TECHNICAL REVIEW ON
THE STORIE MOLYBDENUM DEPOSIT,
LIARD MINING DIVISION,
BRITISH COLUMBIA
FOR
COLUMBIA YUKON EXPLORATIONS INC.

prepared by

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Watts, Griffis and McOuat
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CONSULTING GEOLOGISTS AND ENGINEERS

TABLE OF CONTENTS

Page

LIST OF TABLES

LIST OF FIGURES

1. SUMMARY

Introduction

Watts, Griffis and McOuat Limited ("**WGM**") was retained by Columbia Yukon Explorations Inc. ("**Columbia Yukon**") to conduct a technical review of the Storie molybdenum property in the Liard Mining Division, British Columbia, Canada, and prepare a National Instrument 43-101 ("NI 43-101") compliant report with an updated Mineral Resource estimate. WGM has prepared three previous technical reports, as follows: 1) June 2007, a NI 43-101 report based on the results of historic drilling and 2006 drilling by Columbia Yukon; 2) July, 2008, a second NI 43-101 report, with Mintec, Inc. ("**Mintec**") including the results of Columbia Yukon's 2007 drilling program; and 3) April 15, 2009, a third report, also with Mintec, incorporating the results of the 2008 drilling program. This report, with Moose Mountain Technical Services (“**Moose Mountain**”) incorporates new analytical data form previously drilled holes, as well as updated survey information; no new drilling was done on the Storie Deposit.

For the purposes of previous WGM reports, Robert M. Kuehnbaum, P.Geo., Senior Associate Geologist of WGM, visited the Storie project on April 24 and 25, and July 10 to 12, 2007, during which time verification surface sampling was done. Drill core, stored off-site at the former townsite of Cassiar, was also extensively sampled. During these visits, and on a third visit on September 11, 2008, verification of drillhole collars was also done by WGM. Columbia Yukon provided digital and hard copies of some technical information, as well as their databases of drillhole and analytical data. Other technical information was obtained from the digitized assessment records of the BC Ministry of Energy, Mines and Petroleum Resources, as well as published articles.

Mintec and Moose Mountain were retained by Columbia Yukon to prepare a Mineral Resource estimate for the Storie Deposit based on the results of some historic and 2006, 2007 and 2008 drilling, as well as new analytical data generated in 2009. Mintec's and Moose Mountain’s report was provided to WGM and has been incorporated into this report. Mintec and /Moose Mountain personnel have not visited the Property.

Property Location and Status

The Storie Deposit is situated about 6 km southwest of Cassiar, British Columbia. Cassiar is located 15 km (by road) west of Highway 37 which provides access to Watson Lake, Yukon, in the north and Dease Lake and Stewart, BC, to the south. Access to the Property is by a purpose-built road. The Property lies between about 1,400 m and 1,750 m above sea level.

The Storie Property consists of 24 mineral tenures of varying size, 100% owned by Columbia Yukon, with a nominal total area of 6,800.52 ha, as well as an additional 596.33 ha held in trust by agreement. The original two tenures were under a five-year option agreement with Eveready Resource Corporation ("**Eveready**"), and the option was exercised in 2007; Eveready retains a 2.5% net smelter return royalty, which Columbia Yukon may partly or completely purchase.

In 2010, Columbia Yukon acquired a portion (72 cells) of a tenure from Velocity Minerals Ltd. (“**Velocity**”), subject to a 15% NSR royalty; this land, which has yet to be granted its own tenure, is held in trust for Columbia Yukon by Velocity. Also in 2010, Columbia Yukon purchased 10 cells of a tenure, subject to a 1% NSR royalty (purchasable for $500,000 prior to production), which was converted into its own tenure. In 2011, an additional purchase was made for Eveready’s entire interest in 12 tenures, some of which carry an underlying 2.5% NSR royalty; the tenures are subject to 5% NSR royalty. Sixteen of the tenures were acquired directly by Columbia Yukon, and have no underlying royalties.

All tenures of the Property have been converted into, or were acquired under, the current British Columbia "cell"-based land tenure system.

Site Visit and Data Verification

Mr. Robert Kuehnbaum, P.Geo., Senior Associate Geologist of WGM, visited the Storie Property (the "Property"), specifically the area of the Storie Deposit, on three separate occasions on April 24, 2007, July 10 and 11, 2007, and on September 11, 2008. On all visits, GPS measurements of selected drillhole collars were taken; core sampling was done on the first two visits. No site visit was made to either the Storie Deposit or the additional tenures acquired by Columbia Yukon following that of September, 2008. Because of limited surface work done since 2008, and no new drilling on the Storie Deposit itself, it was felt that an additional site visit was unnecessary. Independent confirmation that no more physical work, other than a 2010 condemnation drillhole north and outside of the Storie Deposit, has been done since 2008, was made by: reviewing assessment reports on file and mineral title records of the British Columbia Ministry of Energy, Mines and Natural Gas; confirming with the owner of the lodging facilities in Cassiar, that Columbia Yukon personnel were present on the Property for minimal activities between 2009 and 2013, except for the 2010 drilling; and reviewing Columbia Yukon’s financial statements from 2009 through October 31, 2013, for consistency of exploration expenditures with the work outlined in this Report.

Data verification included: 1) the measurements of the locations of selected historic and current drillholes by WGM with a hand-held GPS instrument, with good correspondence with the Columbia Yukon high-resolution readings of the historic, 2006 to 2008 holes; 2) audit of original analytical records with the data sets of selected historic and current drillholes (2006 to 2008, including 2009 resampling); 3) a comparison of the results of 2006 Columbia Yukon drillholes and historic holes which they were meant to twin; and 3) a review of the results of the QA/QC procedures utilized by Columbia Yukon for the 2006 to 2008 drillholes, including standards, blanks and repeat analyses, as well as analyses of samples by a second laboratory.

Geology and Mineralization

The Columbia Yukon Property overlies three main domains: 1) the **Cassiar Terrane**, Precambrian to Paleozoic carbonate and clastic sedimentary rocks of displaced North American continental margin; 2) Paleozoic to Mesozoic rocks of the **Sylvester Allochthon**, which structurally overlie the Cassiar Terrane, and which consist of marginal basin and arc volcano-sedimentary rocks and ultramafite-gabbro complexes; and 3) to the west, the mid-Cretaceous **Cassiar Stock**, a discrete 7 km x 33 km body along the eastern margin of the regional 100 Ma (mid-Cretaceous) Cassiar Batholith.

The Storie Deposit is located within the Cassiar Stock, which is mostly texturally indistinguishable from the main Cassiar Batholith. The stock consists mainly of coarse-grained quartz monzonite and porphyritic quartz monzonite. Within and gradational into the main quartz monzonite are zones of finer-grained, mantled porphyritic quartz monzonite (oligoclase rims on K-feldspar phenocrysts) or medium-grained quartz monzonite; the mantled variety occurs in the areas of the Storie and Cassiar Moly Deposits.

Within the Storie Deposit area, five different quartz monzonite units, one of which is porphyritic, have been identified, as well as quartz-feldspar porphyry. There are also scattered mafic and aplite dykes. The deposit is cut by northerly and north-easterly trending faults. The most prominent are the north-easterly faults, some of which display offset, while others may be joint-like in character; most of the Storie Deposit lies north of the Crone Fault. The north-south faults are uncertain because of the orientation of the bulk of the drillholes.

The alteration pattern of the tabular Storie Deposit is not typical of the concentric zonation of many porphyry systems. Alteration consists of: widespread slight to moderate sericitization of plagioclase; local more intense kaolinization of plagioclase and K-feldspar; widespread pyritization, quartz veining and uncommon silicification; and K-feldspar-muscovite-quartz-pyrite bands adjacent to north-dipping fractures. Chloritic alteration is locally associated with faulting. Complete argillic alteration of plagioclase occurs on the hangingwall (north) side of the Crone Fault, and argillic alteration commonly superimposes other alteration types. Correlation of alteration from drillhole to drillhole is poor, and there appears to be little correlation of alteration and degree of mineralization. Mineralization preferentially occurs in two of the quartz monzonite units. Alteration patterns appear to be unrelated to faults.

The Storie Deposit consists of interconnecting, tabular to lensoid zones of mineralization, thinner at the southern end, generally dipping and thickening to the north. The total extent of drilling in the area of the Storie Deposit is about 1,700 m from north to south and 1,600 m from east to west. The deposit has presently known lateral dimensions of the Mineral Resource area of approximately 800 m north-south x 1,000 m east-west, and a total vertical extent of about 550 m. Zones of higher-grade mineralization within the deposit generally strike west-southwest and dip gently to moderately (15° to 45°) to the north-northwest. An area of higher-grade mineralization, about 200 m x 400 m, has been identified.

Although there are narrow mineralized quartz veinlets at the Storie Deposit, the deposit lacks breccia zones and large-scale quartz stockworks or vein systems typical of porphyry molybdenum deposits.

Molybdenite occurs: as coatings on fracture surfaces; as selvages on or within quartz (-pyrite) veinlets; grains and smears along slip surfaces and slickensided fractures; coarse rosettes in easterly-trending quartz veins south of the Crone Fault, and in the southeast of the deposit;, as small pockets of disseminated mineralization in quartz-feldspar porphyry; and as microscopic grains interstitial to muscovite and altered feldspars in fresh rock. Other minerals include pyrite, gypsum, anhydrite, fluorite, beryl and ferrimolybdite. The mineral most commonly associated with molybdenite is pyrite. The predominant set of fractures strikes east-northeast and dips to the northwest, and there is a steeply inclined set of fractures. There is a good correlation between MoS_2 content and fracture density, indicating that the most important mode of molybdenite mineralization is in fractures.

Elsewhere on the Storie Property, there are other occurrences of: molybdenum mineralization in the Cassiar Stock; base and precious metals occurrences, including replacement silver-zinc-lead (-tin) mineralization in Paleozoic sedimentary strata of the Cassiar Terrain; and a prospect of Cypress-type volcanogenic massive sulphide mineralization in rocks of the Sylvester Allochthon. None of these has been compiled or reviewed in detail by Columbia Yukon.

Drilling

Historic exploration covering the period 1959 to 2005 was reviewed in previous WGM reports.

In 2006, Columbia Yukon drilled 20 NQ diamond drillholes totalling 4,953 m. All but one were located and oriented to twin historic (mostly 1979-1980 Shell Canada) holes; a few of the older historic holes are, however, vertical, and were not truly twinned. In 2007, 75 NQ holes and one HQ hole were drilled, totalling 23,073 m. Nineteen of the holes were drilled in areas beyond the then-known resource area, while the remainder were laid out as in-fill holes to upgrade resources; three were twins of 2006 drillholes to test for molybdenum loss during sampling procedures.
In 2008, a total of 20,655 m of drilling was done by Columbia Yukon in 49 NQ holes, bringing the total amount of Columbia Yukon drilling to 48,681 m. Six of the drillholes were for infill drilling in the centre of the Storie deposit, with the objective of upgrading part of the resource from Indicated to Measured category. The remaining 43 holes were drilled at the fringes of, or beyond, the known limits of the deposit with the objective of potentially expanding the zone of mineralization and, thereby, the Mineral Resources.

Overall drill core recovery in individual 2006 drillholes varied from 95% to 98% in the initial six holes, but decreased to 82% to 92% thereafter, possibly due to aggressive drilling. Greater care was taken during the 2007 program to maximize recovery by controlling advance, and recovery improved significantly: of the 76 holes drilled, recovery was >95% in 70, and lesser recovery in the remaining holes can be accounted for by surface weathering or local bad ground conditions. In 2008, recovery was further improved, with >96% achieved in all but one of the 49 completed holes; the worst recovery (91%) was largely attributable to near-surface intervals of poor recovery.

Correlation of molybdenum contents between the 2006 drillholes with twinned 1971 and 1980 holes is reasonable to very good. Between 2006 and 1979 drillholes, the correlation is moderately good to fair, and differences can be mostly explained by incompatible hole orientations. Pre-1971 drillholes were vertical, and correlation with subsequent twinning holes is problematic. In 2007, WGM concluded that the 1971, 1979 and 1980 analytical data can be reliably used, where needed, although only four pre-1979 holes were included in the 2007 WGM Mineral Resource Estimate. For the 2008 Mineral Resource estimates, only historic holes from 1979 and 1980, and Columbia Yukon's 2006 to 2007 drillholes were used. The 2009 Mineral Resource estimate included the same drilling plus the 2008 drillholes. The current (2013) Mineral Resource estimate includes the same drillholes as for 2009, with additional, new analytical data from some of the Columbia Yukon drillholes.

QA/QC Programs

During the 2006 to 2008 drilling campaigns, Columbia Yukon conducted adequate QA/QC programs with the introduction of prepared blanks, several standards (three in 2006 and 2008, one in 2007) and duplicate samples into the analysis stream, to ensure quality of the analytical data. In addition, in 2007 and 2008, blind samples were sent to second laboratories for comparison with the primary set of analyses. For the 2009 analyses of pre-existing drill core, blanks and three standards were used, but field duplicates were not inserted, and no sample pulps were tested for inter-lab consistency.

Re-split, duplicate and inter-laboratory analyses demonstrated acceptable precision in all years. Standards have in general demonstrated that the analytical data are accurate; one of the standards used in 2008, however, may have been poorly homogenized, but further investigation by Columbia Yukon is required.

The project databases have been well-organized for the purposes of Mineral Resource estimation. As the sample population has grown in volume, Columbia Yukon has improved the database to facilitate the monitoring and analysis of QA/QC parameters.

Mineral Processing and Metallurgical Testing

Scoping level metallurgical flotation testing by SGS Canada Ltd. on samples selected from the core drilling from the Storie Deposit demonstrated that the deposit is amenable to standard flotation concentration to produce saleable Mo concentrates. A medium hardness rock requiring 12.8 KW/t is indicated for grinding to liberation, with primary grinding to 80% passing 112 microns prior to four rougher stages of flotation concentration followed by a regrind stage and four stages of cleaner flotation concentration. The preliminary testing demonstrated a concentrate grade ranging from 37 to 50% Mo can be produced with recoveries ranging from 75 to 84%.

Mineralogical characterization of the Storie Deposit sample showed molybdenite as the main sulphide mineral with minor amounts of pyrite. The balance of the Storie Deposit sample was comprised of quartz minerals and feldspars, with minor clay minerals and minor micaceous minerals. WGM anticipates that further optimization of the primary and regrinding requirements will improve on the metallurgical results achieved to date.

Environmental Studies, Permitting and Community Impact

Columbia Yukon continues to maintain a cordial and mutually supportive relation with local First Nations. Under the provisions of a 2007 Memorandum of Understanding ("MOU"), Columbia Yukon has employed a number of local First Nations members to assist in the on-going development of the property, including environmental assessment work. As part of the MOU, Columbia Yukon and the DRFN also agreed to begin negotiations toward concluding a Socio-Economic Participation Agreement ("SEPA"), or significant portions thereof, before the completion of a feasibility study for the Storie project.

Since 2009 Columbia Yukon and the local First Nations have operated under a Traditional Knowledge Protocol. The information provided through the Protocol will be used in connection with Columbia Yukon's upcoming application for an environmental assessment certificate pursuant to the Environmental Assessment Act of British Columbia.

Baseline environmental studies conducted by a contractor from 2007 to 2009 are, in WGM's opinion, consistent with current best practice in British Columbia. With respect to the Environmental Assessment process, data collection for the period 2009 to 2012 has been limited, but it is expected that baseline data collection will recommence as the Project matures. At present only data covering climatology is being collected. Depending on scheduling decisions made by Columbia Yukon, the EA process may be initiated in 2014.

2013 Mineral Resource Estimate

The mineral resource estimate work was completed by Mintec, Inc. and reviewed by Susan Bird, M.Sc., P.Eng., a Senior Associate at Moose Mountain and an independent Qualified Person under the standards set forth by NI 43-101 (CIM, 2005). The resource is estimated using a 3-dimensional geologic model of domains and zones to create a mineral resource estimate that is effective as of November 7, 2013.

Drillhole data included 175 drillholes, for a total of 54,489.1 m of drilling. The topographic surface use in this study was a LiDAR topography.

The collar, survey and interval information has been checked, but the assay data information has not been checked for consistency except for minor corrections. Thus, the data provided was assumed to be verified by Columbia Yukon for accuracy.

After calculations and review of statistics for each rock type, it was decided to keep the two domain method as used in the 2009 study, within the mineralized envelope, representing above and below the geological contact between Rock type 2 and 3. The mineralized envelope and overburden surface have also been updated.

Geostatistical analysis of the drillhole data for the Storie Molybdenum deposit was done for Mo using the available assay data, and the 5 m composites.

Variogram analysis for the deposit was done for Mo grade within each mineralized domain to determine the spatial continuity of the mineralization in the deposit and to define the parameters for the grade interpolation of the block model.

Based upon the mineralized solid (3-D wire frame model) and the geostatistical analysis of the assay data, the 3-D block model of the deposit built with 10x10x10 m block dimensions was maintained for mineral resource calculations. The block grades were interpolated for all items using the Inverse Distance cubed Weighting method ("IDW3"). Mo grade was also interpolated using Ordinary Kriging ("OK") and Polygonal methods for checking and comparison.

Mintec was provided with a file with 121 specific gravity ("SG") determinations from Columbia Yukon that had been corrected since the 2009 estimate. No new specific gravity analyses have been conducted. An average SG of 2.6 was used for the 121 samples (same as in the 2009 study) as a background value for the 3-D block model. The SG values received were composited to 10 m benches and interpolated using an Inverse Distance squared weighting method using the search parameters from Domain 2 Mo% interpolation (for both domain 1 and 2).

Grades above 0.1% and 0.3% have been top-cut within Domain 1 and 2, respectively, in order to restrict smearing of very high grades. This cutoff was based on cumulative probability plots and statistical analysis of the Mo grade distribution.

In addition, several validation procedures have been performed on the Storie resource model. These checks include a swath plots to compare the polygonal (declustered composite) grades to the modeled Mo grades, visual comparisons of drill hole assay and composite data with the modeled grades in section and plan, and tonnage-grade curves. Based on the results of this validation, it is the author's opinion that the Storie resource model is globally unbiased.

The in situ resource classification corresponds to Canadian National Instrument 43-101 standard (CIM, 2005), and is based on the geostatistical variogram ranges and additional Mo grade interpolation items such as kriging variance, distance to the closest composite and number of drillholes used. An additional constraint of continuous mineralization is imposed on the Measured classification to avoid isolated pods of Measured. In a similar manner, Indicated material is also assumed continuous within the mineralized boundary, thus excluding isolated Inferred blocks.

This resource estimated is confined within a Lerchs-Grossman ("LG") optimized open pit shell to ensure reasonable prospects of economic extraction. Assumptions for the LG pit are summarized in the table below.

Assumption	Value
Mo Price	$US 15 / lb
Exchange Rate	1:1 ($US/$CDN)
Processing + G&A Costs	$12 / tonne ore
Mining Costs (ore and waste)	$1.75 / tonne
Metallurgical Recovery	85%
Pit Slope Angles	45 degrees

The table below summarizes the Measured, Indicated and Inferred Resources for Mo at incremental cutoffs, using a Mo price of US$15/lb. Total Measured and Indicated Resource in the deposit at the base case grade of 0.03% Mo cutoff is 117 million tons with an average grade of 0.068% Mo. The base case cutoff of 0.03% Mo is chosen as it is a reasonable estimate of the grade required to cover processing costs.

Summary of the Measured, Indicated and Inferred Resources at Varying Cutoffs

Class	Cutoff	In Situ		
	Mo (%)	tonnage (ktonnes)	Mo (%)	Metal (Mlbs)
Measured	0.02	42,000	0.073	67.5
	0.03	39,000	0.076	65.8
	0.04	34,000	0.082	62.0
	0.05	28,000	0.090	56.4
	0.075	16,000	0.111	39.7
Indicated	0.02	103,000	0.054	123.2
	0.03	78,000	0.064	109.7
	0.04	58,000	0.073	94.2
	0.05	44,000	0.083	79.9
	0.075	21,000	0.106	50.0
Measured+Indicated	0.02	145,000	0.060	190.6
	0.03	117,000	0.068	175.5
	0.04	92,000	0.077	156.2
	0.05	72,000	0.086	136.2
	0.075	38,000	0.108	89.8
Inferred	0.02	71,000	0.049	77.2
	0.03	48,000	0.061	64.6
	0.04	33,000	0.073	53.3
	0.05	24,000	0.083	44.6
	0.075	11,000	0.109	26.7

Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Due to the uncertainty that may be associated with Inferred mineral resources it cannot be assumed that all or any part of inferred mineral resources will be upgraded to an Indicated or Measured resource.

Conclusions and Recommendations

The Storie Deposit has been extensively explored by diamond drilling, including 48,653 m by Columbia Yukon and at least 15,857 m by previous operators. The objectives of Columbia Yukon's initial two programs, in 2006 and 2007, were to verify and upgrade a historic Mineral Resource estimate by a previous operator. The 2008 drilling program significantly expanded and further upgraded some of the Mineral Resources of the Storie Deposit.

The deposit is presently open to the east and north where it is deepening. It is open to the west, where drilling suggests that mineralization may be weakening. Further grid drilling in the western area is warranted to upgrade more of the Mineral Resources to the Measured and Indicated categories. Columbia Yukon has proposed a drilling campaign, entirely conditional on available financing, of 42 drillholes at a projected cost of **$1,695,000**, including a 10% contingency.

Columbia Yukon commissioned this report primarily to advance to a Preliminary Economic Assessment ("PEA") of the Storie Deposit. The PEA is expected to cost approximately **C$300,000**.

There are other molybdenum targets on the Property, including a relatively untested molybdenum occurrence, the "M Zone", east of the main Storie Deposit, a significant IP target immediately east of the currently outlined Deposit, a series of occurrences in quartz veins southeast of the Deposit, as well as occurrences several kilometres north and east of the Deposit. These merit further investigation.

It is recommended that Columbia Yukon continue with its program of First Nations engagement, specifically with regular updates to First Nations leaders of progress of accurate and timely information regarding realistic timelines of project milestones. Baseline environmental data collection was done from 2007 to 2009, but has been largely on hold since 2009. It is recommended that, as the project moves closer toward starting the Environmental Assessment, Columbia Yukon begin planning and budgeting for the resumption of broad-based environmental and socio-economic baseline data collection, as well as actively consulting with the First Nations to determine their collection priorities.

2. INTRODUCTION AND TERMS OF REFERENCE

2.1 INTRODUCTION

In early 2007, Columbia Yukon Explorations Inc. ("**Columbia Yukon**"), 2489 Bellevue Avenue, West Vancouver, British Columbia V7E 1E1, retained Watts, Griffis and McOuat Limited ("**WGM**") to conduct a technical review and prepare a National Instrument 43-101 ("NI 43-101") compliant report on the Storie molybdenum deposit, in the Liard Mining Division, British Columbia, Canada, in which Columbia Yukon had the right to earn up to 100% interest,. The purpose of the WGM independent review and NI 43-101 report was to review the technical merits of the project, to identify fatal flaws, if any, carry out a program of independent verification sampling, and prepare an initial NI 43-101 compliant Mineral Resource estimate (Kuehnbaum and Lindinger, 2007).

