs based on in-fill grade control program in early 2018.

Argyle

- Conduct a 50 line kilometer, ground magnetic and Induced Polarization survey along strike, both east and west, of the Argyle deposit to develop new drill targets.
- Geological Mapping of the Stog'er Tight to Argyle area.
- Conduct a 7,500 metre diamond drill program at Argyle with the goal of expanding the deposit and refining the interpreted high-grade plunging shoots.
- Conduct a Mineral Resource Estimate of the Argyle Deposit following the successful drill campaign to expand the deposit and refine structural controls on mineralization.
- Conduct further engineering studies at Argyle deposit to prepare mining plan. Pending a positive cash flow analysis proceed with permitting of Argyle deposit.
- Prepare Environmental Registration Document for Argyle.
- Collect a 2,700 tonne bulk sample from the Argyle Deposit followed by a 30,000 tonne bulk sample to refine the milling process and other variables necessary to efficiently extract Argyle mineralization. The bulk sample will also allow the refinement of grade control and blasting techniques, and the evaluation of a potential production schedule. It is recommended that this information be used to evaluate the feasibility of future production at Argyle.
- Prepare and Submit Development, Rehabilitation and Closure plan for Argyle.

Other Exploration Targets and Prospectivity

- Conduct a 1,500 metres drill program at Anoroc to test the stratigraphy associated with mineralization at the Anaroc prospect along strike from the Pine Cove Mine.
- Conduct ground geophysical surveys along the Deer Cove trend and along the western half of the Goldenville Trend with the goal of developing geophysical targets for investigation. If targets are generated drill test the targets with a nominal 4,000 metres drill program.

Table 63: Recommended Program and Budget, Point Rousse Project.

Recommended Program and Budget	Cost
Pine Cove	
Diamond Drilling - 2,500 m	$375,000
Engineering and Environmental Studies	$100,000
Stog'er Tight	
Diamond Drilling - 2,500 m	$375,000
Drilling - Infill and Percussion - Gabbro Zone	$150,000
Resource Update - Gabbro Zone	$25,000
Engineering and Environmental Studies	$300,000
Argyle	
Diamond Drilling - 7,500 m	$1,125,000
Ground Geophysics - 50 line kms	$200,000
Geological Mapping - 50 line kms	$25,000
Resource Update - Argyle	$50,000
Engineering and Environmental Studies	$1,400,000
2,700 tonne bulk sample	$100,000
30,000 tonne bulk sample	n/a
Other	
Diamond Drilling - 1,500 m - Anoroc	$225,000
Ground Geophysics - 50 line kms - Deer Cove/Goldenville	$200,000
Diamond Drilling - 4,000 m - Deer Cove/Goldenville	$600,000
Total	**$5,250,000**

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