On July 11, 2007, Columbia Yukon retained WGM to conduct a similar technical review of the Storie Deposit, and to prepare an updated NI 43-101 compliant report, including an NI 43-101 compliant Mineral Resource estimate incorporating additional drillhole data generated during the 2007 exploration program. In February, 2008, Columbia Yukon retained Mintec, Inc. ("**Mintec**") of Tucson, Arizona, to prepare a Mineral Resource estimate for the Storie Deposit. Mintec's report was provided to WGM and was incorporated into a second WGM report (Kuehnbaum and Arik, 2008).

In late 2008, Columbia Yukon retained WGM and Mintec to prepare a third updated NI 43-101 compliant report, including an NI 43-101 compliant Mineral Resource estimate incorporating additional drillhole data derived from the 2008 exploration program. Mintec's report was incorporated into a WGM report, dated April 15, 2009 (Kuehnbaum, MacFarlane, Roberts and Arik, 2009).

There has been a large amount of exploration, including historic diamond drilling, completed on the Property by previous owners and, since 2006, by Columbia Yukon. To date, however, Columbia Yukon has undertaken no engineering work, except metallurgical testing which was reviewed in the 2009 WGM report and again in this report.

Since 2008, Columbia Yukon has completed very little material work on the Storie Deposit. Exploration work has included: a 279-m, weakly mineralized condemnation diamond drillhole north of the deposit in 2010; a reconnaissance soil geochemistry profile over southern portion of the deposit; a minor amount of geological mapping, and; a re-interpretation of geological units, overall geology and structure of the deposit from the 2006 to 2008 drillholes.

Previously unanalyzed mineralized intervals of seven drillholes from 2008 were also submitted for analysis in 2009. In addition, all drillhole collars were re-surveyed in 2011 and 2012 to correct errors detected after 2009. Also since 2009, Columbia Yukon has greatly expanded their landholdings by purchase and direct acquisition of adjacent mineral tenures. In late 2012, Columbia Yukon again retained WGM and Mintec, the latter in conjunction with Moose Mountain Technical Services ("**Moose Mountain**"), to prepare a fourth updated NI 43-101 compliant report, including a Mineral Resource Estimate to incorporate this new and revised information in order to proceed to a Preliminary Economic Assessment.

The opinions and conclusions presented in this report are based on documents and other information received from Columbia Yukon. WGM received full cooperation and assistance from Columbia Yukon during the site and office visits, and during preparation of this report. The reviewer for Section 20 did not conduct a site visit or speak with representatives of government or other third parties, and the opinions expressed therein reflect the views of the analyst.

In conducting its assessment for Section 20, WGM reviewed documents supplied by the Company and publically available material.

2.2 TERMS OF REFERENCE

This report is prepared in compliance with NI 43-101 and presents a review of the geology, mineralization and Mineral Resources and metallurgical testing of the Storie molybdenum deposit in northern British Columbia; more complete descriptions of the geology and mineralization were reviewed in previous WGM reports. WGM did not review, and expresses no opinion on, legal, environmental, political, surface rights, water rights or other non-technical issues which might indirectly relate to this report as Columbia Yukon has retained legal counsel for these purposes.

It is Columbia Yukon's intent to use this WGM report for filing on SEDAR, to have a Mineral Resource estimate compliant with the definitions and standards of NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**"), for ongoing project financing, and for the purpose of generating a Preliminary Economic Assessment.

2.3 SOURCES OF INFORMATION

Technical information in this report is derived from a variety of sources, including:

1) Assessment reports of historic work, as well as assessment reports prepared by Columbia Yukon after their 2007 and 2010 drilling programs, housed in the ARIS database of the British Columbia Ministry of Energy, Mines and Natural Gas.

2) Technical articles in scientific publications and government reports.

3) Lithological and geotechnical drill logs prepared in 2006, 2007 and 2008 and 2010 by Columbia Yukon.

4) Other files, such as analytical certificates, provided to WGM by Columbia Yukon.

5) A recent report on the geology of the Storie Deposit, with focus on faulting, by Columbia Yukon.

Documents in items 1) and 2) used in the preparation of this report, are available to the public. References to files from which data has been summarized are noted throughout, and listed at the back of, this report under "References".

WGM also had verbal discussions with professional geoscientists who have consulted and/or done field work for Columbia Yukon.

Columbia Yukon has reviewed a previous draft of this report. Nevertheless, this report is the responsibility of WGM which alone has been in charge of its overall presentation.

2.4 DETAILS OF PERSONAL INSPECTION OF THE PROPERTY

Mr. Robert Kuehnbaum, P.Geo., Senior Associate Geologist of WGM, visited the Storie Property (the "Property"), specifically the area of the Storie Deposit, on three separate occasions in 2007 and 2008. On April 24, 2007, drill core stored in Cassiar as well as loose material in a historic bulldozer trench on the Property were sampled. Discussions were held at the Property, at Columbia Yukon's facilities in Cassiar, and at the Vancouver office with J. Kowalchuk, P.Geo., then-Vice President Exploration of Columbia Yukon, regarding technical information about the Property. This was reviewed in a previous WGM report by Kuehnbaum and Lindinger (2007).

Mr. Kuehnbaum again visited the project on July 10 and 11, 2007, sampled additional drill core stored in Cassiar, and took GPS measurements of selected drillhole collars on the Property. Discussions were held with Mr. Kowalchuk, and other on-site geologists, including the project manager, Mr. G. Wesa, regarding technical information about the Property.

Mr. Kuehnbaum made a third site visit to the Property on September 11, 2008, subsequent to the completion of the 2008 drilling campaign, and held discussions on technical information with Mr. M. Jerema, a geologist logging the remaining core in Cassiar. Additional GPS measurements of selected drillhole collars were taken during the visit, but no further core sampling was done. Mr. Kowalchuk was the Qualified Person ("QP") for the Storie project until the end of September, 2008. Subsequently, Mr. A. Pollmer, P.Geo., the Storie project geologist, acted as QP. WGM has spoken to, but not met, Mr. Pollmer.

No site visit was made to either the Storie Deposit or the additional tenures acquired by Columbia Yukon following that of September, 2008. Because of the limited work done since 2008, as outlined in Section 2.1, Mr. Kuehnbaum was of the opinion that an additional site visit was unnecessary, and he also independently confirmed that no more than the work outlined in Section 2.1 has been done since 2008, by:

1) completing a review of assessment reports on file in the on-line ARIS system and mineral title records of the British Columbia Ministry of Energy, Mines and Natural Gas, verifying that no new work had been submitted other than for the 2010 drillhole.

2) inquiring about recent activities with the owner of the lodging facilities in Cassiar, who recalled that Columbia Yukon personnel were present on the Property for minimal activities between 2009 and 2013, except for about a two-week period for the 2010 work.

3) reviewing Columbia Yukon's audited financial statements for the years ending April 30, 2009 through 2013, and unaudited interim financial statements for the three-month period ending July 31, 2013, and the six-month period ending October 31, 2013, for which types of exploration expenditures given in those statements are consistent with the work outlined in Section 2.1.

None of the other three authors of this Report have conducted a site visit or spoken with representatives of government or other third parties.

2.5 UNITS AND CURRENCY

Throughout this report, common measurements are in metric units. Tonnages are shown as tonnes (1,000 kg), 1,000 tonnes (“ktonnes”) or million tonnes ("Mt"); other weights are in grams ("g"). Linear measurements are metres ("m") or kilometres ("km"). Metal contents are given as parts per million ("ppm") or percent ("%"); gold and silver as grams per tonne ("g Au/t" and “g Ag/t”). Areas are reported in hectares ("ha"). Volumetric measures are in millilitres ("mL"). Historic drilling was done in imperial feet (“ft”), as were some of the drill runs of the recent programs.

All financial data are quoted in Canadian dollars ("C$"). Molybdenum prices are quoted in United States dollars (“US$).

3. RELIANCE ON OTHER EXPERTS

WGM reviewed digital copies of various option and purchase-and-sale agreements between Columbia Yukon and Eveready Resources Ltd, Velocity Minerals Ltd. and G.S. Diakow that led to Columbia Yukon's 100% ownership of mineral tenures, or mineral tenures held in trust, as outlined in Table 2. WGM has verified neither the validity nor the legality of any of the agreements.

Mineral tenure status information provided by Columbia Yukon has been reviewed by WGM. A search of appropriate records of the British Columbia Ministry of Energy, Mines and Natural Gas has found no discrepancies. WGM believes these to accurately reflect the current Property status, but WGM does not provide any opinion of title.

WGM has found no reason to believe the information provided is not complete or comprehensive. The authors of this report, however, reserve the right to update their interpretations, conclusions and recommendations based on the data provided by Columbia Yukon in the event that subsequent errors or omissions pertaining to the data provided come to light. The copyright for the Report remains with WGM.

4. PROPERTY DESCRIPTION AND LOCATION

4.1 LOCATION

The Storie Molybdenum Deposit is situated in the Liard Mining Division, about 6 km southwest of the Town of Cassiar, British Columbia (Figure 1). Cassiar is 540 km from tidewater at Stewart, British Columbia, 125 km north of Dease Lake, B.C., and 137 km from the Alaska Highway west of Watson Lake, Yukon Territory. Cassiar is 1,190 air km from Vancouver.

The recently-expanded Property covers an area between 59°13'14.16"N and 59°18'29.24"N, and 129°44'43.55"W to 129°57'28.86"W. Geographic coordinates of the deposit are about 59°14'30"N latitude and 129°51'24"W longitude. Magnetic declination is 23°40'E.

4.2 PROPERTY DESCRIPTION

The Property consists of 27 mineral tenures owned 100% by Columbia Yukon, and one mineral tenure held in trust for Columbia Yukon. They are listed in Table 1 and shown on Figure 2. WGM reviewed the tenures in Table 1 on the Province of British Columbia's Mineral Titles Online ("MTO") website.

In 2005, the Province of British Columbia implemented MTO, an internet-based "mineral tenure online" system, whereby mineral tenures can be secured on-line for a fee of $1.75 per hectare. The MTO grid is latitude-longitude referenced (NAD 27), based on National Topographic System maps. Mineral rights may be acquired by registering a mineral claim "cell", which is a ¼ subdivision of a 30-second by 45-second "unit"; a cell varies in area from about 16 hectares to about 21 hectares, depending on its latitude. Older claims, referred to as "legacy claims" were grandfathered, and their boundaries have priority until such time that they are converted to cell tenures. When a legacy claim is converted, it must fit into the cell grid system. There is no obligation for a holder of any adjacent legacy claim to convert the claim to the cell grid system, which may result in overlap between a cell tenure and an adjacent legacy claim. In previous WGM reports, there was some overlap between Columbia Yukon and neighbouring properties, but all of the 100% Columbia Yukon-owned tenures in Table 1 have been converted into, or were acquired under, the MTO system, and there is no internal overlap, except for a pre-existing non-Columbia Yukon mining lease in Cassiar.

CYU STO \ CYU_01_Loc_Map.cdr
Last revision date: Friday 20 March 2009

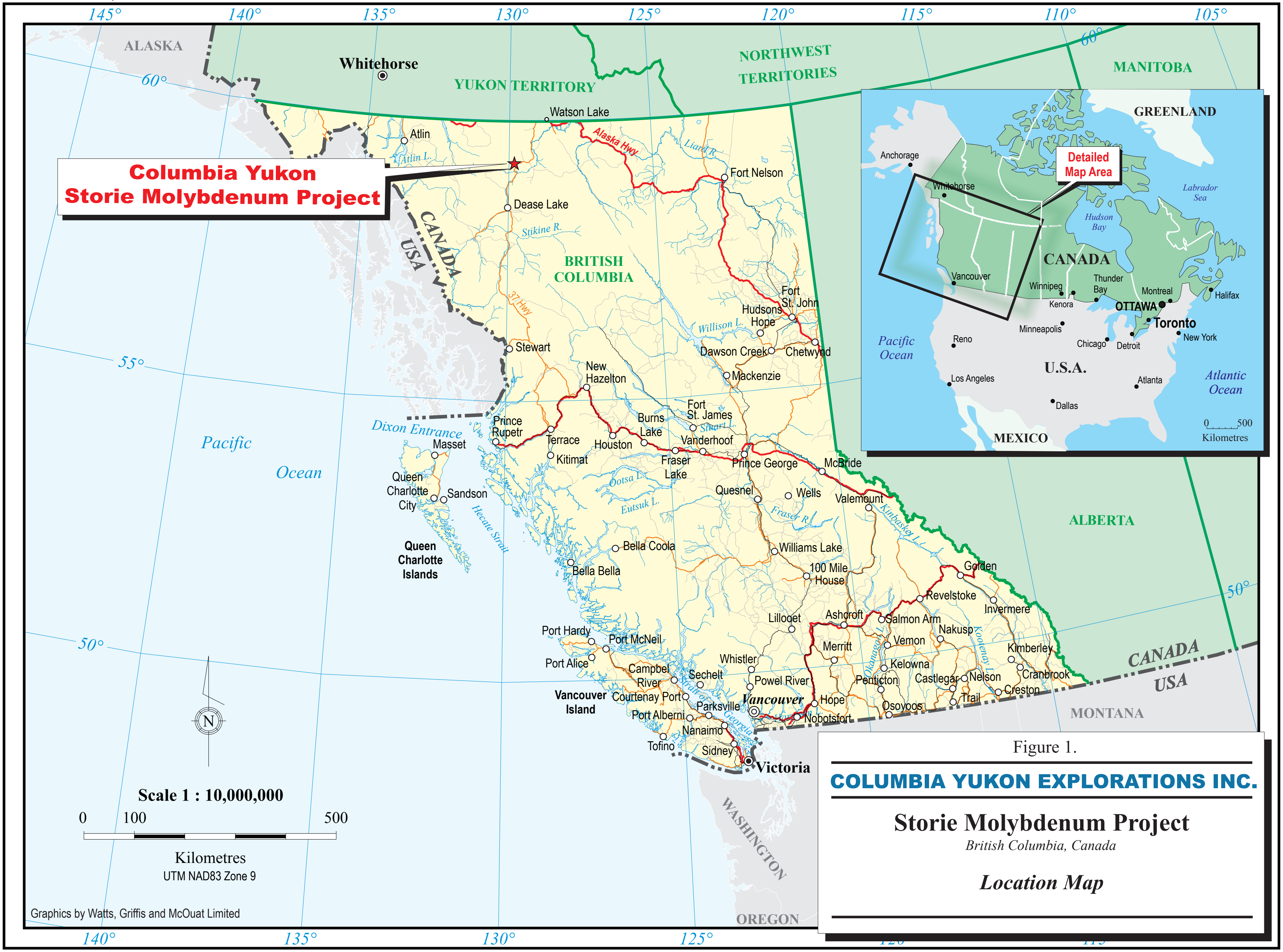

Figure 1.

COLUMBIA YUKON EXPLORATIONS INC.

Storie Molybdenum Project

British Columbia, Canada

Location Map

Watts, Griffis and McOuat

CYU STO / CYU_04_b_Claim_Map.dwg (Layout: Land Status 75k)
Last revision date: Tuesday 5 November, 2013

Watts, Griffis and McOuat

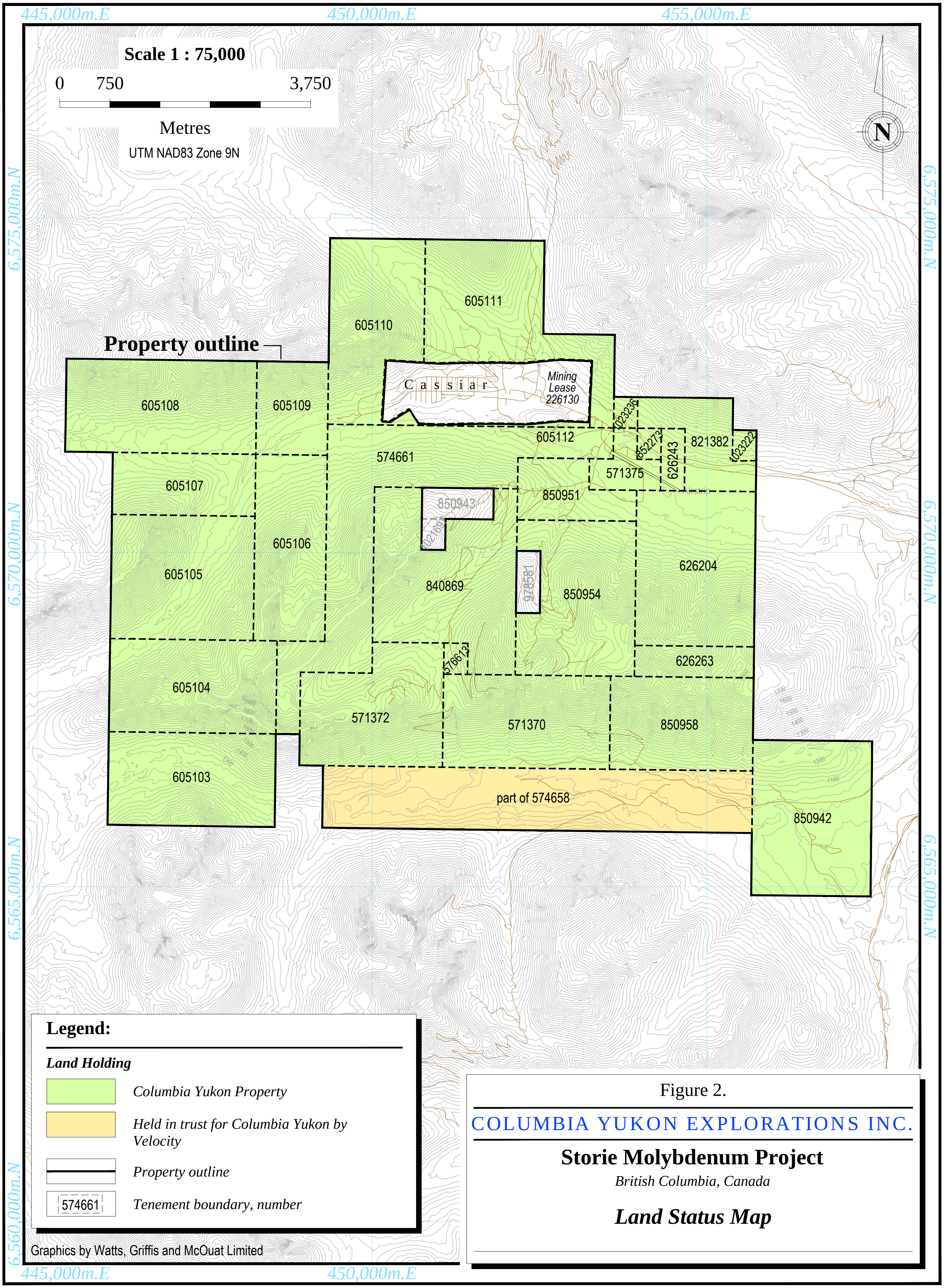

Figure 2.

COLUMBIA YUKON EXPLORATIONS INC.

Storie Molybdenum Project

British Columbia, Canada

Land Status Map

TABLE 1.
PROPERTY STATUS

Tenure Number	Issue Date	Conversion Date	Expiry Date	Area (ha)
Columbia Yukon 100%				
571370	July 28, 1999	Dec. 6, 2007	Nov. 30, 2018	347.68
571372	July 28, 1999	Dec. 6, 2007	Nov. 30, 2018	347.66
576613	Feb. 19, 2008		July 31, 2015	16.55
571375	Dec 6, 2007		July 31, 2105	66.16
574661	Jan. 26, 2008		July 31, 2015	595.56
605103	May 28, 2009		July 31, 2015	347.75
605104	May 28, 2009		July 31, 2015	347.63
605105	May 28, 2009		July 31, 2015	397.13
605106	May 28, 2009		July 31, 2015	297.81
605107	May 28, 2009		July 31, 2015	198.49
605108	May 28, 2009		July 31, 2015	396.86
605109	May 28, 2009		July 31, 2015	148.82
605110	May 28, 2009		July 31, 2015	380.21
605111	May 28, 2009		July 31, 2015	413.25
605112	May 28, 2009		July 31, 2015	115.75
626204	Aug 31, 2009		July 31, 2015	413.66
626243	Aug 31, 2009		July 31, 2015	33.08
626263	Aug 31, 2009		July 31, 2015	82.76
821382	July 19, 2010		July 31, 2015	148.84
840869		Dec 15, 2010	Aug 5, 2015	463.32
850942		Apr 6, 2011	Dec 31, 2014	414.06
850951		Apr 6, 2011	Nov 30, 2015	132.33
850954		Apr 6, 2011	Nov 30, 2015	380.61
850958		Apr 6, 2011	Nov 30, 2015	298.01
852273	Apr 22, 2011		Apr 22, 2014	16.54
1023222	Oct 22, 2013		Oct 22, 2014	16.54
1023236	Oct 22, 2013		Oct 22, 2014	16.54
Total Area – 100% Columbia Yukon				**6,833.60**
Velocity Resources Ltd. 100% – Held in Trust for Columbia Yukon				
574658 (part)		Jan 26, 2008	Jan 31, 2021	596.33*

*****based on *pro rata* of 36 of 56 cells

The Columbia Yukon property totals 7,429.93 ha; in contrast, the property described in the 2009 WGM report consisted of tenures 571370, 571372 and 576613, totalling 711.91 ha.

Annual assessment requirements for exploration work are $5 per hectare in each of the first and second years after a tenure is issued, $10 per hectare in each of the third and fourth years, $15 per hectare in each of the fifth and sixth years, and $20 per hectare annually thereafter.

Assessment credits may be applied to give a mineral tenure an expiry date of up to 10 years ahead of the application date. Cash may be paid in substitution for exploration expenditures ("cash-in-lieu") at a rate of twice the amounts required for exploration work. An assessment filing fee of $0.40 per hectare per year is also required.

Reporting of the 2007 and 2010 work by Columbia Yukon was filed for assessment credits. The unused remainder can be banked for future credits.

There are two small placer tenures on Troutline Creek in the northeast area of the Columbia Yukon Property, but these do not affect the mineral rights of the Columbia Yukon tenures.

The MTO system also shows a number of district lots without mineral or placer title tenure in the northern portion of the Columbia Yukon Property, particularly along Troutline Creek and the Cassiar Road; they are possibly residential lots. WGM is not aware of the status of these lots and understands that they have not been title-searched through the Ministry of Finance by Columbia Yukon as they do not impinge upon any areas of known mineral potential.

4.3 UNDERLYING AGREEMENTS

On March 20, 2006, Columbia Yukon entered into an option agreement with Eveready Resources Ltd. ("**Eveready**") concerning two claims containing the then-known Storie Deposit. Columbia Yukon was granted the right to earn a 100% interest in the Property by spending a total of $4,000,000 on exploration, issuing 600,000 shares and paying Eveready $1,150,000 in cash over a five-year period. Columbia Yukon exercised the option in October, 2007. Eveready retained a 2.5% net smelter return ("NSR") royalty; Columbia Yukon was given the right to purchase part or all of the royalty at a rate of $1,600,000 per each 1.0% ($4,000,000 in total). These claims, later termed the "Original Claims", were eventually converted into tenures 571370, 571372 and 576613 (see Figure 2). Columbia Yukon was also given the 100% right to any molybdenum mineralization outlined by them on two 20-unit claims (nominally about 1,000 ha) to the north, within which a 2.5% NSR royalty was payable to a third party.

On June 7, 2010, Columbia Yukon and Velocity Minerals Ltd. ("**Velocity**") entered into a purchase and sale agreement whereby Velocity sold to Columbia Yukon tenure 574661 and a portion of tenure 574658 (see Figure 2), comprising a total of 72 cells, held by Velocity for: 1) $25,000 and 200,000 Columbia Yukon shares; 2) a 15% NSR royalty retained by Velocity; and 3) retention of access rights by Velocity for the purpose of accessing their Cassiar Moly deposit. Because regulations at the time did not allow the transfer of parts of tenures, however, Columbia Yukon and Velocity later agreed (July 20, 2010) that Velocity would hold the cells of tenure 574658 in trust until legislation should permit (Table 1). Although regulations are now in place to effect the transfer, Columbia Yukon does not anticipate doing so until available assessment credits are allocated by Velocity; in the meantime, Columbia Yukon has right of access.

Also on June 7, 2010, Columbia Yukon agreed to purchase 10 cells of a tenure east of Cassiar from S.G. Diakow, the President of Velocity, for $5,000. As in the preceding, these units were held in trust by Mr. Diakow solely for the benefit of Columbia Yukon; the units subsequently became tenure 821382, now owned 100% by Columbia Yukon. Mr. Diakow retains a 1% NSR royalty, purchasable at any time on or before any commercial production for $500,000.

On February 22, 2011, Columbia Yukon and Eveready entered into a purchase and sale agreement whereby Eveready sold to Columbia Yukon its entire interest in 12 tenures, termed the "Additional Claims", north and east of the Storie Property. Some of these claims carried an underlying NSR royalty of 2.5%. The consideration for the additional claims included: 1) 650,000 shares of Columbia Yukon payable on the closing of the purchase and sale; 2) an increase of the NSR royalty buyout on the "Original Claims" to $5,262,000, or $2,104,800 for each 1% of the NSR); 3) a NSR royalty of 5% on the additional claims, with no buyout provision; and 4) access to Eveready on a portion of the additional claims (see Figure 2) where Eveready may explore for and exploit minerals. These excluded tenures are now registered to Eveready (850943), S.G. Diakow (1021697) and S.J. Lawes (978581), as shown on Figure 2. The "Additional Claims" were legacy claims, but were converted to the MTO cell system prior to transfer; they are now 840869, 850942, 850951, 850954 and 850958.

Tenures 571375, 605103 to 605112, 626204, 626243, 626263 and 852273 were acquired directly by Columbia Yukon, and have no underlying royalties.

4.4 ENVIRONMENTAL LIABILITIES

As outlined in previous WGM reports concerning the original three tenures overlying the Storie Deposit, in 2006-2007 Columbia Yukon removed the remains of an old exploration camp, which was recognized by the Ministry of Energy, Mines and Petroleum Resources, and cleaned up little left by previous operators. It is WGM's understanding that, as outlined in the 2006 Columbia-Yukon option agreement on the original three-tenure property, there were no discharges or spills of toxic or hazardous substances, and none were treated there prior to Columbia Yukon's 2006 program. According to Columbia Yukon, numerous drill stations and non-required roads were reclaimed by backfilling and smoothing the topography, as well as seeding, near the ends of the 2007 and 2008 field seasons. However, most of the 2006-2008 drill stations have not been reclaimed.

WGM is unaware of any environmental liabilities on the remainder of the Property, and has not visited any mineral occurrences apart from the Storie Deposit. As outlined in this report, there was a moderate amount of historic trenching and diamond drilling done on a number of mineral occurrences over many years by previous operators, as recently as 2005.

A discussion of Columbia Yukon's environmental studies, the environmental assessment process, as well as First Nations issues, are presented in Section 24.

4.5 PERMITS

A *Mineral & Coal Notice of Work and Reclamation Program* ("NoW") was submitted to the Ministry of Energy, Mines and Petroleum Resources for each Columbia Yukon exploration program, along with an emergency response plan. The NoW is the only application necessary, as it covers aspects of land disturbance and reclamation (drill set-ups, access trails, sumps and settling ponds), water use, timber-cutting and occupational first aid, amongst other items. Each program receives authorization under a *Mineral & Coal Exploration Activities & Reclamation Permit*. As of October 31, 2013, the date of the last interim financial statements, Columbia Yukon had refundable reclamation deposits of $46,500 with the B.C. government for potential reclamation work.

Application for surface field work and three drillholes at the "M" zone in 2009 was made by Columbia Yukon, but only the field work was done. The 2010 drilling program was done under the same NoW as for 2009, but drillhole locations were modified, and only one was drilled on Columbia Yukon tenures.

Upon completion of any year's field work, an *Annual Summary of Work for Exploration Activities* must be submitted to the government.

5. ACCESS, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 ACCESS

Cassiar is connected to Highway 37 by a 15 km macadamized paved road. Highway 37, a two-lane paved road in very good condition, provides access to the Alaska Highway (120 km from the Cassiar cutoff), Watson Lake, Yukon (143 km), and Dease Lake and Stewart, British Columbia. Watson Lake (population about 1,500, including the Liard First Nation) is the nearest commercial centre. The closest major centre for supplies is Whitehorse, Yukon.

A 1,200 m long gravel airstrip is located three kilometres from Cassiar. It is now used infrequently, but is in good condition. Charter aircraft are available from Whitehorse. Casual helicopter service is available from Dease Lake, Watson Lake and Whitehorse. Columbia Yukon has a mineral tenure over the Cassiar airstrip.

The east side of the Storie Deposit is accessible by four wheel drive vehicle from the Cassiar airstrip, on a 5-km loose surface road. The road was repaired for the 2006 drilling campaign, and was upgraded for the 2007 program. During the winter months, access could be maintained by daily bulldozing to clear deep accumulations of drifting snow. According to Columbia Yukon, drifts of 6 m and more were encountered at higher elevations as late as June during the 2007 and 2008 field seasons; under such conditions, a backhoe might be necessary.

5.2 CLIMATE

An interior west-coast type climate – with moderate to high precipitation of just over 40 cm annually, warm summers and cold winters – typifies the area. Temperatures at the elevations and latitude of the Property vary from -35° to -40°C in January (winter average -10° to -15°C), to 25° to 32°C in the summer (summer average 20°C). The property is usually snow-free from late June to mid-September, although the operating exploration season is somewhat longer. Some snow on the uppermost northeast facing slopes may remain year-round.

5.3 LOCAL RESOURCES AND INFRASTRUCTURE

The former asbestos mine at Cassiar, operated by Cassiar Asbestos, closed in 1992. At its peak, Cassiar had a population of about 1,500, but when mining ceased, most of the townsite was removed. A church, hockey arena, four mine-era apartment blocks, and the former mill building and miners' dry were left standing. The tramline which transported ore from the asbestos mine to the mill was purchased, but the buyer has left it standing.

Camp facilities are seasonably available in Cassiar. The four apartment blocks at the east end of town are operational for ongoing site reclamation work. Crews have been housed in one or more of the blocks for Columbia Yukon's programs.

Electrical supply in Cassiar is locally provided by two diesel generators. Watson Lake has diesel-generated electricity for local use only. The nearest point of a public B.C. electrical grid is the town of Stewart, about 370 km in a straight line to the south. Following engineering, environmental assessment and First Nations consultation, in September 2011, the government of British Columbia (BC Hydro) contracted for the construction of a 344-km, 287-kV power line, the Northwest Transmission Line ("NTL"), from Terrace to Bob Quinn along Hwy 37, a corridor surrounded by numerous areas of potential mineral development and power generation – including the Galore Creek deposit. It is expected that this powerline will be in service in the spring of 2014 (BC Hydro website). There has been great interest from mining and electrical generating companies and local communities to extend the project review to Dease Lake. Imperial Metals Corporation's Red Chris copper-gold porphyry, which is under construction, will tap into the NTL, and extension could potentially bring power to other major deposits such as Hard Creek Nickel Corp.'s Turnagain River nickel-cobalt project east of Dease Lake. Although there are no current plans to do so, construction of a power line to Dease Lake would bring a grid within 135 km of Cassiar, by road.

There is not a large established mining-trained labour force in the general area. Up to 2007, when their operations closed, Cusac Gold Mines Ltd. employed general labour from around Cassiar and Watson Lake, but most skilled miners were from other regions. Jade is extracted on a seasonal basis from the Cassiar asbestos waste dumps, and there is intermittent (presently on-going) activity by China Minerals Mining Corporation at the Table Mountain and Taurus gold deposits east of Cassiar (see Section 23).

Delineation of the Storie Deposit is in the middle to late stages, and in-depth consideration has not been given to possible locations for waste rock and tailings storage, or a plant site. Nevertheless, the site of the abandoned mill in Cassiar could potentially be used for a new mill. It is WGM's understanding that the Columbia Yukon Property was dramatically increased in size principally to give flexibility for potential mill and tailings sites.

There are two ponds in the saddle at the base of the slope of the Storie Deposit. The larger pond, about 20 m across, was apparently the main source of water for the Shell Canada drilling campaign(s), and was probably used in earlier programs. During Columbia Yukon's 2007 and 2008 field seasons, the pond water was sufficiently replenished by melting snow to supply water for as many as four drills. During the Cassiar asbestos mining period, water was taken from Troutline Creek, which flows year-round.

5.4 PHYSIOGRAPHY

On the current Property, elevation varies from less than 1,000 m to just over 2,000 m. General relief is fairly rugged. Most of the Property lies above the treeline with thick spruce, alder and willow at the lower elevations. Pautler (2003) reported good bedrock exposure above the treeline, which is at approximately 1,400 to 1,500 m.

Elevation on the Property's main area of interest, the Storie Deposit, varies from about 1,400 to 1,750 m. The area consists mostly of a gentle, north-facing slope averaging 33^{o}, crossed by drill access roads, which terminates in the south by steep cliffs above moderate slopes which fall into Lang Creek valley. The relief on this peak is unusually subdued compared with the much more severe terrain of the neighbouring slopes; east and west of the main area of interest, elevations rise quickly (see Figure 2).

The area of the Storie Deposit is above the treeline, and vegetation is limited to alpine grass, shrubs and other low-lying vegetation. Cassiar is not far below the local treeline. Although the region has been glaciated, there is little glacial debris, although much of the area is talus-covered. Soil is poorly developed, and there is only scattered bedrock exposure.

6. HISTORY

6.1 STORIE DEPOSIT

6.1.1 WORK DONE

Historic exploration covering the period 1959 to 2005, including resource estimates in 1979 and 1980 by Shell Canada, was thoroughly reviewed in the 2007 WGM report (Kuehnbaum and Lindinger, 2007). The work is summarized as follows, and the 2007 WGM report should be reviewed for additional details:

1959: Kennco Explorations, (Western) Limited carried out geological, soil geochemical and geophysical (SP) surveys. In addition, trenches were cleaned out and sampled, implying that some work had been done before 1959 (Woodcock, 1959).

1964-1968: Casmo Mining Ltd., a subsidiary of New Jersey Zinc, excavated 135 m of trenches and drilled 48 BQ and BX diameter drillholes totalling 6,799 m. The small core size and lack of use of drilling muds resulted in poor recoveries of 30% to 85%. Casmo also drilled ten rotary holes (total 100 m), but the drilling and sampling techniques were found unsatisfactory. The drill core and cuttings are unavailable.

1968: Coast Silver Mines Ltd. did a four-hole diamond drilling program on the "M Zone" about 1 km east of the Storie Deposit on the Bunny Claim. According to historical reports, one of the holes intersected significant molybdenum mineralization, but this cannot be substantiated at the present time. The only available report of Coast Silver's work in the area is a report of a 1969 airborne geophysical survey completed (Crosby, 1969).

1971: Levana Exploration, a subsidiary of Cyprus Mines Ltd, drilled four NQ diamond drillholes totalling 964 m. The use of drilling mud, combined with larger diameter core, resulted in reported recoveries averaging 98%. The core is presently stored near Cassiar.

1979: Shell Canada entered into an option agreement on the 42-claim "Casmo Property" with New Jersey Zinc Exploration of Canada. The 1979 program included grid establishment, geological and geophysical surveys, rehabilitation of about 4,500 m of drill core from previous project(s), and the diamond drilling of 2,154 m of NQ core. Core recovery reportedly averaged 97%, but varied from about 50% to 100%. Complete drill logs with molybdenum assays, as well as most of the analytical certificates, are available for this work.

1980: A second Shell Canada program consisted of 5,940 m of diamond drilling in 21 new drillholes and the deepening of three 1979 drillholes, 51 line kilometres of linecutting, IP and magnetometer surveys, geological mapping, and the staking of 32 additional claims. All holes were drilled at an azimuth of 170^o, inclined at -70^o. Overall core recovery was 95%, although it is uncertain whether this value was obtained through rigorous measurement or by estimate. All core was logged for fractures, and then split and sampled in 10 foot (3.05 m) intervals. One half of the core was assayed for molybdenum (%MoS_2). Only analytical certificates and a series of sections (showing grade of MoS_2 for each interval) used in the resource estimate are available.

In 1980, geophysical surveys outlined a significant apparent resistivity low and a broad magnetic low over the main zone. Both of these trends continue to the northeast to the intrusive-sediment contact. In 2005, the 1979 and 1980 core was located and restored; it is now stored on pallets near the core-logging facility.

The drilling done between 1964 and 1980 was focussed on an approximately 850 m x 850 m area, with only four holes drilled further to the east. Most of the drillholes were aligned on 150 m spaced lines oriented at 170°.

1997-2004: Eveready Resources optioned the property and undertook sporadic data compilation, rock sampling, prospecting, and road rehabilitation. The option was taken to completion, and Eveready acquired the Property. Mineralization on the Eveready property, including Storie, was discussed by Pautler (2002, 2005), but the main focus was on silver-lead-zinc prospects.

2005: Velocity Resources Inc. optioned the property from Eveready and carried out prospecting, data verification and technical studies, including the re-boxing and re-labelling of the core from some of 37 drillholes of the 1971 to 1979 work on Storie. They commissioned a "technical evaluation report" which included a review of the history of exploration, and which is the basis for much of the discussion above.

6.1.2 HISTORIC RESOURCE ESTIMATES

Prior to 1980, several resource estimates were prepared by Kennco following their 1959 surface exploration program, New Jersey Zinc in 1968, Levana Resources and Shell Canada following their 1979 program. These early historic estimates were reviewed in detail in the 2007 WGM report (Kuehnbaum and Lindinger, 2007).

Following their 1980 program, Shell Canada (Bloomer and Gourlay, 1980) reported unclassified historical "drill indicated reserves" (alternatively "drill indicated potential") of **100.5 Mt grading 0.129% MoS_2 using a cutoff of 0.07% MoS_2**. This is equivalent to 100.5 Mt grading 0.077% Mo at a cutoff of 0.042% Mo, a figure which was reported in government and other technical documents until at least 2007. **This resource estimate is historical and is relevant, but does not meet the definition standards of National Instrument 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum. The methodologies of the resource estimate are unavailable, and they have therefore been neither reviewed nor independently verified by WGM to classify them as current resources. The above estimate should therefore not be relied upon.** It is believed, however, that the resources were estimated to the standards of the period by competent engineers or geoscientists.

Bloomer and Gourlay (1980) noted that the Storie Deposit was open to the north, east and west, and recommended further drilling beyond the "hypothetical pit boundaries", outlined at the time.

Insofar as WGM is aware, no metallurgical testing was done on the Storie property during the period of historic exploration.

6.2 REMAINDER OF PROPERTY

The following summary of historic work done on the current Columbia Yukon Property is based on assessment reports available from the ARIS database of the British Columbia Ministry of Energy, Mines and Natural Gas. A thorough compilation has not been done by Columbia Yukon, and such compilation is beyond the scope of this Report. Other than the Storie Deposit, the mineral occurrences are approximately located on Figure 3, based on a page-sized plan from an assessment report by Pautler (2009). Because historic claim boundaries do not coincide with the present Columbia Yukon Property boundaries, it is difficult to determine their exact locations, as well as the limits of the historic work. Tying in topography and drainage from historic plans would lead to better locations of both historic work and mineral occurrences.

In 1959 to 1961, geophysical surveys and 671 m of diamond drilling in 12 holes were done by Cominco on the Lang Creek occurrence, which outlined a 27,000 t lens grading 1.52% Cu and 0.9% Zn.

Silver-lead-zinc occurrences at Magno were discovered in the early 1950s. It is reported that, in 1953, 21 t were shipped from Magno. The exact location of this sampling is unknown.

An area of 168 claims was explored by Coast Silver Mines Ltd. from 1968 to 1971, with airborne (Crosby, 1969) and ground geophysical surveys, geochemical surveying and mapping; this was followed by diamond drilling (45 holes totalling 3,657 m), 523 m of underground development and underground drilling (845 m, 25 holes) at Magno (Cukor, 1975). Reporting on the surface work and drilling is unavailable so it is uncertain how much was done on the present Property; the underground development and drilling would have occurred exclusively on what is now tenure 978581 owned by another party.

Bloomer (1980) reported the following resource estimates by Coast Silver:

- The best occurrence of the D Zone: 90,000 t of "drill indicated reserves" grading 75 g Ag/t, 3.32% Pb, and 6.3% Zn. This is believed to be located on the Columbia Yukon Property; and

- Magno: East Zone containing 142,500 t of 4.06% Pb, 4.40% Zn, 110 g Ag/t and 1 g Au/t, over an average width of 5.5 m; Middle West (or "Mid") Zone containing 85,000 t of 9.43% Pb, 5.34% Zn and 250 g Ag/t over an average width of 3 m; and, West Zone containing 221,000 t at a grade of 5.4% Pb, 3.4% Zn and 200 g Ag/t over an average width of 2.5 m. The West Zone is believed to be located entirely on tenure 978581; the Middle West Zone partly on the Columbia Yukon Property; and the East Zone entirely within Columbia Yukon Property.

The resource estimates for Lang Creek, D Zone and Magno are historical and relevant, but do not meet the definition standards of National Instrument 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum. The methodologies of the resource estimates are unavailable, and they have therefore been neither reviewed nor independently verified by WGM to classify them as current resources. The above estimates should therefore not be relied upon.

In 1975, Balfour Mining Ltd. ("**Balfour**") mapped and did a ground magnetic survey at Magno on parts of six claims partly overlying the current Property (Cukor, 1975). A magnetic anomaly characterizing the silver-lead-zinc vein system suggested that the vein may extend onto the present Property. This was followed by underground drilling in 1976, but this work was probably entirely within present tenure 978581 off the current Columbia Yukon Property.

In 1976, Balfour did ground geophysical surveys (VLF-EM and HLEM) over conductive zones, mapping, trenching and diamond drilling on a claim group consisting of the six claims above and twenty additional claims that were only recently converted to the cell system upon the transfer of land to Columbia Yukon by Eveready. The Magno vein system is shown trending both east and west onto the current Property for a total extent in excess of 1,200 m. The "East Zone", previously drilled by Coast Silver, was tested with 11 drillholes (869 m); it appears to lie within the current Property. Two mineralized zones, one containing high zinc with local significant gold contents, were outlined. A number of significant intercepts in five of the holes include: 217 g Ag/t, 6.15% Pb and 4.66% Zn across 4.0 m; 1,617 g Ag/t, 37.83% Pb and 5.04% Zn across 0.3 m; and 110 g Ag/t, 3.23% Pb, 23.78% Zn and 6.93 g Au/t across 1.68 m. On the west end of the East Zone, which may straddle the boundary of the present Property and the adjoining tenement, four other holes intersected significant mineralization, including up to 413 g Ag/t, 14.14% Pb and 6.55% Zn across 4.3 m.

In 1979 and 1980, Shell Canada, in conjunction with their on-going exploration at the Storie Deposit, carried out exploration for base and precious metals on a large block of claims, primarily because tin had been discovered associated with lead-zinc-silver mineralization a short time before. Work in 1979 consisted of mapping, prospecting, drainage heavy mineral sampling, as well as grid establishment and IP, magnetic and/or Shootback EM over several occurrences, including Grid 79-4, Grid 79-1 (the Pant Zone) and the contact between the Atan and Kechika (now Road River) Groups. The 1980 work consisted of diamond drilling: five holes totalling 416.6 m on the Pant Zone; and two holes totalling 191.4 m on Grid 79-4. Grid 79-4 was entirely with the present Columbia Yukon Property (mostly tenure 850958). The D Zone covers an area mostly on the current Property and straddling Granite Creek, but may in part overlap the present tenures 978581 and 850943. The Lang Creek Grid was located on current tenure 850942. Discussion of the various occurrences is presented in Section 7.2.2.

No further work is recorded until 1996 when Pacific Bay Minerals Ltd. established a grid on the Upper D Zone on which soil sampling was done, and drilled a 270 m reverse circulation hole off the grid at the Lower D Zone. This work was in the area of current Columbia Yukon's tenures.

In 1998, Eveready carried out, through a contract firm, exploration on a 60-unit block of claims covering what is essentially the central and eastern part of the current Columbia Yukon Property south of Troutline Creek. Mapping and trenching were followed by diamond drilling of eight holes on the McMullen Zone (their name for the altered-mineralized zone at Magno). Two of the drillholes were on the Middle West Zone, which is around the border between the Columbia Yukon Property and tenure 978581; three were on the eastern part of the zone (East Zone) within the current Property. The five holes totalled 1,416.4 m (Nikols and Hoffman, 1999). The Magno South Zone was discovered.

In 2002, Eveready compiled available data, evaluated known showings, and did geological mapping, prospecting and geochemical sampling (Pautler, 2003).

In 2003, Eveready did geological, geochemical and reconnaissance magnetic surveys and mechanical trenching on selected occurrences throughout their block of claims. Trenching was done on the Granite Creek and Waterfall zones on the present Property, as well as on Magno North; and geochemical work at Ray, Lang Creek and Pant showings (Pautler, 2004). Trench results include 263 g Ag/t, 6.2% Pb, 6.2% Zn, 0.5 g Au/t over 2 m from Granite Creek. The Pant North zone was discovered. Work was also done on Magno North, but this appears to be off the Columbia Yukon Property.

In 2004, reconnaissance geological and geochemical work was done by Eveready on the Lower D replacement zone, extensions of the Pant North zone and Lang Creek. The Marie molybdenum showing was discovered, and additional molybdenum mineralization found localized along the X Fault 400 m south of the Storie Deposit (Pautler, 2009).

In 2005, 927 m of diamond drilling in seven holes was done by Eveready on several prospects trenched in 2003. Within what is now the Columbia Yukon Property, a step-out hole at Lang Creek failed to find an extension of the massive sulphide lens. At Granite Creek, up to 54.3 g Ag/t across 0.7 m was intersected (Pautler, 2006). Reconnaissance sampling on the D Zone returned up to 1.08 g Au/t, 1,100 g Ag/t, 1.7% Zn and 25.4% Pb.

Pautler (2009) reports that Eveready did further surface exploration in 2006 and 2007 on the Ray (Minfile 104P 040) and Marie showing areas, currently on other tenures, including geological mapping, grid establishment, soil geochemical sampling and IP surveys, and trenching on the Marie showing. The geological environment is reported to be similar to that of the Storie Deposit. In 2008, geological mapping and geochemical sampling were done between the Ray molybdenum showing and the area adjacent to the Storie Deposit. A strong molybdenum-in-soil geochemical anomaly was outlined straddling Granite Creek on the central-southern area of Columbia Yukon tenure 840869. Work was also done by Eveready on the Troutline copper occurrence, with sampling results of 1.74% Cu, 3.0 g Ag/t and 0.11 g Au/t over 1 m in a volcanogenic massive sulphide setting similar to that at Lang Creek.

In 2010, diamond drilling of two holes, totalling 469.9 m, was done on the Marie and Ray areas by Columbia Yukon on behalf of Eveready prior to the transfer of the Eveready tenures to Columbia Yukon. The holes are located on Eveready's current tenure 850943 (Figure 2), approximately 2.5 km north of the Storie Deposit.

7. GEOLOGICAL SETTING AND MINERALIZATION

7.1 REGIONAL, LOCAL AND PROPERTY GEOLOGY

7.1.1 LOCAL AND PROPERTY GEOLOGY

Aspects of regional geology, local geology and mineralization, and the geology, structure and alteration types of the Storie Deposit were reviewed in the 2008 WGM report, including observations made by Columbia Yukon during the 2007 drilling program. However, Figure 3, showing the Columbia Yukon Property boundaries in the local setting, is based on more recent regional re-mapping of the area from Cassiar to Midway near the Yukon-British Columbia border by the British Columbia Geological Survey Branch (Nelson and Bradford, 1993). The overall geology is similar to that of Pantaleyev (1979), but the more recent work uses somewhat different nomenclature, age assignments and geological boundaries. Some assessment reports refer to Panteleyev's terminology, while others refer to the 1993 work. The following, including Figure 3, is based on Nelson and Bradford (1993).

The Columbia Yukon Property overlies three main domains: 1) the **Cassiar Terrane**, Precambrian to Paleozoic carbonate and clastic sedimentary rocks of displaced North American continental margin; 2) Paleozoic to Mesozoic rocks of the **Sylvester Allochthon**, which structurally overlie the Cassiar Terrane, and which consist of marginal basin and arc volcano-sedimentary rocks and ultramafite-gabbro complexes; and 3) to the west, the mid-Cretaceous **Cassiar Stock**, a 7 km x 30 km body along the eastern margin of the regional mid-Cretaceous Cassiar Batholith.

Within the **Cassiar Terrane**, the Stelkutz Formation of the Hadrynian-aged Ingenika Group sedimentary rocks occur between the Paleozoic strata and the Cassiar Batholith around Cassiar. Paleozoic rocks consist of the Boya (quartzite and phyllite) and Rosella Formations (limestone, dolostone and shale) of the Lower Cambrian Atan Group. The Ordovician–Silurian Road River Group consists regionally of siltstone, graphitic slate and argillaceous limestone. The Road River and Atan Groups are in contact along the Marble Creek Fault. The Silurian to Lower Devonian Tapioca Sandstone consists of dolomitic quartz arenite, quartzite, dolostone and limestone. Units of the Devonian to Mississippian Earn Group (slate, clastic sediments, limestone and exhalite) lie adjacent to the thrust contact between the strata of the Cassiar Terrane and the Sylvester Allochthon.

The only units of the **Sylvester Allochthon** within the Property consist of Mississippian volcanic rocks of the Sylvester Group.

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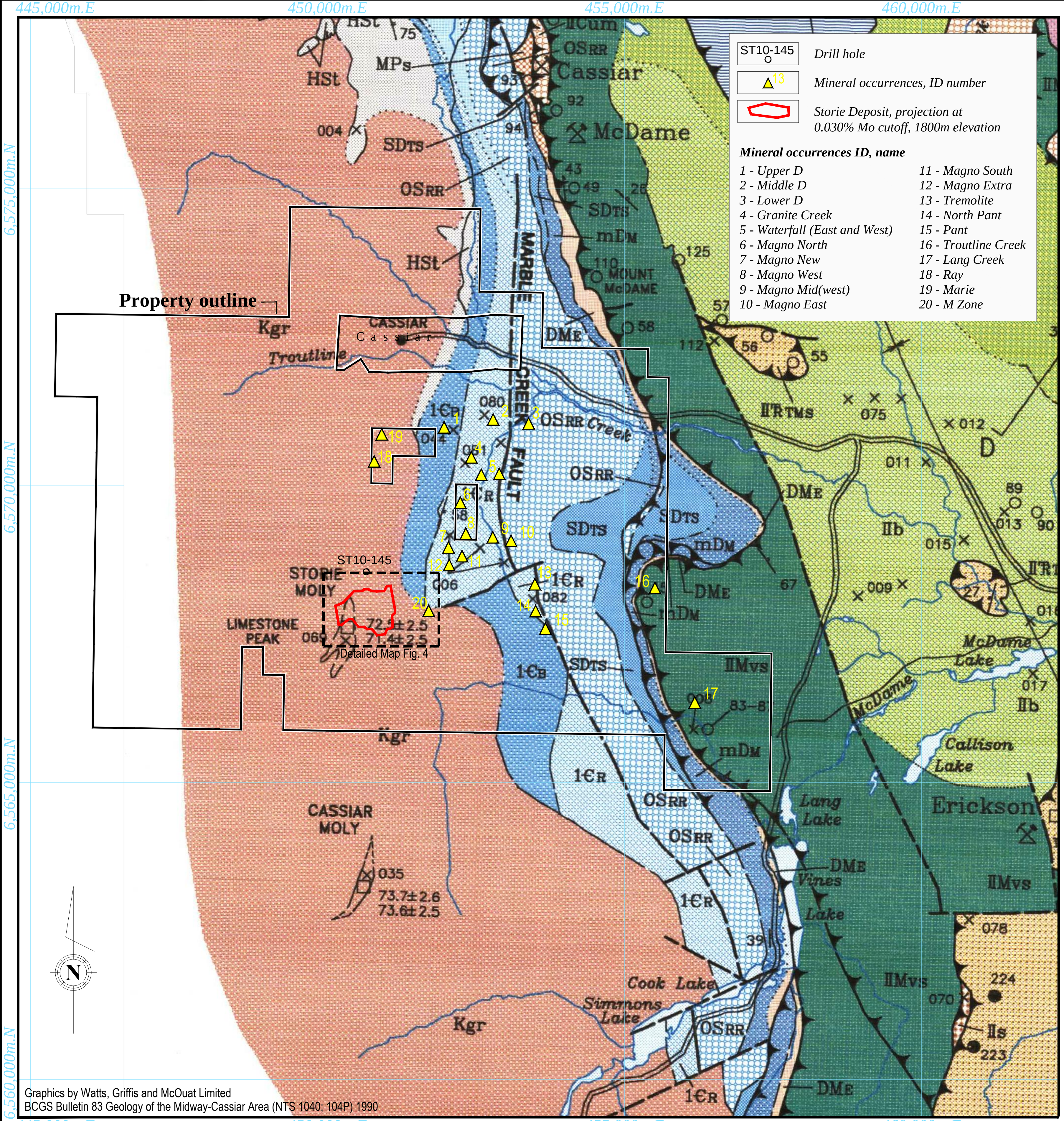

LEGEND

INTRUSIVE ROCKS

CRETACEOUS

Kgr — Granite, coarse grained, commonly K-feldspar megacrystic

SYLVESTER ALLOCHTHON (DEVONIAN TO TRIASSIC)

TRIASSIC
TABLE MOUNTAIN SEDIMENTS

TRTMS — Slate, calcareous siltstone, *halobia*-bearing limestone

AGE UNKNOWN

Ib — Massive and pillowed basalt flows, lesser tuff

PENNSYLVANIAN–PERMIAN

IPPvs — Basalt flows and tuffs (including maroon, red and green), volcaniclastics, variegated chert, polymictic breccia, phyllite, argillite, quartz–chert sandstone, rhodonite, diabase

MISSISSIPPIAN

IMvs — Basalt, diabase, grey and green chert, black, grey and green argillite, calcarenite, quartz–chert sandstone, chert pebble conglomerate

CASSIAR TERRANE (AUTOCHTHONOUS STRATA)

PENNSYLVANIAN–PERMIAN

MPs — Red, green, pink, grey, black chert and argillite, minor calcarenite lenses, rare amygdaloidal basalt

DEVONIAN TO MISSISSIPPIAN
EARN GROUP

DME — Slate (variably graphitic, calcareous, pyritic), siltstone, sandstone, conglomerate, porcellanite, dark grey limestone, siliceous and baritic exhalite

MIDDLE DEVONIAN
MCDAME GROUP

mDM — Limestone, dolostone, limestone–dolostone breccia

SILURIAN TO LOWER DEVONIAN
TAPIOCA SANDSTONE

SDTS — Dolomitic quartz arenite, quartzite, dolostone, limestone

ORDOVICIAN TO SILURIAN
ROAD RIVER GROUP

OSRR — Black, commonly limy slate, locally graptolitic, argillaceous limestone

LOWER CAMBRIAN
ATAN GROUP
ROSELLA FORMATION

lCR — Limestone, dolostone, calcareous slate, red and green slate

BOYA FORMATION

lCB — Quartzite, siltstone, slate, phyllite

HADRYNIAN
INGENIKA GROUP
STELKUZ FORMATION

HSt — Eastern facies: grey, red and green slate, limestone. Western facies: grey, green–grey phyllite, siltstone, quartzite, limestone

Scale 1 : 75,000

0 750 3,750

Metres

UTM NAD83 Zone 9N

Figure 3.

COLUMBIA YUKON EXPLORATIONS INC.

Storie Molybdenum Project

British Columbia, Canada

Regional Geology

The **Cassiar Batholith**, and intrusive complex of regional dimensions, consists primarily of muscovite-biotite granite and biotite±muscovite granodiorite, with lesser biotite±hornblende granodiorite, quartz monzodiorite and quartz monzonite (Driver and others, 2000).

The Storie Deposit is located within the **Cassiar Stock**, a discrete, 33 x 7 km intrusion emplaced along the eastern margin of the Cassiar Batholith. Panteleyev (1979) reports age dates of about 70 Ma, in contrast to the roughly 100 Ma Cassiar Batholith; Nelson and Bradford (1993), however, comment that most of the Cassiar Stock is mostly texturally indistinguishable from the main batholith, and that the 70 Ma age dates were from small units (in one case, sericite from a mineralized veinlet). The stock consists mainly of coarse-grained quartz monzonite and porphyritic quartz monzonite. Within and gradational into the main quartz monzonite are zones of finer-grained, mantled porphyritic quartz monzonite (oligoclase rims on K-feldspar phenocrysts) or medium-grained quartz monzonite; the mantled variety occurs in the areas of the Storie and Cassiar Moly deposits.

7.1.2 THE STORIE DEPOSIT

Since the 2009 WGM report, Columbia Yukon has done some surface mapping and re-interpretation of drillhole geology of the Storie Deposit through a series of revised cross-sections through the deposit. Overall, however, lithologic units have not changed. Figure 4, the geology of the Storie Deposit area, has been modified to reflect new information, as well as updated locations of drillholes.

In the area of the deposit, Shell Canada geologists described four main mappable intrusive rock units, all classified as quartz monzonite, and distinguishable on the basis of colour, grain size, and phenocryst content; two of the units were assigned sub-units. These were described in a previous WGM report. Subsequent work by Columbia Yukon has maintained the main units, but with modifications. The following is from Columbia Yukon (2013).

Unit 1 - Porphyritic Quartz Monzonite: The unit is light grey, generally unaltered, and mostly coarse-grained. It consists of plagioclase, K-feldspar and quart, and minor biotite and opaque minerals. Large (up to 4 cm) K-feldspar phenocrysts, comprising 10-20% of the rock, sit in a medium-grained groundmass. **Subunit 1a** is characterized by >30% K-feldspar phenocrysts; **subunit 1b** by K-feldspar as both phenocrysts and in the matrix.

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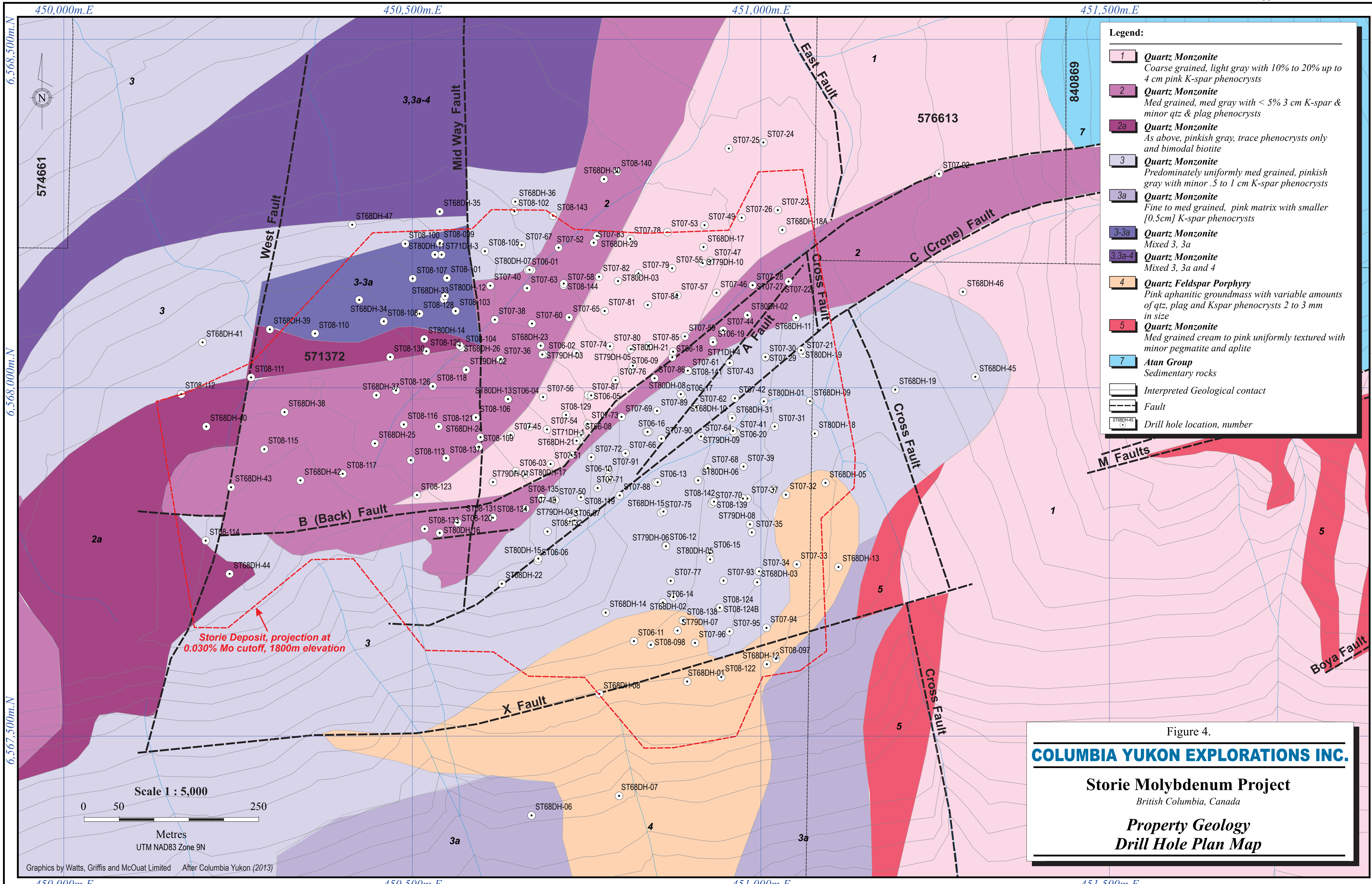
Last revision date: Wednesday 6 March 2013

Watts, Griffis and McOuat



Unit 2 – Quart Monzonite: This unit is light to medium grey, and dominantly medium-grained (bordering on fine-grained). It is distinguished by phenocrysts of K-feldspar, plagioclase and quartz (5-10%). Shell Canada reported local Rapakivi-textured phenocrysts of K-feldspar rimmed by plagioclase. Biotite occurs as both fine- to medium-grained flakes and very fine-grained "pepper-like" grains in the groundmass. **Subunit 2a** is pinkish-grey and medium-grained, with weak "pepper" biotite. **Subunit 2b** is sparsely to non-porphyritic, and is gradational into unit 2.

Unit 3 – Quartz Monzonite: This unit is light pinkish-grey and is variably textured from fine- to coarse-grained, and strongly to sparsely K-feldspar- and quartz-porphyritic, but is dominantly medium-grained and pink K-feldspar porphyritic. It consists of intergrown K-feldspar, plagioclase and quartz, with minor biotite and opaque minerals. **Subunit 3a**, especially adjacent to or within areas of Unit 4, has a distinctly pink, partly fine-grained and saccharoidal groundmass, and smaller K-feldspar phenocrysts than Unit 3. Units 3 and 3a have sharp to abruptly gradational contacts with units 4 and 5.

Unit 4 – Quartz-Feldspar Porphyry: This unit consists of a pink, fine-grained groundmass with variable amounts of 1-5 mm phenocrysts of quartz (eyes), K-feldspar and plagioclase. Bloomer and Gourlay (1980) noted that the groundmass is saccharoidal.

Unit 5 – Quartz Monzonite: This unit is light cream to pink-coloured, medium-grained bordering on fine-grained, and is essentially non-porphyritic. In the area of the M Zone, it commonly contains, or is gradational into, lenses and pods of aplite and pegmatite.

Unit 6 – Quartz Monzonite: This is a medium-grey, uniformly fine-grained unit with scatted K-feldspar porphyroblasts near its contacts. It occurs only as a small body northwest of the Storie Deposit, outside of Figure 4.

Scattered, narrow (0.5 to 2-m) **mafic dykes** occur on surface west of the Storie Deposit (in Unit 1) and in drill core in the deposit area (in Unit 3). **Aplite dykes** have been mapped on surface, but not logged in drill core; perhaps they have been mistakenly included in Unit 4.

Although structure and alteration of the deposit were discussed in the 2007 and 2008 WGM reports, more recent interpretations have been made available by Columbia Yukon (2013). Their interpretations of faults are based partly on somewhat tenuous correlation of RQD data from drillholes. Significantly, the deposit is cut by northerly and easterly trending faults (see Figure 4).

The **Crone Fault**, a marked topographic feature oriented at 055° to 060° and dipping about 60° to the northwest along the western length, and 80° to 83° to the northwest along the eastern length. The Crone Fault is the only fault showing mildly consistent faulting along its known length. The bulk of the best mineralization is bounded by, and lies to the north, all along the fault, although there are few if any high grade assay values near or in the Crone Fault itself. Columbia Yukon (2013) speculates that the Crone Fault post-dates mineralization, and shows little evidence of significant movement.

The **X Fault**, which may be a large joint, roughly parallels the Crone Fault and passes the southern edge of the Storie Deposit; all material to the south is considered footwall of the deposit and is largely devoid of economic grades of mineralization. It also roughly defines the contact between Units 3 and 4 (see Figure 4).

The **Back Fault** (or large joint) has a faint surface expression and closely, but not exactly, follows the contact between Units 1 and 2; it converges with the Crone Fault towards the east. The eastern area between the Back and Crone Faults blocks out most of the high-grade mineralization of the Storie Deposit.

The **A Fault**, another northeast-southwest striking structure, lies diagonally to somewhat parallel to, and only 50 to 70 m north of the Crone Fault; it is the only east-west trending fault that displays a large vertical normal fault displacement (40 m in cross-section) but has no surface; it may be a syn-mineralization fault.

The two parallel **M Faults** may be north-eastern extensions of the X Fault, but may be displaced northward by an as-yet-unrecognized cross fault.

There are also proposed north-south trending faults, but these are uncertain because of the attitudes of the bulk of the drillholes. The faults themselves contain no significant enrichment of molybdenite, but they do appear to bound major blocks of higher-grade mineralization. The west side of the deposit more or less coincides with two north-south faults. There is, however, no evidence that mineralization is significantly offset by these proposed faults.

Columbia Yukon drill logs reveal some near-flat lying shears at the bottoms of the deepest drill-holes on the north side and east end of the deposit. They tend to be wide (10s of metres), strike about 085° and dip 35° to the north - the same attitude as the bottom of the deposit. Because of the depths of the interpreted shears, at about the bottoms of valley floors, they have no surface expression.

The alteration pattern of the tabular Storie Deposit is not typical of the concentric zonation of many porphyry systems, as outlined in Section 8. Nevertheless, alteration consists of: widespread slight to moderate sericitization of plagioclase; local more intense kaolinization of plagioclase and K-feldspar; widespread pyritization, quartz veining and uncommon silicification; and K-feldspar-muscovite-quartz-pyrite bands adjacent to north-dipping fractures. Chloritic alteration is locally associated with faulting. Based on previous work, complete argillic alteration of plagioclase occurs on the hangingwall (north) side of the Crone Fault, and argillic alteration commonly superimposes other alteration types. Alteration assemblages were not systematically logged in 2006 and 2007, so neither alteration patterns nor zonation can be clearly established. Correlation of alteration is poor from drillhole to drillhole, and there appears to be little correlation of alteration and degree of mineralization. Despite this, Shell Canada noted that, up to the end of the 1979 program, significant mineralization had been found only within a region containing intervals of soft green and opaque white, saussuritized plagioclase (Smitheringale, 1980); this was also mentioned by Wesa and Kowalchuk (2008) following the 2006 and 2007 drilling, but they also noted that the mineralization preferentially occurs in Units 3 and 4.

Definitive alteration patterns in drillholes appear to be unrelated to faults, and Columbia Yukon (2013) feels that "much of the alteration was post-mineralization and therefore of little use in establishing grade shell patterns." Infrared mineral assemblage identification, such as with a PIMA instrument, would assist in more accurately identifying alteration assemblages; this could be done on core from one section of drillholes across the Storie Deposit.

7.2 MINERALIZATION

7.2.1 STORIE DEPOSIT

The following is based on observations by Panteleyev (1979), Shell Canada (Smitheringale, 1980; Bloomer and Gourlay, 1980), with recent observations by Columbia Yukon geologists (Wesa and Kowalchuk, 2008; Zhihuan, 2009), including correspondence from M. Jerema.

As noted above, molybdenum mineralization occurs almost exclusively in Units 3 and 4. The Storie Deposit consists of interconnecting, tabular to lensoid zones of mineralization, thinner at the southern end, generally dipping and thickening to the north. The total extent of drilling in the area of the Storie Deposit is about 1,700 m from north to south and 1,600 m from east to west. The deposit has presently known lateral dimensions of the Mineral Resource area of approximately 800 m north-south x 1,000 m east-west, and a total vertical extent of about 550 m. Zones of higher-grade mineralization within the deposit generally strike west-southwest and dip gently to moderately (15° to 45°) to the north-northwest. During the 2007 and 2008 drill programs, Columbia Yukon identified and in-fill drilled a roughly 200 m x 400 m area of higher-grade mineralization.

Although there are narrow mineralized quartz veinlets at the Storie Deposit, the deposit lacks breccia zones and large-scale quartz stockworks or vein systems typical of porphyry molybdenum deposits.

Molybdenite occurs as coatings on fracture surfaces, as selvages on or within 0.1 to 2 mm quartz (-pyrite) veinlets, and as grains and smears along slip surfaces and slickensided fractures. Some coarse rosette molybdenite occurs in easterly-trending quartz veins south of the Crone Fault, and in the southeast of the deposit in Unit 4. There are small pockets of disseminated mineralization in quartz-feldspar porphyry (Unit 4), which suggests that the porphyry is the last intrusive phase. Some molybdenite is also present as microscopic grains interstitial to muscovite and altered feldspars in fresh rock, usually Units 1 and 2 which are overall poorly mineralized. The style of mineralization changes from largely molybdenite-coated fractures, mm-sized molybdenite stringers and quartz veinlets on the east, to predominantly to very fine-grained and evenly disseminat4ed molybdenite to the west.

Fracture or veinlet fillings include quartz, pyrite, green muscovite, gypsum or anhydrite, chlorite, pink K-feldspar, sparse fluorite (with muscovite) and beryl, limonite and ferrimolybdite, typically an oxidation product of molybdenite. Fluorite occurs locally with coarse-grained muscovite in fractures. The mineral most commonly associated with molybdenite is pyrite.

The predominant set of fractures strikes east-northeast and dips to the northwest. There is also a steeply inclined set of fractures that that led to Shell Canada's and, later, Columbia Yukon to decide to drill holes at -70° at an orientation of 170°. In the 1979 drillholes, Shell Canada noted significant variation in relative proportions and attitudes of vein sets across the deposit. There is a good correlation between MoS_2 content and fracture density, indicating that the most important mode of molybdenite mineralization is in fractures.

As shown in historic and recent drilling, mineralization, where present, is reasonably consistent; high-grade "spikes" are not numerous, and tend to occur in isolated 3 m intervals within longer sections of mineralization. "Spikes" surrounded by very low-grade rock also occur in the upper and lower parts of the deposit.

Ferrimolybdite occurs near-surface in some drillholes, and at surface. The molybdenum which it contains is measured in standard molybdenum analyses, but it cannot be recovered by standard flotation techniques. In five 1979 drillholes, Shell Canada found "insignificant amounts" of oxide, except in the top 20 m of several holes where it could comprise from a few to 50% of the total molybdenum. Columbia Yukon did not analyze for molybdenum oxide, which would be of potential significance only in drillholes where the upper 20 m are included in the Mineral Resource Estimate.

7.2.2 OTHER MOLYBDENUM MINERALIZATION

In addition to the Storie Deposit, the recently-expanded Columbia Yukon Property covers eight mineral occurrences listed in the B.C. government Minfile database, as well as a number of showings, which have not been previously described by WGM. The following is based on a summary given by Pautler (2004, 2009), and by WGM's review of assessment records. WGM has visited none of the occurrences described below.

There are several other molybdenum occurrences in the area. A value of 0.39% Mo over 2.1 m is reported from the **Ray Occurrence**, 2.5 km to the north of the Storie Deposit. Molybdenum mineralization has been found over a 1 km by 500 m area incorporating the Marie and Ray Occurrences in an area of medium grained quartz monzonite and quartz feldspar porphyry phases of the Cassiar Stock, suggesting some similarities to the Storie Deposit (Pautler, 2009). Most or all of this area appears to lie within Eveready tenure 850943 and the Scott tenure 978582. The two 2010 drillholes on the Eveready tenure intersected a K-feldspar monzonite porphyry, the equivalent of Storie Deposit Unit 2, and only weak fracturing, alteration and molybdenum mineralization (Pollmer, 2010a).

In 1968, Coast Silver drilled four holes on the **M Zone**, 1 km to the east of the Storie Deposit and just within the Cassiar Stock on the X Fault; it is on the Columbia Yukon Property. Bloomer (1980) reported mineralization similar to that in the Storie Deposit, but erratic, and the drillholes intersected generally less than 0.1% MoS_2. Bloomer's description had conflicting reports of an intersection of 0.23% MoS_2 over 130 m and/or 0.23% MoS_2 over 5 m in one hole. Although potentially quite significant, these data cannot be confirmed, but the occurrence should be investigated.

At the **G Zone**, 2.5 km to the east of the Storie Deposit, and apparently on the Columbia Yukon Property, skarn and anomalous molybdenum in soils suggest the presence of an underlying stock or cupola of the Cassiar Stock. Pautler (2004) felt that three skarn showings along the eastern margin of the Cassiar Stock, including the M Zone, may represent a continuous zone. Skarn assemblages occur elsewhere.

Shell Canada (ca. 1980) and Columbia Yukon (2009) located several occurrences of molybdenite-bearing quartz veins in Unit 1 and, to a lesser extent, Unit 5 on the south-facing steep slope southeast of the Storie Deposit area. They occur over a 250 m long east-west-trending area at an elevation of about 1,470 to 1,500 m, roughly the same elevation as some drillhole collars at the eastern end of the Storie Deposit. This area warrants additional follow-up.

7.2.3 BASE AND PRECIOUS METALS

Paleozoic rocks of the Rosella Formation (lowest member of the Atan Group) are host to replacement silver-lead-zinc (-tin) replacement mineralization in the Property area, including the **Magno Deposit** (Minfile 104P 006) and the **Middle D Zone** (Minfile 104P 080). These occur within easterly trending, fracture controlled alteration zones referred to as the McMullen and D Alteration Zones, respectively. As noted in Section 6.2, the East Zone and possibly part of the Middle West zone appear to lie within the Columbia Yukon Property. Two adits have been driven on the Magno West Zone, which is entirely believed to be within the tenures of another party (see Figure 3). The Middle D Zone (Minfile 104P 080) contains a historic resource (see Section 6.2). Significant tin mineralization has been reported from historic drilling on both the Magno Deposit and the Middle D Zone with values of 0.32% Sn over 4.6 m from the Middle West Zone and up to 6.5% Sn over 0.9 m from the Middle D Zone (Bloomer, 1980a).

The Magno Deposit consists of replacement bodies of galena, sphalerite, magnetite, pyrrhotite, pyrite, siderite and pyrolusite as irregular shoots, 60-90 m long and up to 8 m wide, along the 1.3 km long McMullen Zone, which trends easterly and dips steeply north. Similar mineralization in the Middle D Zone, which lies 1.8 km north of the Magno, occurs as east-trending shoots up to 7 m wide, along the 1.5 km long D Alteration Zone; and at the Upper D Zone (Minfile 104P 044) located near the western extent of the D Alteration Zone. Pyrrhotite lenses were intersected in minor drilling (total of 6 holes) in the Lower D Zone, near the eastern extent of the D Alteration Zone.

Three separate replacement zones are situated between the D and McMullen Alteration Zones, including **Granite Creek** (Minfile 104P 081), the **Waterfall Zone**, and **Magno North**. At the Granite Creek Showing, a 0.7 to 3 m wide band of pyrrhotite, pyrite, magnetite, galena, sphalerite, arsenopyrite occurs on the east bank of Granite Creek. The Waterfall Showing consists of a 10-cm fracture filling of galena, sphalerite, pyrite, siderite at approximately the 1,315 m elevation in Marble Creek.

The Magno North Zone consists of a northeast trending, 2-m wide, steeply dipping oxidized zone of magnetite, galena, sphalerite and siderite, which has been traced for 100 m. Three similar zones occur 200 to 500 m south of the McMullen Zone. The **Magno New Zone** consists of a 200 m long zone of oxidized galena and sphalerite bearing felsenmeer, about 200 m south of the Upper Adit. The **Magno South Zone**, 300 m south of the Upper Adit, has been traced for 400 m. The **Magno Extra Zone** consists of similar felsenmeer spread over a 100 m area along the ridge top, 500 m south of the Magno Zone.

Three additional possible replacement showings occur 750 m south of the McMullen Alteration Zone proximal to the easterly trending X Fault and include **Hill 1818**, the **Tremolite Zone** and the G **Zone**. Tremolite skarn occurs at the G and Tremolite Zones. A pyrrhotite-pyrite-magnetite body and trace sphalerite was intersected in drilling (total of four holes) below the g Zone (Bloomer, 1980a).

Two arsenopyrite-pyrite-marcasite-siderite replacement style massive sulphide bodies are exposed at the **Pant Zone** (Minfile 104P 082), 1.2 km southeast of the Magno, with values of 1.5% Sn over 3.3 m and 296 g Ag/t, 2.3% Pb over 0.4 m reported from drilling (Bloomer, 1980c). A new replacement style zone (**Pant North**) was discovered in 2003, 500 m along strike to the north of the Pant Zone. Mineralization consists of pyrite, pyrrhotite, arsenopyrite, with local galena and sphalerite. The Pant North Zone was traced for 150 m along strike; its width averages 2 m. Two separate bands, 1.5 m and 1 to 2.5 m wide, occur within the central part of the zone.

The **Lang Creek** prospect (Minfile 104P 008), in the southeastern property area, is likely Cypress-type volcanogenic massive sulphide mineralization. It consists of pyrite, chalcopyrite, marcasite and chalcocite at the contact between pyritic cherty argillite and chalcopyrite-bearing andesite tuff. The resource estimate outlined in Section 6.2 has not been expanded by subsequent step-out drilling.

8. DEPOSIT TYPES

8.1 THE STORIE DEPOSIT

The most well-known and principal sources of the world's molybdenum are porphyry molybdenum deposits, which are typically 100 Mt in size and grade 0.1 to 0.2% Mo. There are many important porphyry molybdenum deposits in the American and Canadian Cordillera, including the world-class Henderson orebody in Colorado, USA, which has produced more than 1 billion pounds of molybdenum, and the nearby Climax (Urad) deposit, which has produced almost 2 billion pounds of molybdenum. The "Climax-type" deposit may contain subordinate wolframite and cassiterite, and are fluorite-enriched (Sinclair, 1995).

The Storie Deposit is one of the low-fluorine porphyry molybdenum type (e.g. Sinclair, 1995), where intrusive rocks generally contain <0.1% F). Other examples in British Columbia include the Endako Mine, Boss Mountain, Kitsault, Ruby Creek, Carmi (Kettle River), Bell Moly, Red Bird, Trout Lake (MAX) and Chu; there are others elsewhere in the Cordillera of North America and worldwide. Deposits are low-grade but large and amenable to bulk mining methods.

The characteristic features of porphyry systems, whether they are enriched in copper, molybdenum or other metals, are: (1) mineralization occurs in stockworks of quartz veinlets and fractures, veins and vein sets, and breccia, as well as disseminations in the intrusive rocks and surrounding country rocks; and (2) an extensive hydrothermal alteration system. In low-fluorine molybdenum porphyries, alteration consists of a core zone of potassic and silicic alteration characterized by K-feldspar, biotite, quartz and, occasionally, anhydrite. A commonly pervasive and extensive zone of phyllic alteration (mainly of quartz, sericite and carbonate) typically surrounds the potassic-silicic core. Propylitic (mainly chlorite and epidote) alteration may extend for hundreds of metres beyond the inner alteration zones. Irregularly-distributed zones of argillic alteration, where present, are characterized by clay minerals such as kaolinite, and are usually overprinted on the other types of alteration (Sinclair, 1995).

Low-fluorine molybdenum deposits are generally set in high-level to subvolcanic felsic intrusive centres. Genetically-related, commonly porphyritic intrusive rocks range from granodiorite to granite and their fine-grained equivalents. Multiple stages of intrusion are common, and the mineralized subvolcanic intrusive rocks may grade into or intrude tuffs or other extrusive volcanic rocks or sedimentary rocks which may also be mineralized. Deposits vary in shape from an inverted cup, to roughly cylindrical, to highly irregular. They are typically hundreds of metres across and range from tens to hundreds of metres in vertical extent. Molybdenite (MoS_2) is the principal economic mineral, with subordinate chalcopyrite, scheelite and galena. Low-fluorine molybdenum porphyry mineralization is often associated with silver-lead-zinc veins or molybdenum-bearing skarns.

Additional information is contained in the 2007 WGM report (Kuehnbaum and Lindinger, 2007).

8.2 OTHER MINERALIZATION

Although not the main focus of this Report, other types of mineralization on the current Property are potentially significant.

As outlined in Section 7.2.2, the predominant zones of precious-base metals mineralization are of the replacement type hosted in carbonate sedimentary rocks (Carbonate Replacement Deposit type). Many of the world's largest deposit of this type occur in northern Mexico, including the Santa Eulalia, Naica, Providenci-Concepcion del Oro and San Martin districts. According to Megaw and others (1988), eight of seventeen districts had produced or had resources in excess of 10 million tons, with silver contents of 80-350 g/t. Deposits have the form of mantos, chimneys or pods. In the Cassiar Terrane, the most notable is the Silvertip (Midway) manto deposit, which is hosted in Paleozoic sediments and related to Cretaceous intrusive and hydrothermal activity. It is located just south of the B.C.-Yukon border, about 75 km north-northwest of Storie. Conditional on permitting, Silvercorp Metals Inc. ("**Silvercorp**") plans to mine high-grade zones and to explore for additional resources in potential feeder chimneys (Silvercorp website, December 29, 2012).

Mineralization at the Lang Creek prospect is thought to be Cyprus-type volcanogenic massive sulphide ("VMS") in Mississippian-aged strata. VMS deposits typically consist of stratabound to stratiform sulphide mineralization in the form of lenses of massive sulphide in sharp contact with overlying rocks and gradational contacts with underlying strata. Deposits of this type are typically polymetallic and are, worldwide, major sources of copper, zinc, lead, silver and gold. The Cyprus type occur in stratigraphic successions with >75% mafic rocks. Although the Wolverine zinc-silver-copper-lead-gold mine, located in southeastern Yukon, is a different type of VMS deposit, it is noteworthy that production commenced there in early 2013; mineralization occurs as two tabular, semi-continuous lenses of moderately dipping massive sulphide mineralization within Devono-Mississippian rhyolite and argillite strata.

9. EXPLORATION

9.1 PROCEDURES/PARAMETERS OF SURVEYS AND INVESTIGATION

Columbia Yukon's 2006, 2007 and 2008 exploration drilling programs were carried out under the direction of the Qualified Person for Columbia Yukon, Mr. John Kowalchuk, P.Geo., who was then Vice President of Exploration. The QP responsible for ensuing work was Mr. Arnold Pollmer, P.Geo.

2006: Work by Columbia Yukon was mostly limited to the diamond drilling discussed in Section 11. As discussed in a previous WGM report (Kuehnbaum and Lindinger, 2007), a LiDAR (Light Detection and Ranging) topographic survey was flown over the deposit area.

2**007:** In addition to diamond drilling, geophysical surveying and accurate geographic surveying were also done. Ridge Resources of Smithers, British Columbia, established a 41 km picketed and GPS-surveyed grid over the known extent of the deposit and beyond, including the steep slopes descending to the south into the valley of Lang Creek.

Peter E. Walcott and Associates completed 19.5 km of 3-Dimensional Induced Polarization ("IP") surveying over about one-half of this grid. The north-south surveyed lines were 100 m spaced in the central and eastern areas of the known Storie Deposit, and 200-m spaced east of that; line lengths varied from 1.2 to 2.5 km. The survey lines cover an area from Columbia Yukon’s most easterly line of drillholes (ST07-21, -22, -23 etc.) eastward toward the quartz monzonite – Atan Group contact

During the latter part of September, 2007, Columbia Yukon contracted AllNorth Consultants Ltd. (“**AllNorth**”) from Prince George, British Columbia, to complete a high-resolution GPS survey of main access roads, trails, historic and recent drill collars and the Cassiar airstrip.

The above work is fully discussed in the 2008 WGM report (Kuehnbaum and Arik, 2008).

2008: Work done included the diamond drilling discussed in Section 10.3, as well as metallurgical studies fully reviewed in Section 13.

Columbia Yukon contracted Aero Geometrics of Vancouver, British Columbia, to take a set of 1:20,000-scale aerial photographs over an irregular-shaped area with a maximum east-west dimension of about 28 km, and a north-south dimension of about 18 km, centred on the Storie Deposit, and including the town of Cassiar and the two main drainages in the area. The total area covered was about 340 km^2. The photos facilitated habitat mapping for environmental studies (see Section 20), and will have future use for infrastructure planning.

2009: Revisions to the geological map and test geochemical soil sampling were done in the deposit area. A total of 86 soil samples were taken in reconnaissance traverses over the south-facing hill slope in the footwall of the Storie Deposit and as far east as the contact of the Cassiar Stock.

2011 and 2012: Columbia Yukon staff carried out a Trimble GPS survey of all but 30 of the historic and Columbia Yukon drillhole collars; the previous 2007 AllNorth GPS survey data were used for those 30 holes.

9.2 SAMPLING METHODS AND SAMPLE QUALITY

Except for the 2009 soil sampling traverse, for which a report has not been prepared, Columbia Yukon has done no systematic sampling of the Property. The samples were analysed by a field XRF unit and were sent to Loring Laboratories Ltd. in Calgary for analysis.

The IP survey has not been fully documented, and its parameters are unavailable.

Sampling procedures for diamond drill core are thoroughly outlined in Section 11 of this Report.

9.3 RELEVANT INFORMATION

The IP survey program was stopped before its completion due to the onset of winter conditions and other problems, and a full report was never issued. The only information available consists of a set of nine pseudo-sections, each showing modelled chargeability and modelled resistivity, and plans showing contoured apparent resistivity at N=2, 4 and 6.

9.4 RESULTS AND INTERPRETATION OF EXPLORATION

Although the IP data have never been formally interpreted, resistivity and chargeability anomalies are present in the surveyed area. Columbia Yukon (2013) interpret that the most interesting IP anomaly adjoins the eastern end of the Storie Deposit, is at least 150 m wide and continues eastward for about 500 m to the Atan Group contact. Columbia Yukon (2013) considers this a prime drill target area, but a rigorous interpretation of the geophysical results is required; importantly, the response on the westernmost geophysical line should be evaluated in the light of sulphide (pyrite) mineralization in drillholes. It appears that a single drillhole, ST07-92, was collared over the anomaly, but Columbia Yukon indicated to WGM that the hole was lost at shallow depth (28 m) and was not re-drilled. Another very significant anomaly occurs at the north end of the survey lines; it is located around the contact between unit 1 rocks of the Cassiar Stock and sedimentary strata of the Atan Group.

Molybdenum contents of the 2009 soil sampling program contained between 5 and 200 ppm Mo. Significantly, the highest two samples were taken just west of the Storie Deposit, and in the area of a small body of unit 4 adjacent to the contact with the Atan Group. Nevertheless, Columbia Yukon feels that anomalies are probably in transported soil, and detailed prospecting, rock sampling, and perhaps trenching and drilling would be needed to explain the anomalies (M. Jerema, pers. comm.).

10. DRILLING

10.1 2006 PROGRAM

In 2006, a total of 4,953 m of NQ diamond drilling in 20 holes were done for Columbia Yukon by Quest Canada Drilling Ltd. of Abbotsford, British Columbia, on the Storie Deposit. All holes were collared at an azimuth of 170° (S10°E), inclined at -70°, and, except one, were set up close to Shell Canada or older historic drillholes, with the intent of twinning the historic holes.

Drillhole deviation was determined with a single-shot EZ-Shot digital survey instrument. Vertical deviations were relatively minor of the lengths of the holes; lateral deflections were mostly a few degrees. Drill runs were measured in feet, with tag intervals converted to metric measurements.

Additional details of the drilling techniques and mineralized intervals are presented in the 2007 WGM report (Kuehnbaum and Lindinger, 2007).

10.2 2007 PROGRAM

In 2007, a total of 23,045 m of NQ diamond drilling in 76 holes was done for Columbia Yukon by DJ Drilling, based in Watson Lake, Yukon, and FB Drilling Services, based in Cranbrook, British Columbia.

The principal objective of the drilling was for infill to upgrade Mineral Resources from the Inferred category of the 2007 estimate by WGM. Other drillholes were laid out to potentially expand the zone of mineralization, in particular to the east and south, and on structural targets. Three drillholes, one of them HQ, twinned 2006 drillholes, with the objective of analyzing whole core to determine the extent of molybdenum loss, if any, during core sawing.

The 2007 holes were almost all collared at an azimuth of 170°, inclined at -70°. Two of the holes were collared at an azimuth of 145°, inclined at -55°, to cross the Crone Fault at a more favourable angle. The casing was left in each drillhole and marked.

Polymers and muds, and specific objectives for each hole written into the drill contracts, helped to maximize recovery. Drill cuttings were recovered from nine holes to test for the degree of molybdenite loss from fracture surfaces. Cuttings generated during the sawing of core were sampled in order to test for the potential preferential loss of molybdenite during sawing.

Drillhole deviation was determined with several types of digital survey instrument. Vertical deflections were mostly minor: mostly between 0° and 4° upward. Lateral deflections were overall moderate– between 1° and 23°. As in 2007, drill runs were measured in feet and converted to metric measurements.

Density measurements were done by SGS Canada Inc. ("**SGS**") on Shell Canada (historic) and Columbia Yukon core samples. Densities of individual samples averaged 2.59 g/cm^3, and Mintec used a weighted average density of 2.6 g/cm^3 as a background value for the 3-D model blocks with no assigned density value. In neither previous WGM report was any correlation of density with grade of molybdenum mineralization found.

Samples of historic and recent drill core from across the deposit were selected and sent by Columbia Yukon to the Vancouver, B.C., metallurgy laboratory of SGS, for the purpose of providing a representative composite sample for metallurgical testing. The test work was completed in 2008, and is reviewed in Section 13 of this report.

10.3 2008 PROGRAM

In the summer of 2008, a total of 20,655 m of NQ diamond drilling in 49 holes (excluding 100 m of lost meterage) was done by Columbia Yukon on the Storie Deposit, bringing the total Columbia Yukon drilling to 48,653 m. Drilling equipment (up to four rigs on the Property) was provided by D.J. Drilling (2004) Ltd. of Alderwood, British Columbia. Drill runs were measured in feet, with intervals converted to metric measurements for logging and sampling.

Some 43 of the drillholes were drilled at the fringes of, or beyond, the limits of the Indicated Mineral Resource identified in the 2008 WGM report, with the objective of potentially expanding the zone of mineralization, in particular to the east and south, and on structural targets south of and parallel to the Crone Fault. Six of the drillholes were for infill drilling with the objective of upgrading Mineral Resources.

As with most of the historic holes and Columbia Yukon's 2006-2007 holes, the majority of 2008 holes were collared at an azimuth of 170° (S10°E) and inclined at -70°. On the basis of north-south trending, rich molybdenite mineralization discovered in an outcrop in 2008, six holes were oriented westward (azimuth 253° to 270°) and moderately inclined (-45° to -60°) in an attempt to identify a possible higher-grade feeder zone; a vertical hole was also drilled at one of those drill stations. Depths varied from 129.5 to 551.0 m. All but seven of the holes were greater than 350 m, and most of the shorter holes were on the west-facing sections.

Polymers and muds were used to maximize recovery. The drill contract stipulated that a certain recovery was to be achieved for each drillhole. As outline in Section 9, historic, 2006 and 2007 drillhole collars were accurately surveyed.

Virtually all drill casings were pulled from drillholes, and replaced with sections of worn-out casing or water pipe, which were labelled. Columbia Yukon surveyed the 2008 drillhole collars using a hand-held GPS unit.

Drillhole deviation was determined with Icefield and Reflex EZ-Shot survey instruments. Measurements were normally taken at 100 metre intervals from surface, and within a few metres of the toe of each hole. For deeper holes, lateral deviations varied from 2° left to 22° right (mostly 4° to 15° right); vertical deviation from ½° downward to 9° upward (mostly 0° to 4° upward). There is no suspicion that larger deflections are due to magnetic minerals, but measurements of magnetic susceptibility were not recorded. Because of instrument problems or troubles with drillhole access, down-hole measurements were not taken in eight holes; six of these holes were relatively deep, from 359 to 511 m.

No density measurements were done on 2008 drill core.

10.4 2010 PROGRAM

In September, 2010, a single vertical 299.7-m NQ diameter diamond drillhole was completed. It was collared approximately 230 m north of the limits of the 2006 to 2008 drilling grid drilling in order to explore the area which was, at the time, close to Columbia Yukon's northern-most claim boundary. The rig was provided by D.J. Drilling. Downhole deviations were not measured, and no density measurements were done. A total of 61 core samples were analysed. The hole was very weakly mineralized and demonstrates that the top of the Storie mineralized system, if present, is at a depth in excess of 300 m at that point. The drillhole results do not enter into the revised Mineral Resource estimate.

10.5 GEOTECHNICAL LOGGING AND RECOVERY

As discussed in previous WGM reports, geotechnical data was collected for the 2006 through 2008 programs.

Separate Excel spreadsheet geotechnical logs were kept for each drillhole. Core was re-assembled in core boxes to best fit, and the length of core between drillers blocks (normally 3.05 m apart) was measured to determine core recovery. Rock quality designation ("RQD"), expressed as a percentage of each 3.05 m interval, was also determined by measuring the cumulative length of pieces of competent core 10 cm or greater in length.

A first reasonable estimate of compressive strength, or hardness, was done for each interval with a field identification test, using simple mechanical tests. A visual and subjective degree of breakage number, based on the mean spacing of breaks or the diameter of fragments, was also assigned. There are six categories describing from fault gouge with minor rock fragments (size <0.5 inch) to broken rock with fracture spacing <2 in (<5 cm), and a further nine categories reflecting increasing mean sizes or spacings of fractures. A "degree of weathering" category was also assigned, and the number of joints or fractures in each core run (joint frequency) was recorded.

In 2012, Columbia Yukon reviewed and compiled a master database of about 15,400 measurements of recovery and RQD; other geotechnical data have not been digitized.

Pollmer (2010b) reports that core recovery and RQD data were measured for the single 2010 drillhole, but the information is not included in his report or in the Columbia Yukon database.

In general, WGM did not observe any reason to suspect that the 2006 to 2008 drill core samples were not representative or biased during core handling and processing. In zones of relatively low recovery, however, not only is there the possibility that some molybdenite was lost, but also that this problem may have been compounded by the taking of perhaps unrepresentative halves of badly broken core.

Overall recovery in individual 2006 drillholes varied from 84.2% to 98.2%, and it was felt that the poorer recoveries were likely due to aggressive drilling by drill crews. Most of the low-recovery intervals are described as having broken or crushed core or slickensided, sheared or gouged rock. In the 2007 report, WGM was unable to comment with any confidence how recovery may have affected the overall grades of mineralized intervals. Recovery in the 1979 Shell Canada NQ drilling program was estimated at 95%.

Due to modified drilling techniques, overall recovery significantly improved during the 2007 program. Of the 76 drillholes, 68 had >96% (up to 99.8%) recovery, of which 43 had >98% recovery. Poorer recovery was often accounted for by the probably surface-weathered material at the beginning of holes, or by intermittent zones of crushed and/or washed-out core.

Some of the poorest recoveries (90.5 to 94.4%), in five holes on the same drill section, appear to be the result of a zone of generally poor ground conditions.

For the 49 drillholes completely geotechnically logged in 2008, recoveries of all but one of the holes were in excess of 96%, with 29 holes greater than 98%. The worst recovery of 91% (in ST08-107) was due largely to zones of poor recovery (35-80%) in the uppermost 48 m of the hole. Indeed, as in previous campaigns, the worst recoveries in most holes occurred in the near-surface environment. Hole ST08-138, 267.7 m deep, was geotechnically logged only to 109 m, over which interval the average recovery was only 72%; from about 34-99 m, recoveries indicate badly broken core, due to either deep weathering or a structure (fault).

Because of the large volume of analytical data and very good overall recovery, WGM feels that localized recovery issues are not a significant issue in the reliability of analytical results.

As far as WGM is aware, Columbia Yukon has not processed or modelled the geotechnical data. In the 2009 report, however, WGM examined a portion of the geotechnical logs from all three drill programs. Even taking the surface-weathered zone into consideration, RQDs (0 to 100%), breakage factors (1-15), compressibility (R0 to R6) and joint/fracture frequency (1-19) are highly variable, even within the same hole. For holes ST06-01 to -20 and ST07-21 to -31, only categories 1 to 6 were used for the breakage factors, instead of the full range of 1 to 15, making that set of data unusable.

11. SAMPLE PREPARATION, ANALYSES AND SECURITY

11.1 FIELD DRILL CORE SAMPLING

No information on sampling techniques is available for surface work or drilling prior to 1979. During the Shell Canada programs in 1979 and 1980, core was split with a mechanical splitter, with one-half retained. Sampling length was 10 ft (3.05 m). Overall core recoveries were reported to be about 95%.

For the 2006 to 2008 programs, drill core was marked after geotechnical logging at 1 m intervals. In 2006, the core was then descriptively logged onto a Word-based form, and photographed. In 2007, logging was done on spreadsheets, with information recorded about lithological description, structure (faults and shears), alteration and mineralogy (sulphides and veining) in columns in simplified form. For the 2008 program, logging was done on a spreadsheet form with minimal descriptive text, using codified entries for each 1 m interval, including: lithology with texture and colour; type, mode and intensity of alteration; core angle, width, and type of all non-molybdenite mineralized structures (e.g. fault gouge, quartz veins and dykes); core angle, width, type and frequency of molybdenite mineralized structures (e.g. anastomosing fractures, molybdenite-coated fractures and fault gouge); estimated grade of Mo; and, the sample number.

Lithological boundaries or structural features were not a factor in the selection of sampling intervals. In 2006 and 2007, all mineralization was marked for continuous sampling over 3 m intervals, coinciding with the metre marks, with few exceptions. In 2008, 31 of the holes were sampled at 3 m intervals, nine at 2 m, and nine at 1 m intervals; the entire core from the 1 m sampled holes was processed for analysis. The 2009 sampling of 2008 holes was done at 1 m intervals with the same protocols as previous years. The 2010 drillhole was sampled at 2 m intervals. In accordance with normal sampling procedures, each interval was recorded in an assay tag book, and a removable portion of that sample's tag fastened to the core box.

The core was cut in half with a rock saw, and half the core placed, with the remaining numbered tag, into a numbered plastic sample bag. Sample identification numbers and their intervals from the sample tags recorded into a spreadsheet. Badly broken intervals were generally sawed. A spoon was used to extract about half of the material from crumbly intervals.

In general, WGM did not observe any reason to suspect that the 2006 to 2008 drill core samples were not representative or biased during core handling and processing. In zones of relatively low recovery, however, not only is there the possibility that some molybdenite was lost, but also that this problem may have been compounded by the taking of perhaps unrepresentative halves of badly broken core. For future programs, consideration should be given to utilizing an on-site riffle splitter to make the division of crumbly intervals more systematic. WGM did not observe the handling and processing of core during either the 2009 sampling or 2010 drilling programs.

During the 2007 drill program, Columbia Yukon collected drill cuttings (sludges) from nine drillholes to test for possible molybdenite loss during the coring process; the sludges from the majority of drillholes contained more molybdenum than the core, while two contained less, and on average contained 26% more Mo than the core. Rock saw sludge sampling was also done on a trial basis on seven holes to test if molybdenite was being selectively plucked from core during the sawing; all holes on average contained <1% to 61% more Mo than the corresponding core. Neither of these sets of data has been integrated into any of the analytical drill core results, but they tend to indicate that the results from core are not biased high. Further details are given in the 2008 WGM report (Kuehnbaum and Arik, 2008).

11.2 LABORATORY SAMPLE PREPARATION AND ANALYSIS

11.2.1 1979-1980 DRILL PROGRAM

The 1979 Shell Canada drill core was analyzed at Chemex Labs Ltd. in Vancouver for total molybdenum using a hot perchloric acid digestion; some samples were analyzed for silver, gold, tungsten and oxide molybdenum (five drillholes). Chemex, a prominent and reputable Canadian laboratory at the time, is now ALS Chemex Labs Ltd. ("**ALS Chemex**") part of the international ALS Laboratories Group. Where molybdenum oxide was measured, %MoS_2 was calculated by subtracting the amount of molybdenum oxide from total %Mo.

The 1980 drill core samples were analyzed by Chemex, in Calgary. Molybdenum contents were reported as %MoS_2, but the procedures are unknown.

11.2.2 2006 DRILL PROGRAM

Samples were not prepared for analysis in any way on site; as far as WGM is aware, no sample preparation was conducted by an employee, officer, director or associate of Columbia Yukon.

Samples were submitted to Eco Tech Laboratory Ltd. ("**Eco Tech**") in Kamloops, British Columbia. Eco Tech is independent of Columbia Yukon. The samples were catalogued, dried, two-stage crushed and riffle-split to 80% passing 10 mesh. A 250 g sub-sample was pulverized to 90% passing 150 mesh, rolled and homogenized, and bagged.

A 0.5 g sample was digested with 3 mL of a 3:1:2 ($HCl:HN0_3:H_20$) solution continuing beryllium (which acts as an internal standard) for 90 minutes in a water bath at 95°C. The sample was then diluted to 10 mL with water, and analyzed for 27 elements on an ICP unit. The upper detection limit for molybdenum is 10,000 ppm. For molybdenum "assay" (values reported as % Mo), a suitable sample weight was digested with nitric, hydrochloric, hydrofluoric and perchloric acids in Teflon beakers. After cooling, the digested sample was bulked up to 200 mL volume with water and analyzed by an ICP instrument. The lower detection limit is 0.001% Mo.

One repeat sample pulp was run for each batch of 20 samples, or less. Certified reference material standards are run with each batch. Results must fall within control limits (±2 standard deviations) to be accepted.

Eco Tech, established in 1976, is an ISO 9001-registered laboratory located in Kamloops, British Columbia (registration CDN 57172-02).

11.2.3 2007 DRILL PROGRAM

Beyond splitting and bagging, no sample preparation for analysis was done on site; as far as WGM is aware, no sample preparation for analysis was conducted by an employee, officer, director or associate of Columbia Yukon.

Samples were submitted to Acme Analytical Laboratories Ltd. ("**Acme**") in Vancouver, British Columbia. Acme is independent of Columbia Yukon. They were dried at 60°C, jaw crushed to 70% passing 10 mesh (2 mm), then riffle split to produce 250 g samples. Each 250 g sample was then pulverized to 95% passing 150 mesh (100 microns). Pulp sub-samples of 0.5 g were weighed into test tubes, and 15 to 30 g sub-samples weighed into beakers.

For routine analysis, a modified Aqua Regia solution of concentrated HCl and HNO_3, and demineralised H_2O, in a 1:1:1 ratio, was added to each sample to leach for one hour in a hot water bath at >95°C. After cooling, the solutions were made up to final volume with 5% HCl. Sample weight to solution volume was 1 g to 20 mL. Solutions were then aspirated into an ICP emission spectrometer and analyzed for 30 elements. The lower and upper detection limits for molybdenum are 1 ppm and 2,000 ppm, respectively. WGM refers to these results in this report as "ICP" results.

Samples containing >300 ppm Mo were re-analyzed using a larger (1 g) sample and a greater dilution. A volume of 30 mL of Aqua Regia (as above) was added to each sample. Samples were digested for one hour in a hot water bath (>95°C), cooled for three hours, and made up to volume (100 mL) with dilute (5%) HCl. Very high-grade samples require a 1 g to 250 mL or 0.25 g to 250 mL sample/solution ratio for accurate determination. Acme's QA/QC protocol requires simultaneous digestion of a reagent blank inserted into each batch. Sample solutions were aspirated into an ICP emission spectrograph. The values are reported as percent molybdenum (% Mo "assays"). The lower detection limit is 0.001% Mo.

As part of Acme's QA/QC protocol, each 36-sample analytical batch incorporated: a sample-preparation blank; a pulp duplicate to monitor analytical precision; a -10 mesh reject duplicate to monitor sub-sample variation; a reagent blank to measure background; and an aliquot of in-house standard reference materials to monitor accuracy.

Since 1996, Acme has been an accredited laboratory, conforming to the requirements of international quality standards for ISO 9001:9002.

A number of samples submitted to Acme were later randomly selected by Acme to send to Eco Tech for re-analysis. Drill and saw sludges, as well as blanks and standards, made up a significant proportion of these samples, which were filtered out of the database. Eco Tech's sample preparation procedures are outlined above; analytical procedures in Section 11.1.2.

11.2.4 2008 DRILL PROGRAM

At the onset of the program, the initial 1,954 core samples (excluding duplicates, blanks and standards) were shipped in bulk to Loring Laboratories Ltd. (“**Loring**”) in Calgary for preparation. Later, a preparation lab was established by Loring personnel from Calgary and operated by Loring technicians in a part of the Cassiar facility separate from the logging and core storage areas; 6,284 samples were prepared in Cassiar. The last batch of 694 samples was also shipped to, and prepared in Calgary. In all, more than 70% of the 8,932 samples for 2008 were prepared in Cassiar. Although Columbia Yukon personnel were involved with the shipping of the samples, no sample preparation was conducted by an employee, officer, director or associate of Columbia Yukon, as far as WGM is aware. Loring is independent of Columbia Yukon.

In the Cassiar preparation facility, samples were dried, then crushed in primary (jaw) and secondary (cone) crushers to approximately 8-10 mesh, (about 2.5 mm size), and rolled and riffle split to 250-300 g; the samples were not sieved. Re-split samples were prepared on site. Reject material is stored in an area adjacent to the preparation facility. According to Loring, barren rock was run through periodically, but this could not be confirmed by WGM. Equipment was brushed out between samples.

In Loring's Calgary facility, each subsample was pulverized using a TM ring and puck pulverizer to 95% passing 150 mesh. The resulting pulp was then rolled to ensure complete homogenization. A 1.00 g aliquot of sample was put into a 150 mL beaker and wetted with distilled water; 5 mL HCl, 10 mL HNO_3, and 5 mL $HClO_4$ were added and the mixture boiled on a hot plate for about 1½ hours. After cooling, the sides of the beaker were washed with distilled water; 15 mL HCl were added, and the resulting solution is brought to a boil for 10-15 minutes, then filtered through #2 filter paper into a 100 mL volumetric flask. After cooling the solution is bulked to 100 mL with distilled water, and shaken. When at the same temperature, samples and standard reference solutions are analyzed by atomic absorption.

For each batch of 42 samples, there were four Loring standards (0.096% and 0.032% MoS_2) and two repeats of core samples. A prepared blank was also run. A batch would have been re-run due to any unacceptable results for the standards or blank. A wash of barren material was run through the preparation equipment at the beginning of each shipment. The detection limit was 0.001% repeatability. Information provided by Loring states that results should be within 95% confidence level between two consecutive test results, and that the results should have a precision of ±5% for samples containing between 0.05% and 10% MoS_2. Results were reported by Loring as %MoS_2, which was converted by Columbia Yukon to %Mo.

Loring is a Canadian-owned, Calgary-based analytical firm, established in 1967, with laboratories in Calgary and, since 1988, in Soesdyke, Guyana. They are equipped for assaying (fire assay with atomic absorption or gravimetric finish for precious and platinum group metals) as well as standard assaying for other elements; geochemical analysis by atomic absorption analysis or ICP; and coal analysis. Loring also has a diamond-indicator minerals facility. At the time, Loring was not ISO certified, but informed WGM that they were in the process of obtaining accreditation. Indeed, on July 15, 2009, ISO 9001:2008 accreditation was received for the analyzing of mining / mineral exploration samples.

During the 2008 program, Columbia Yukon instructed Loring to send the pulp of every 20th sample as blind samples to Acme in Vancouver for re-analysis. For each sample, a 0.5 g subsample was digested in 20 mL of a solution of 2:2:1:1 H_2O:HF:$HClO_4$:HNO_3 and heated to dryness. A 16 mL aliquot of HCl was added to the residue and heated. After cooling, the solutions were transferred to 100 mL flasks and made to volume with 5% HCl, and analyzed by ICP-ES. Results were reported as %Mo.

11.2.5 2009 ANALYSES

Samples were taken from 2008 drillholes ST08-116, -118, -120, -121, -123 and -126. Samples were sent to Loring in Calgary. Loring confirmed to WGM that sample treatment and analysis procedures were the same as in 2008 (see Section 11.1.4). Prior to the analyses of the Columbia Yukon samples, Loring received ISO 9001:2008 certification.

11.2.6 2010 DRILL PROGRAM

According to Pollmer (2010b), at Eco Tech, core samples were dried, jaw crushed to 70% passing 10 mesh (2 mm), and a riffle-split fraction pulverized to 95% passing 150 mesh in a steel ring and puck mill. Pulp splits of 0.5 g were weighed into test tubes, and 15 to 30 g splits were weighed into beakers.

A modified Aqua Regia solution of equal parts concentrated ACS grade HCl and HNO_3 and de-mineralized H_2O was added to each sample to leach for one hour in a hot water bath at >95°C. Following cooling, the solution was made up to final volume with 5% HCl. Sample weight to solution volume is 1 g to 20 ml. Solutions were then aspirated into an ICP emission spectrometer and analysed for 30 elements. The upper and lower detection limits for molybdenum are 10,000 ppm and 1 ppm, respectively. Samples that returned greater than 300 ppm Mo were assayed using a larger sample size and greater. A volume of 30 ml of Aqua Regia, a 1:1:1 mixture of ACS grade concentrated HCl, concentrated HNO_3 and de-mineralized H_2O, is added to each sample. Samples were digested for one hour in a hot water bath (>95°C). Following cooling for three hours, solutions are made up to volume (100 ml) with dilute (5%) HCl. Very high grade samples may require a 1 g to 250 ml or 0.25 g to 250 mL sample/solution ratio. Eco Tech`s QA/QC protocol requires simultaneous digestion of a reagent blank inserted in each batch. Sample solutions are aspirated into a Spectro Ciros Vision ICP emission spectrograph. The lower detection limit is 0.001% Mo.

11.3 QA/QC

11.3.1. 1979-1980 SHELL CANADA DRILL PROGRAMS

Shell Canada checked splitting and sampling techniques by analyzing the remaining core from one drillhole; mean results were comparable. Blind pulps from one drillhole were submitted to Min-En Laboratories Ltd. (now part of the Assayers Group) in North Vancouver for re-analysis. The Min-En results were on average 16% higher than the Chemex results.

11.3.2 2006 DRILL PROGRAM

Standards and prepared blanks were routinely inserted by Columbia Yukon into the sample stream every 16th or 20th sample (not counting duplicates and standards), on an alternating basis. One of three different standards was inserted on a revolving basis about every 20th sample; each was analyzed 30 to 33 times and, two of the standards were also routinely assayed. Every 15th to 20th sample was a second split (re-split) of the previous crushed core sample, which was prepared and analyzed in the regular sample batches in the same way as for the original sample.

11.3.3 2007 DRILL PROGRAM

A prepared "granite" blank and a single reference standard were introduced after approximately every 30th sample. A re-split was prepared on the same frequency. In addition, a large selection of samples was sent by Acme to Eco Tech for blind inter-lab comparison.

11.3.4 2008 DRILL PROGRAM

A prepared blank was inserted at approximately every 30th sample; it was analysed 331 times. One of three different standards was inserted on a revolving basis about every 30th sample, so that each standard was used about every 90th sample in the sequence; each was analyzed 108 to 128 times. Approximately every 30th sample (total of 338) was a duplicate (re-split) of the previous sample in the sequence, prepared in the lab in the same manner as the original sample. A total of 497 core sample pulps were sent for inter-laboratory check (blind) analyses.

11.3.5 2009 ANALYSES

For the 2009 analyses, a total of nine blanks and twenty-seven standards were inserted into the sample stream of 310 two-metre core samples; a standard or blank was inserted about every tenth sample. The standard material remained from the 2008 drill program. Unlike previous years, field duplicates were not inserted, and no sample pulps were sent to a second laboratory to test for inter-lab consistency.

11.3.6 2010 DRILL PROGRAM

For the 2010 drillhole north of the Storie Deposit, two standards and a prepared blank were used. Each was analysed twice. A standard (unknown source) with a stated accepted value of 0.030% Mo returned analyses of 0.029% Mo; a standard (unknown source) with a stated accepted value of 0.118% Mo returned analyses of 0.116% and 0.118% Mo. The blanks analyses were both 0.001% Mo.

11.4 SECURITY

Drill core samples were placed into large rice bags and sealed with heavy-duty plastic zip locks. A numbered security tie was added to each rice bag. When of sufficient size to serve as a single shipment, the shipment was given an identification number, and the rice bags of that shipment were tabulated by their security tags and the sample identification numbers (assay tags) contained in each bag. The group of bags selected for that shipment was photographed. Samples were delivered by a Columbia Yukon technician in a company vehicle to Dease Lake where they were shipped by freight truck in 2006 to Eco Tech in Kamloops, British Columbia; in 2007 to Acme in Vancouver, British Columbia.

For the beginning of the 2008 program, samples were shipped to Loring in Calgary, Alberta. Part-way through the program, a preparation laboratory was set up and operated by Loring in a separate room in the Cassiar logging facility. Samples were crushed and riffle-split and packaged into boxes (see Section 13.4) with re-splits, and pre-packaged standard and blank samples. Columbia Yukon personnel labelled each box and completed the sample shipment forms. The samples were picked up weekly by a shipping company from Dease Lake, from where they were taken by truck to Smithers, then by bus to Loring in Calgary. The Loring Lab remained on-site until the spring of 2009, but was not used for the 2009 sampling of 2008 drillholes.

Until shipment, the samples were kept in the Columbia Yukon logging facility, the former dry of the Cassiar asbestos mine, which was locked overnight. The building also served as Columbia Yukon's core storage facility until sampling was completed. According to Columbia Yukon, all of the 2006 and 2007 core, and some of the 2008 core was eventually transferred to a building of which the roof collapsed in 2009; core boxes were recovered or replaced and transferred to a still-standing area of the Cassiar asbestos mill.

In 2009, samples from the 2008 drillholes were treated in the same way as in previous years, and were delivered by Columbia Yukon personnel to Dease Lake where they were transshipped to Loring in Calgary. The core from these holes had all been kept secure in the Columbia Yukon logging facility over the intervening winter of 2008-2009.

For the 2010 drillhole, sample bags were placed into rice bags that were each labelled with the destination address. A sample tracking form was used to list the sample ID enclosed within each bag. Assay instructions were provided and placed within the first rice bag. Sample shipments were delivered by Columbia Yukon personnel to Canadian Freightways, at Dease Lake, for delivery to Eco Tech.

11.5 ADEQUACY

WGM considers that the sample preparation, security and analytical procedures are adequate to ensure credibility of the analytical work. The QA/QC procedures and protocols employed by Columbia Yukon were sufficiently rigorous to ensure that the sample data are reliable. Data quality is confirmed by WGM's review of analyses from blanks, standards, re-split samples and inter-laboratory checks from the 2006 to 2010 Columbia Yukon programs (see Section 12.4). Nevertheless, WGM recommends that unprepared blank material also be inserted into any future drill program.

12. DATA VERIFICATION

12.1 DRILLHOLE COLLAR LOCATIONS

As presented in the 2008 and 2009 WGM reports, the collar locations of three historic, nine 2006, seven 2007 and twelve 2008 Columbia Yukon drillholes were measured by WGM with a hand-held GPS instrument, and found to the have good correspondence with the Columbia Yukon high-resolution readings of the historic, 2006 and 2007 holes, as well as the Columbia Yukon hand-held measurements of the 2008 holes. Because of the recent high-resolution re-surveying of all but pre-1979 drillholes, a comparison was made of the WGM hand-held measurements with the new Columbia Yukon data. Of 30 drillhole collars, all but nine were within 5 m easting (max. 7.5 m), all but two within 5 m northing (max. 9.5 m) and all but eight within 5 m elevation (max. 10.8 m). Considering the inaccuracies of small hand-held instruments, these sets of data compare acceptably.

12.2 DRILLHOLE AUDITS

12.2.1 HISTORIC AND 2006 DRILLHOLES

For the 2007 WGM report, analytical results for two of the twenty 2006 Columbia Yukon drillholes were compared against the digital laboratory certificates. Only one minor error in analytical data was encountered.

Drill logs with % Mo assay results for all of the Shell Canada 1979 drillholes and most of the corresponding analytical certificates are available, and these data were entered by Columbia Yukon into drillhole databases. Columbia Yukon originally compiled their database of 1980 and pre-1979 historic drillholes by measuring the intervals and using the %Mo or %MoS_2 assay values on paper cross-sections. Columbia Yukon assumed that the sampling and analytical interval for all historic drillholes was 10 ft (3.05 m), unless otherwise indicated on the cross-sections, drill logs or sample summaries.

WGM audited 11 of the historic holes by comparing the data from the 1979 drill logs or on the cross-sections with the analytical database generated by Columbia Yukon. A number of meterage and analytical data entry errors were located and corrected. WGM also checked the footage and/or meterage entries, but not the analytical data, for all of the other drillholes used in the Mineral Resource estimate, and several adjustments were made. WGM concluded that any errors that may have been remaining in the database should not have significantly affected the 2007 Mineral Resource estimate reported by Kuehnbaum and Lindinger (2007).

Subsequently, Columbia Yukon thoroughly reviewed the entire historic and 2006 drillhole databases.

12.2.2 2007 DRILLHOLES

For the purposes of the 2008 report, WGM randomly reviewed for molybdenum approximately 18% of the ICP geochemical values for molybdenum, and 21.8% of the assay values potentially a part of the Mineral Resource Estimate (original drill core samples) in the Columbia Yukon database against final Acme analytical certificates. No errors were found in either case. There were a number of problems with mislabelling blanks as standards and vice-versa, but these were corrected by Columbia Yukon.

12.2.3 2008 DRILLHOLES

WGM reviewed 23.4% of the MoS_2 analytical results (values and sample numbers) from the signed Loring certificates against the Columbia Yukon database, for only those samples which are potentially a part of the Mineral Resource Estimate (i.e. original drill core samples). No errors were encountered.

During the audit, a single sample was found on a Loring certificate not in the Columbia Yukon database. Columbia Yukon had found a total of six such samples. These were unexplained, although M. Jerema feels that they may have been duplicates that were taken out of sequential order but never recorded as such.

12.2.4 2009 ANALYSES OF CORE FROM 2008 DRILLHOLES

WGM compared all of the analytical data from the Loring certificates with the Columbia Yukon records for the 2009 analyses of core not previously analysed from 2008 drillholes. The data were found to be correct.

12.3 TWINNED DRILLHOLES

Nineteen of the 20 Columbia Yukon holes from 2006 were positioned to twin historic holes. The 2007 WGM report compared in some detail the results of the 2006 drillholes with historic holes in order to validate historic data for inclusion into the 2007 Mineral Resource Estimate. Correlation between the 2006 holes and historic (1971, 1979 and 1980) holes was fair to very good, and lesser correlation was accounted for by incompatible collar orientations, divergent drillholes (historic holes were not surveyed for deviation), and occasional large collar separations. Significantly, the weighted averages of the better mineralized intercepts in

16 drillhole pairs are 0.084% Mo (1,635 m) for the 2006 drillholes; and 0.086% Mo (1,604 m) for the historic drillholes.

Kuehnbaum and Lindinger (2007) concluded that the 1971, 1979 and 1980 analytical data could be reliably used, where needed, for the preliminary resource estimate outlined in the 2007 WGM report. Pre-1979 historic holes, however, were not used in the Mineral Resource Estimates in the 2008 or 2009 WGM reports or this report.

12.4 QA/QC REVIEW

In the 2007, 2008 and 2009 reports, WGM compiled and reviewed in some detail the results of the 2006, 2007 and 2008 QA/QC programs done by Columbia Yukon (described in Section 11.2). The following is a brief summary of those results and conclusions. The three previous WGM reports should be referred to for further details.

12.4.1 2006 DRILLING PROGRAM

Neither of the two different blanks used showed any evidence of laboratory contamination, although one result could have been from an incorrectly labelled sample of drill core, which cannot be verified.

The results from the standards demonstrated a very good level of laboratory accuracy, as the average for molybdenum of each of the three standards was essentially identical to its accepted value. There was no appreciable variation of geochemical or assay results with time.

All samples which returned a first analysis of >500 ppm Mo were assayed using the procedure outlined above. A very good correlation between the two results was demonstrated.

The laboratory routinely re-analyzed pulps by taking a second aliquot. If the sample contained >500 ppm Mo, a second assay was also done. There was nearly a 1:1 correspondence between the replicate pairs of analyses (ppm Mo). For samples containing less than 1,000 ppm Mo, the maximum differences between pairs are less than 10% from the mean of each pair. Similarly, there was very good replication with assay pairs. Variation is likely due to a combination of analytical variation and non-homogeneous pulps.

For the re-splits, any samples containing >500 ppm Mo were resubmitted for assay, so there is also a subset of assay pairs. The scatter of analysis and assay pairs is noticeably greater than for pulp duplicates. This was attributed to a nugget effect for molybdenite.

WGM concluded that sample preparation and analytical procedures for samples from the 2006 diamond drilling program were adequate. Blank sample results indicate that lab contamination, if any, was insignificant. The results of the external standards were precise and reasonably accurate; the pulp repeats (including assay repeats) also showed a high degree of repeatability. Re-split sample pairs do not demonstrate the same degree of repeatability, but this is not unexpected considering the nature of the mineralization.

12.4.2 2007 DRILLING PROGRAM

All but one of the 280 blank samples returned 3 to 8 ppm Mo; one stray analysis (40 ppm Mo) was accounted for by probable numbering error. There is no suggestion of laboratory contamination at the analytical level.

The results for the single standard demonstrated a very good level of laboratory accuracy. There were no distinguishable trends in standard analyses over time, although there was often a considerable range of values for the standard within a given certificate. A small number of sample results fell outside of the range of the accepted mean ±2 SDs of the standard, but other samples on the same certificates were acceptable, and the values beyond the 2SD limits may be accounted for by the small sub-sample size.

In the laboratory, all samples which returned a first ICP analysis of 300 ppm Mo or greater were assayed, and parts or all of several holes were assayed regardless of the initial ICP geochemical results. Despite a slight bias due to a 2,000 ppm Mo upper detection limit from one lab, as well as some scatter shown by a relatively small number of sample pairs, the correlation between the two sets of data is acceptable.

The laboratory routinely re-analyzed pulps by taking a second aliquot. If the sample contained >300 ppm Mo, a second assay was also done for many samples. There is nearly a 1:1 correspondence between the replicate pairs of ICP analyses (ppm Mo), and there is excellent replication with assay pairs.

Most of the field re-splits containing >300 ppm Mo were also assayed. The scatter of 2007 analyses and assay pairs is much greater than for pulp duplicates, thought to be attributable to a molybdenite. However, the mean molybdenum contents of the first and second sets of ICP results, and first and second sets of assay results show that any nugget effect is smoothed out over a large sample population.

The correlation of ICP results of sample analyzed by both Acme and Eco Tech is slightly less than the ideal 1:1 ratio, which WGM attributed to the absence of samples with >2,000 ppm from Acme samples (simply reported as ">2000" ppm). This is supported by the excellent overall correlation between the assay pairs. The overall scatter of the inter-laboratory pulp re-analysis for ICP is greater than for the Acme repeat analyses. A number of sample pairs which differ considerably are thought to be due to unverifiable manual sample number entry errors. The scatter of inter-laboratory assay pairs is similar to the scatter of Acme pulp re-assays.

The sample preparation and analytical procedures for the 2007 drilling program appear to have been adequate. As indicated by blanks, lab contamination, if any, was insignificant; the blanks, however, were pre-pulverized and did not undergo crushing and pulverizing. The results of the single external standard submitted by Columbia Yukon appear to be reasonably precise and accurate. Pulp repeats, including assay repeats, show an overall high degree of repeatability. The results of re-analysis of random samples by a second laboratory are overall consistent with the results of the primary analyses.

12.4.3 2008 DRILLING PROGRAM

All but eight of the blank samples returned results less than the detection limit as reported by Loring: <0.001% MoS_2, equivalent to <0.0006% Mo, or <6 ppm Mo. Six higher results are unexplained, although there is no suggestion of laboratory contamination at the analytical level. WGM recommended that Columbia Yukon obtain, in addition to a prepared blank, a blank that will require crushing upon arrival at the preparation facility.

The recommended Mo values of the standards ±2 standard deviations are: 0.029%±0.002%, 0.065%±0.008% and 0.110%±0.008%; the respective averages of the 2008 analyses were: 0.029%, 0.068% and 0.106% Mo. For the first two, only a few of the analyses fell outside of the accepted range, and there was no significant trend over time. For the third standard, however, a significant proportion (31 of 108) of the analyses fell beneath the mean – 2 SD range for the standard, all but two of which were on the low side. If there were a laboratory analytical problem, the grades of drill core samples would tend to be somewhat suppressed, given the fact that 10.9% of the analyses of the 2008 analytical data set contain >0.1% Mo. However, the inter-lab comparison of drill core samples provides no substantial evidence to support this. The low results are unexplained, and WGM recommended submitting a series of samples of the standard (CDN-W-4) to a second laboratory.

The laboratory routinely re-analyzed pulps (512) by taking a second sub-sample of about every 20^{th} sample. The mean of the primary set of analyses was 0.0431% Mo, compared to

0.0430% Mo for the re-analysis set. This is excellent correspondence, and only 17 pairs have differences of more than 10% from their means (all of which are low-grade samples).
As for the 2006 and 2007 re-split samples, the scatter of duplicate pairs is much greater than for pulp repeat analyses, thought to be attributable to a molybdenite nugget effect. Only 33 pairs have a difference of >10% between the mean of the pair and the values of the pair; there are only 15 with a difference >20%. Significantly, the mean of the results of the two sets of analyses are 0.0423% Mo and 0.0432% Mo, demonstrating the smoothing of any nugget effect over a large sample population.

The overall scatter of the "blind" inter-laboratory analyses is considerably greater than for the Loring repeat analyses. For about 13% of the sample pairs, the difference between the mean of each pair and the sample values is >20%. More than 80% of these large differences, however, occur with relatively weakly mineralized samples (pairs with mean values <0.03% Mo). The mean of the original sample analyses (Loring) is 0.0460% Mo, while the mean of the Acme analyses is 0.0455% Mo.

The sample preparation and analytical procedures for the 2008 drilling program appear to have been adequate. As indicated by blank samples, laboratory contamination, if any, was insignificant; the blanks, however, were pre-pulverized and packaged, and did not undergo crushing and pulverizing in the laboratory. Loring did not report the analysis of any internal blanks on their analytical certificates. In addition to prepared blanks, WGM recommended the periodic addition of unprepared blank material in the field.

The results of the external standards submitted by Columbia Yukon appear to be reasonably accurate, although investigation into the scatter of results from the high-grade sample is warranted. Pulp assay repeats show an overall high degree of repeatability. Consistent with results from the 2006 and 2007 drillholes, 2008 re-split (duplicate) sample pairs do not show the same degree of repeatability; the scatter is thought to be due to the nuggety nature and irregular distribution of molybdenite, and the average molybdenum content is smoothed over the large sample population.

The results of re-analysis by a second laboratory of samples routinely selected throughout the drilling campaign show some scatter, but are overall acceptably consistent with the results of the primary analyses.

12.4.4 2009 SAMPLING

Because of the small number of standard samples (nine of each), a statistical treatment is not warranted.

For the standard with the accepted value of 0.110±0.008 % Mo (CDN-W-4), all of the Loring analyses varied between 0.108 and 0.112% Mo, well within the acceptable range.

Lab analyses of the standard with the accepted value of 0.029±0.002% Mo (CDN-CM-2) were from 0.029% to 0.31% Mo, all within the acceptable range. (The database for the 2009 samples reports the standard as containing 0.030% Mo, but WGM and Columbia Yukon feel that the value was incorrectly recorded; either way, the lab values are quite acceptable.)

Lab analyses of the standard with the accepted value of 0.065%±0.008 Mo (CDN-MoS-1) were from 0.65% to 0.67% Mo, all within the acceptable range, except for a single sample with 0.029% Mo. Columbia Yukon considers that the errant sample was likely due to a field mix-up of the standard number.

The blanks all contained <0.001% MoS_2.

Field re-splits (duplicates) were not prepared, and no blind samples were submitted to a second laboratory.

12.4.5 2010 SAMPLING

For the single drillhole, two inserted blank samples contained 0.001% Mo. Two standards listed as containing 0.030% Mo contained 0.029% Mo. Two samples of a standard recorded as containing 0.118% Mo contained 0.116% and 0.118% Mo. Because standard material remaining from 2008 program was used, WGM and Columbia Yukon assume that the accepted values for the standards are actually 0.029±0.002% and 0.110±0.008% Mo (CDN-CM-2 and CDN-W-4, respectively). All values are within the acceptable limits. This drillhole does not enter into the Mineral Resource Estimate presented in this Report.

12.5 WGM SURFACE AND DRILL CORE SAMPLE ANALYSES

In two visits made to the Storie project in April and July, 2007, WGM took a number of samples to independently confirm, in particular, the presence of economically significant grades of molybdenum. Five grab and composite grab samples from surface exposures and trench rubble confirmed the presence of economically significant amounts of molybdenum: 243 ppm to 0.427% Mo. Nineteen drill core samples, each consisting of the remaining half core from 3 metre intervals, were taken. Samples contained from 51 to 4,095 ppm Mo, and averaged 779 ppm (or 0.078%) Mo – close to the average grade of the deposit as presented in this report. A full review of the analytical data with laboratory procedures, as well as a discussion of the comparison between the WGM and original Columbia Yukon sample results, are given in the 2008 WGM report (Kuehnbaum and Arik, 2008).

Because previous WGM sampling had more than adequately confirmed the presence of molybdenum mineralization, WGM felt it unnecessary to sample 2008 drill core. Mineralization was, however, observed in a number of those drillholes that were being logged and that had already been sampled.

13. MINERAL PROCESSING AND METALLURGICAL TESTING

The following section is unaltered from the 2009 WGM report.

WGM is unaware of any mineral processing or metallurgical testing done prior to the beginning of Columbia Yukon's programs.

Columbia Yukon commissioned scoping level metallurgical tests at SGS Canada Ltd. ("**SGS**") facilities in Vancouver, B.C., to evaluate the metallurgical response of molybdenum mineralization in the Storie Deposit. Also included in the scope of work was the initial characterization of the final mill tailings. A quantitative mineralogy assessment was made to support the flow sheet development. Also, bulk density measurements were made to support mineral resource estimation. The test work results and interpretation are documented in two reports with the same title "An Investigation into the Flotation of Molybdenum Ore from the Storie Ore Body", one dated August 20, 2008 and the other dated October 30, 2008 (SGS Canada Ltd., 2008a, 2008b).

The samples used in the testwork program were selected from diamond drill core from the deposit as it was defined by drilling in 2006 and 2007. Subsequent drilling in 2008 extended the mineralization to the west and this expansion to the mineralization was not represented in the samples selected for the metallurgical work in 2008. Two styles of mineralization are recognized in the deposit: molybdenum occurring in fracture fillings, as well as disseminated coarse grains in the host rock. Four separate samples were selected, three based on grade: high grade with >0.08% Mo, medium grade containing 0.05 to 0.08% Mo, and low grade containing <0.05% Mo; the fourth sample was comprised from a 249 m intersection of one drillhole. A total sample weight of 1,800 kg was made available to SGS for the testwork.

At the metallurgical facility a master composite was prepared from equal portions of the four separate samples that were provided. The sample assays are presented in Table 2.

TABLE 2.
METALLURGICAL SAMPLING, STORIE DEPOSIT

Sample	Mo (g/t)	Fe (%)	S (%)
High Grade - A	1428	1.34	0.53
Medium Grade -A	631	1.36	0.38
Low Grade - A	581	0.99	0.30
Sample - B	1181	1.34	0.47
Master Composite	999	1.17	0.42

The hardness of the material was tested using the standard Bond Work Index and the SAG Power Index procedures on each of the four separate samples. The results showed a medium hardness with a Bond work index ranging from 12.7 to 12.8 KW/t and a SAG index ranging from 28.6 to 34.2 minutes.

The Paraffin Wax Method was used to test 121 samples of core giving an average density of 2.59 g/cm^3, with a range of 2.35 to 3.02 g/cm^3.

A mineralogical characterization was carried out on the master composite that identified molybdenite as the main sulphide mineral with minor amounts of pyrite also present. The balance of the sample composition consisted of quartz and feldspar. The mineralogy also showed that that the relatively minor presence of clay minerals would probably not be sufficient to interfere with the flotation process but the presence of micaceous minerals may warrant consideration in the final plant design and flotation equipment to control entrainment into concentrate.

Flotation testwork was carried out on the master composite to determine the flotation kinetics and the required mineral liberation to achieve commercial grades and recoveries of the molybdenum mineralization. Bench scale batch testing of the floatation stages and sequence necessary to separate a concentrate was followed by lock cycle testing to project the concentrate grade and recoveries. The developed flowsheet was then used to test the response of the four variability composites using the same flowsheet.

The flowsheet developed used conventional reagents with a diesel/pine oil/lime scheme with four stages of roughing and four stages of cleaning with a regrind prior to the first stage of cleaning and a scavenger stage on the first cleaner. Figure 5 shows the flowsheet that was developed and tested by the metallurgical program at SGS.

The preliminary testing to date shows that the Storie molybdenum mineralization is amenable to standard flotation concentration and will produce a saleable concentrate. The test program showed that a minimum of a 14 minute retention time in rougher flotation at a grind of 80% passing 112 microns would yield recoveries ranging from 89.9 to 96.4%. Cleaner testing demonstrated that 4 to 5 stages would be required to upgrade the concentrate to at least 50% Mo. Regrinding of the second, third and fourth rougher concentrate is necessary to achieve the required Mo grade in the concentrate produced from the circuit.

CYU STO / CYU_10_Flowsheet.dwg
Last revision date: Thursday 7 March 2013

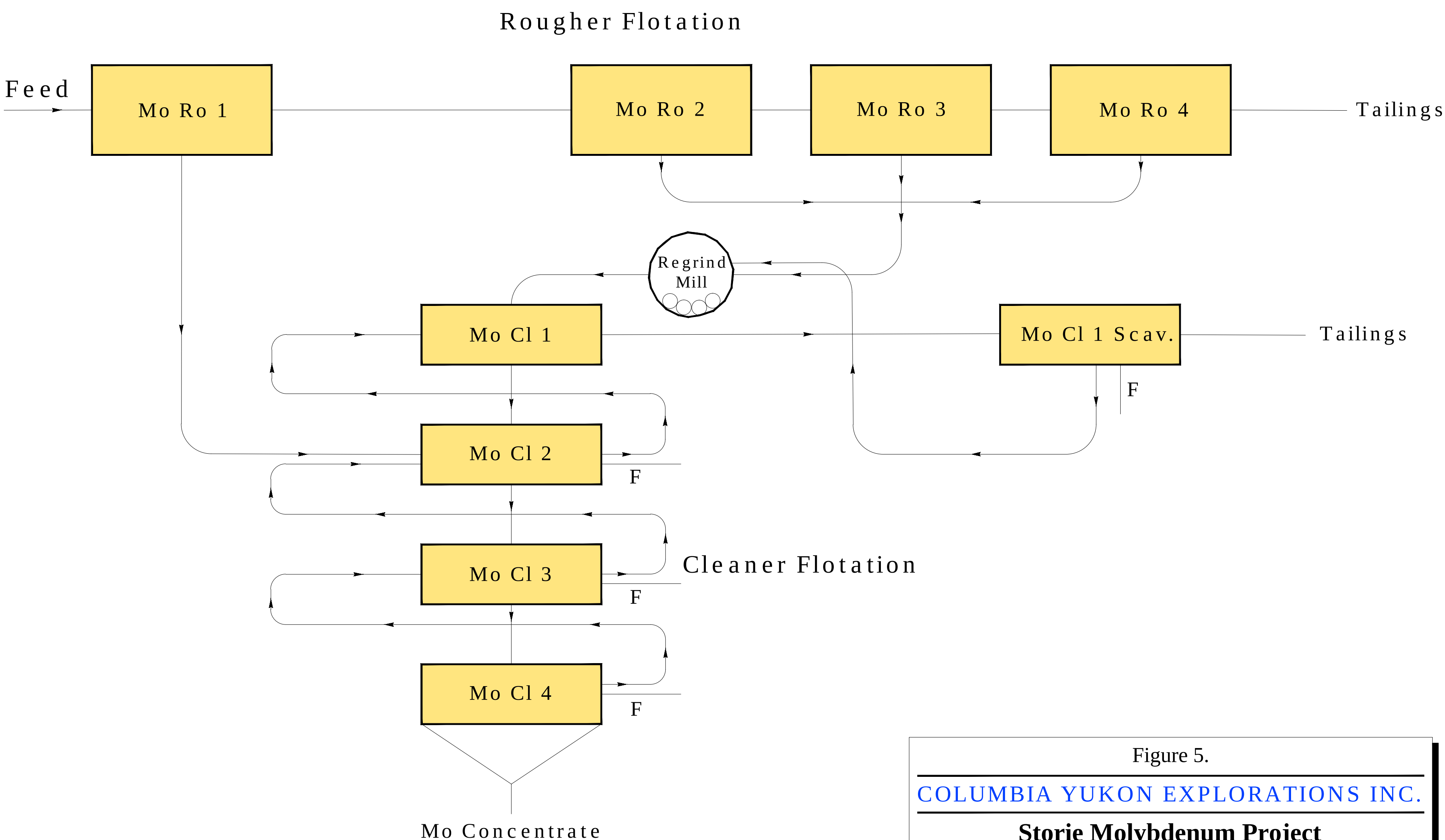


Figure 5.

COLUMBIA YUKON EXPLORATIONS INC.

Storie Molybdenum Project

British Columbia, Canada

Flotation Flowsheet Tested for the Storie Deposit

Graphics by Watts, Griffis and McOuat Limited

Watts, Griffis and McOuat

Initial lock cycle testing on the four separate variability samples resulted in improved recovery ranging from 73 to 87% with the concentrate grade ranging from 32 to 45% Mo. The lower concentrate grades were attributed to the small sample size used and entrainment of gangue. Subsequent testing in the second series of cleaner tests with a larger sample portion demonstrated a concentrate grade of 37 to 50% Mo with recoveries ranging from 75 to 84%.

WGM anticipates that further optimization of the primary and regrinding requirements will improve on the metallurgical results achieved to date.

14. MINERAL RESOURCE ESTIMATES

14.1 PREVIOUS MINERAL RESOURCE ESTIMATES

14.1.1 2007 MINERAL RESOURCE ESTIMATE

In the 2007 WGM report (Kuehnbaum and Lindinger, 2007), a Mineral Resource estimate was prepared for the Storie Deposit using 38 drillholes (primarily NQ) from drilling programs completed in 1979, 1980 and 2006. Where historic (1979 and 1980) drillholes were twinned by 2006 drillholes, analytical data from the later holes were used. Where data from 1979-2006 drillholes were lacking, four pre-1979 drillholes were used, but these accounted for less than 5% of the data used in the overall Mineral Resource estimate.

Based on only seven core samples, WGM used a density of 2.60 g/cm^3. A simple plan polygonal model was used for the 2007 Mineral Resource estimate. Using a cutoff of 0.035% Mo, a maximum open pit mining depth of 325 m and an assumed 1.5:1 waste to "ore" stripping ratio, the Storie Deposit was estimated to contain an Inferred Mineral Resource of 101.6 million tonnes grading 0.067% Mo.

14.1.2 2008 MINERAL RESOURCE ESTIMATE

As reported in the 2008 WGM report (Kuehnbaum and Arik, 2008), a Mineral Resource estimate was done by Mintec using 125 drillholes (35,548 m) from 1979, 1980, 2006 and 2007; pre-1979 holes were not used. An average density of 2.6 g/cm^3 across the deposit was determined from 121 drill core samples. Because of infill drilling, a significant proportion of the Mineral Resources were upgraded to the Indicated category. At a cutoff of 0.030% Mo, the total Indicated Mineral Resource was estimated at approximately 98.3 million tonnes grading 0.064% Mo, and the Inferred Mineral Resource was estimated at approximately 30.9 million tonnes at an average grade of 0.059% Mo.

14.1.3 2009 MINERAL RESOURCE ESTIMATE

In 2009, Mintec provided an updated Mineral Resource Estimate, which was presented in the 2009 WGM report (Kuehnbaum, MacFarlane, Roberts and Arik, 2009). Data from 165 drillholes from 1979 to 1980 and 2006 to 2008; pre-1979 holes were not used. For specific gravity, the same 121 measurements as noted above were used to calculate a 2.6 weighted average, which was used as a background value for the 3-D block model. The

SG values received were composited to 10 m benches and interpolated using an Inverse Distance squared weighting method.

At a cutoff of 0.03% Mo, the total Measured Mineral Resource was estimated at approximately 35.6 million tonnes grading 0.069% Mo; the total Indicated Mineral Resource at approximately 104.2 million tonnes grading 0.063% Mo; and the total Inferred Mineral Resource at approximately 58.4 million tonnes grading 0.059% Mo.

14.2 2013 MINERAL RESOURCE ESTIMATE, GENERAL

The Mineral Resource Estimate presented in this report has been prepared primarily by Mintec Inc. and reviewed by the Qualified Person, Sue Bird, P.Eng., of Moose Mountain Technical Services. The Resource Estimate, effective as of November 7, 2013, is an update to the 2009 estimate, based on updated surveying, drillhole data and geology. Columbia Yukon has reviewed and corrected all prior data including the drilling locations, geologic logs and assay data. Drill hole collars were verified with the LiDAR topography surface. Corrections and adjustments were made to drillhole locations and downhole surveys, additional assays previously unavailable are now included, overburden intervals have been added to the rock type interval data and certain rock types have been consolidated. No additional drilling has been conducted on the Storie Deposit since 2008. The model limits have been increased in depth and lateral extent to include all drill holes within the resource area.

14.3 DEFINITIONS

The classification of mineral resources and mineral reserves used in this report conforms with the definitions provided in the final version of National Instrument 43-101 ("NI 43-101"), which came into effect on February 1, 2001, as revised on December 11, 2005. We further confirm that, in arriving at our classification, we have followed the guidelines and standards adopted by the Council of the Canadian Institute of Mining Metallurgy and Petroleum ("**CIM**"). The relevant definitions for the CIM Standards/NI 43-101 are as follows:

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

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

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

A **Measured Mineral Resource** is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

14.4 DRILLHOLE DATA

The current Storie Molybdenum Deposit database contains a total of 175 drill holes. The diamond drill holes were drilled in 1979 (10), 1980 (21), 2006 (20), 2007 (75) and 2008 (49) totalling 56,489 metres in length. Drilling prior to 1979 was excluded. Figure 6 shows a plan view of the topography contours of the deposit and the drill hole trace locations. Figure 7 shows the average drill hole spacing by bench based on a 150 meter search radius used for the analysis. The average drillhole distance is 60 metres with the average nearest distance being 38 metres.

Columbia Yukon provided files containing drill hole collar locations, drilling lengths, collars and downhole surveys, assays, geology and overburden information. Specific gravity information was also provided, reviewed and loaded into a separate database.

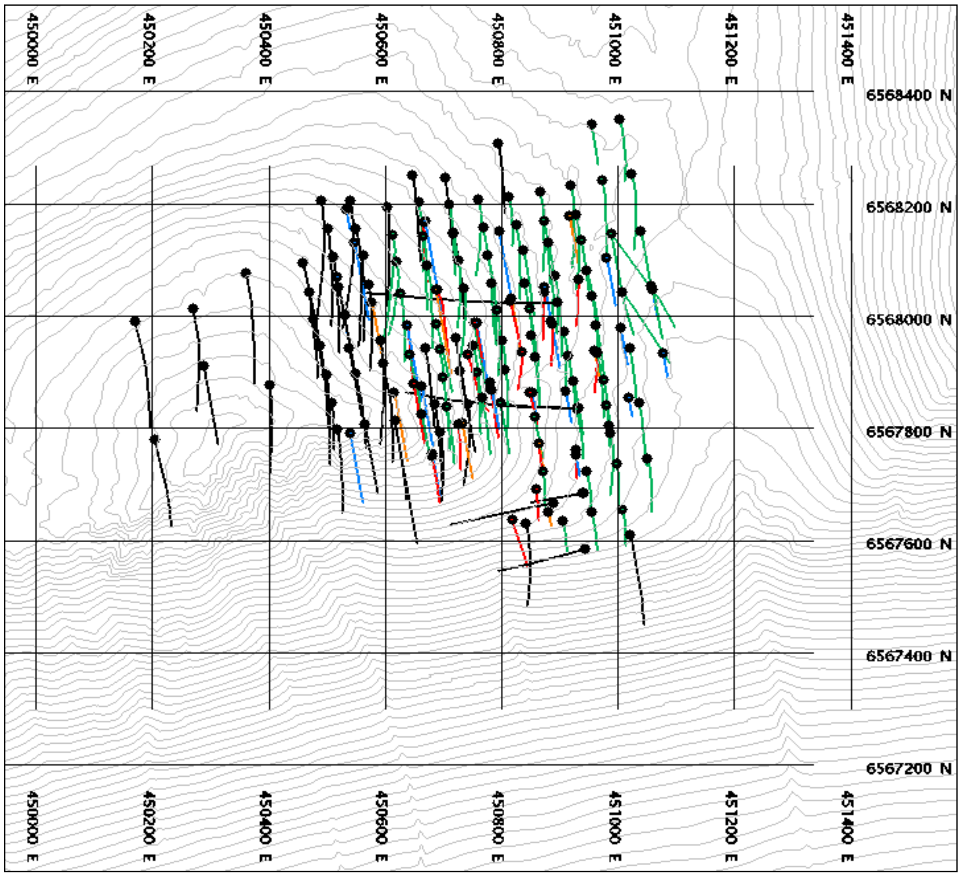


Figure 6. Plan view of the topography contours in the deposit area, drill hole locations and downhole traces

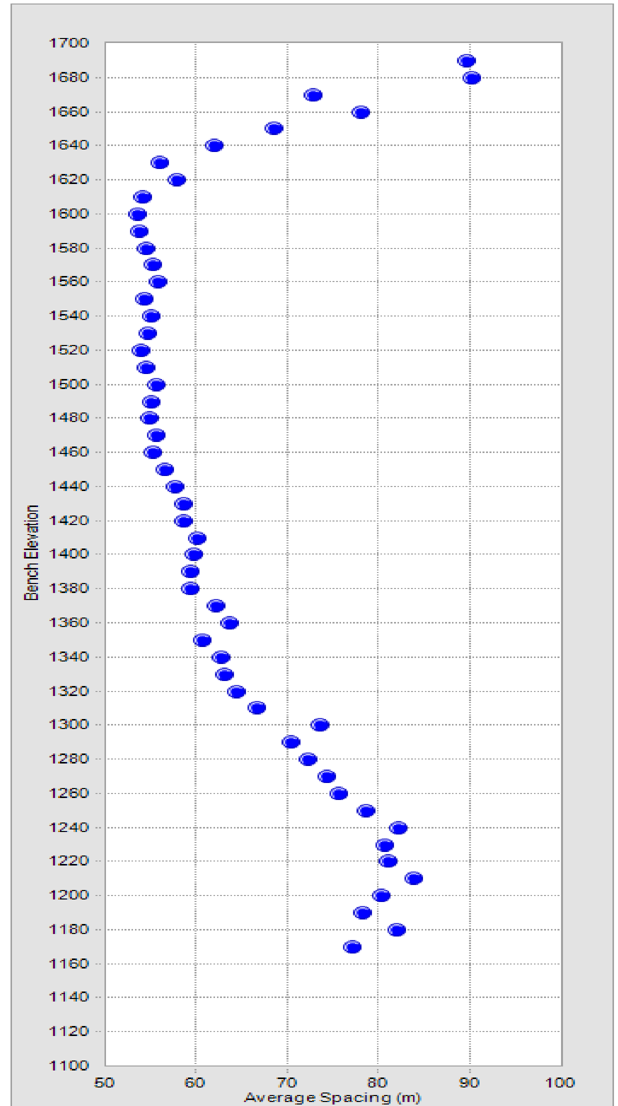


Figure 7. Average drill hole spacing by bench elevation

14.5 GEOLOGY AND MINERALIZATION

A number of lithology units have been recognized at the Storie Molybdenum Deposit. Table 3 describes the units as provided in the 2009 report and the updated rock type code associations used in the modeling. The types have remained unchanged but lithology types 4, 3a and 3a/4 have been consolidated into a single rock type code of 4.

TABLE 3.
ROCK TYPE DESCRIPTION OF THE LITHOLOGY

Rock Type	Original Alpha Code	Description
0	OVB	Overburden
1	1	Megacrystic quartz monzonite
2	2 and 2a	Porphyritic quartz monzonite and biotite quartz monzonite
3	3	Medium-grained quartz monzonite
4	4	Quartz-feldspar porphyry
4	3a	Medium-grained quartz monzonite
4	3a/4	Pink quartz monzonite – transitional unit

The modeling process included building 3-D models of the overburden, mineralization zone, and two rock domain zones representing lithology above and below the rock type 2 and 3 contact within the mineralized zone. These 3-D models, or solids, were coded into the resource model and used in the interpolation process. The mineralized zone solid is the envelope within which grade interpolation will occur. The domain solids are subdivisions of the mineralized zone solid.

14.6 GEOLOGIC MODELLING

A 3-D mineralization zone solid was built to limit the extent of the grade interpolation. Mineralized zone polygons were interpreted on the same 47 sections, striking at 170°, as was used for the overburden. Generally, the polygons were built using the first and last assay interval with Mo grades greater than 0%.

The polygonal interpretations were extended approximately 70 m from the outer drill holes on each section and to about 15 m below the bottom of the holes on the sections where mineralization still remained in the hole. In some circumstances, the polygons were snapped to a drill hole assay interval slightly off-section to improve the solid coverage. The polygons were then linked into a mineralized solid and the two ends of the solid were extended an additional 25 metres and closed. Any portion of the mineralized solid that was above topography or above the bottom of the overburden solid was cut and removed. Figure 8 shows Section 31 (striking at 170° through the central portion of mineralized zone) with the mineralized envelope and drill holes displaying molybdenum grade. Drillholes within 18 metres of the section are visible.

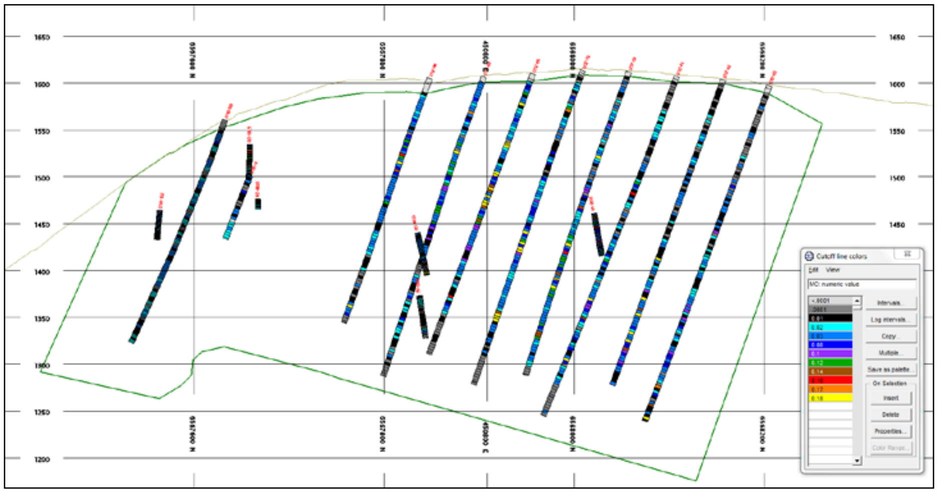


Figure 8. Mineralized Envelope and Drill Holes – Section 31

The 3-D lithology solid representing the rock types 1 and 2 above the type 2 and type 3 contact has been modeled as was done in the 2009. This solid intersected with the mineralization solid, is used to define Domain 1. The remainder of the mineralization zone solid is assigned a domain code of 2. Figure 9 shows a 3-D perspective view of the two domains, the topography and the drillhole collars.

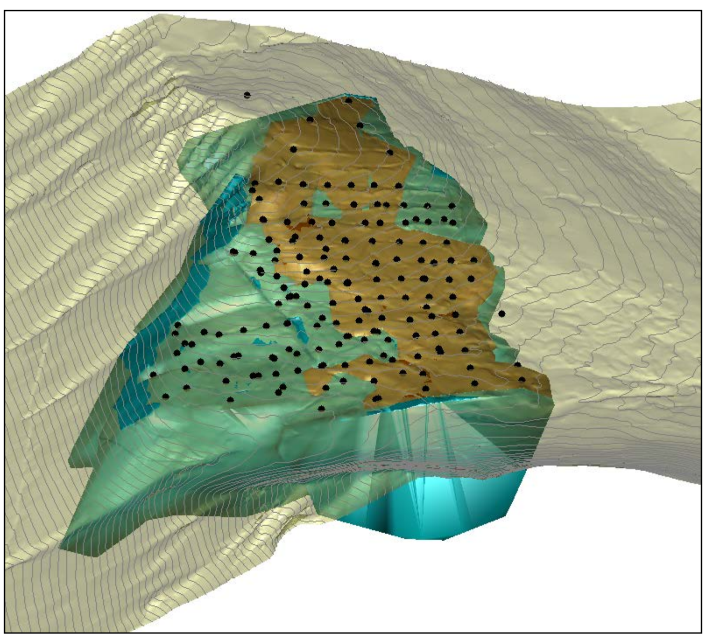


Figure 9. 3D view of the domain zones below topography with drill hole collars – looking west

A number of fault or fault-type features have been identified at the Storie Deposit by Columbia Yukon. The traces of the faults in the project area, drillhole collars and outline of the mineralized zone (red) are overlaid onto the topography in Figure 10.

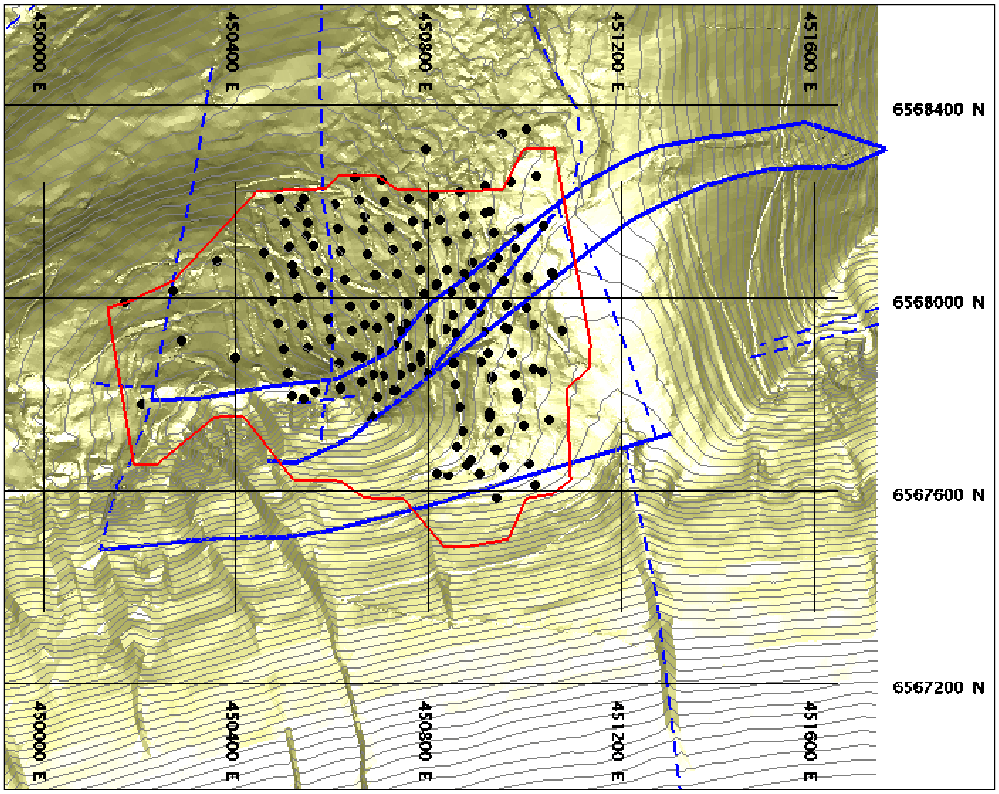


Figure 10. Fault traces at the Storie Deposit project area

The solid blue lines in Figure 10 are the primary faults (north to south), B Fault, A Fault, C (Crone) Fault and the X Fault. The orientation and dip of the faults provided by Columbia Yukon were used to create the fault surfaces.

Based on an analysis of the grade distribution across fault boundaries in section and plan, it does not appear the distribution of mineralization in the deposit is appreciably affected by the faults in such a manner that compromises the development or subsequent mining of the resource. It is concluded that evaluation of the deposit by fault domains is not warranted.

14.7 GEOSTATISTICAL ANALYSIS

The geostatistical analysis of the Storie Molybdenum Deposit includes the statistical analysis of assay and composite grade items, spatial continuity analysis of the mineralization using variograms, and the determination of interpolation parameters for deposit modeling.

14.7.1 ASSAY STATISTICS

The current Storie Molybdenum Deposit database contains a total of 175 drill holes of various lengths. The average depth of the holes is about 323 m. There are four holes less than 100 m while the longest hole is 565.1 m. However, the majority (62%) of the holes are from 200 to 400 m in length.

The total drilling in the current database is 56,489 m including the un-assayed intervals. The total length of assayed intervals is 54,464.7 m with 21,248 assay intervals (32,054 after splitting them by geology). The majority of the assay intervals are 3 m in length (70% of raw assay data before splitting by geology). The total number of assays with an assigned mineralized domain code is 31,872 (after splitting by geology).

Statistical analyses of assay data were performed for Mo within the mineralized zone. The number of samples, total length, standard deviation and coefficient of variation are shown in Table 4, by cutoff grade and domain. Figures 11 and 12 are histograms and log histograms, respectively, of Mo assays within the mineralized zone. The Mo grades have a skewed distribution with some outlier high grades. Figure 13 shows the probability plot in logarithmic scale of Mo assays. Based on the probability plot and the assay statistics, the Mo assays were capped at 0.70% corresponding to the top 0.1% of assays. Table 5 gives a list of the capped assays with a total of 32 assay intervals being capped.

TABLE 4.
SUMMARY STATISTICS FOR ASSAYS Mo AT DIFFERENT CUTOFF GRADES PER DOMAIN

Mo % Cutoff	Number	Length	Mean	Std. Dev.	C.V.
Mo% - DOMAIN 1					
>=0.000	2,351	4,512.1	0.0183	0.0248	1.3565
>=0.010	1,279	2,435.8	0.0298	0.0290	0.9729
>=0.020	673	1,318.9	0.0431	0.0342	0.7929
>=0.030	386	757.4	0.0568	0.0398	0.7004
>=0.035	288	563.3	0.0652	0.0430	0.6591
Mo% - DOMAIN 2					
>=0.000	29,521	49,741.4	0.0469	0.0659	1.4046
>=0.010	23,764	40,360.0	0.0566	0.0697	1.2301
>=0.020	17,908	30,531.1	0.0701	0.0753	1.0733
>=0.030	13,655	23,252.3	0.0844	0.0812	0.9622
>=0.035	11,941	20,566.4	0.0912	0.0840	0.9209

C.V. = Coefficient of variation = Std. Dev. / Mean

TABLE 5.
LIST OF CAPPED Mo ASSAY INTERVALS

Drillhole	From (m)	To (m)	Length (m)	Mo% Original
ST06-02	282	285	3	0.863
ST06-06	247	250	3	1.918
ST07-38	192	195	3	1.149
ST07-39	59	62	3	0.865
ST07-45	187	190	3	1.035
ST07-51	47	50	3	0.764
ST07-54	113	116	3	1.634
ST07-54	231	234	3	0.896
ST07-72	116	119	3	0.785
ST07-75	72	75	3	0.932
ST08-101	407	408	1	1.2059
ST08-101	408	409	1	1.2059
ST08-101	409	410	1	1.2059
ST08-103	454	455	1	0.7319
ST08-103	455	456	1	0.7319
ST08-103	456	457	1	0.7319
ST08-108	332	333	1	0.7709
ST08-108	333	334	1	0.7709
ST08-108	334	335	1	0.7709
ST08-108	401	402	1	0.7559
ST08-108	402	403	1	0.7559
ST08-108	403	404	1	0.7559
ST08-118	376	377	1	0.7049
ST08-118	380	381	1	1.0409
ST08-125	386	387	1	0.7103
ST08-125	387	388	1	0.7103
ST08-128	436	437	1	0.8279
ST08-135	348	349	1	0.9221
ST08-136	191	192	1	0.7463
ST08-141	137	138	1	0.7463
ST08-141	138	139	1	0.7463
ST08-141	139	140	1	0.7463

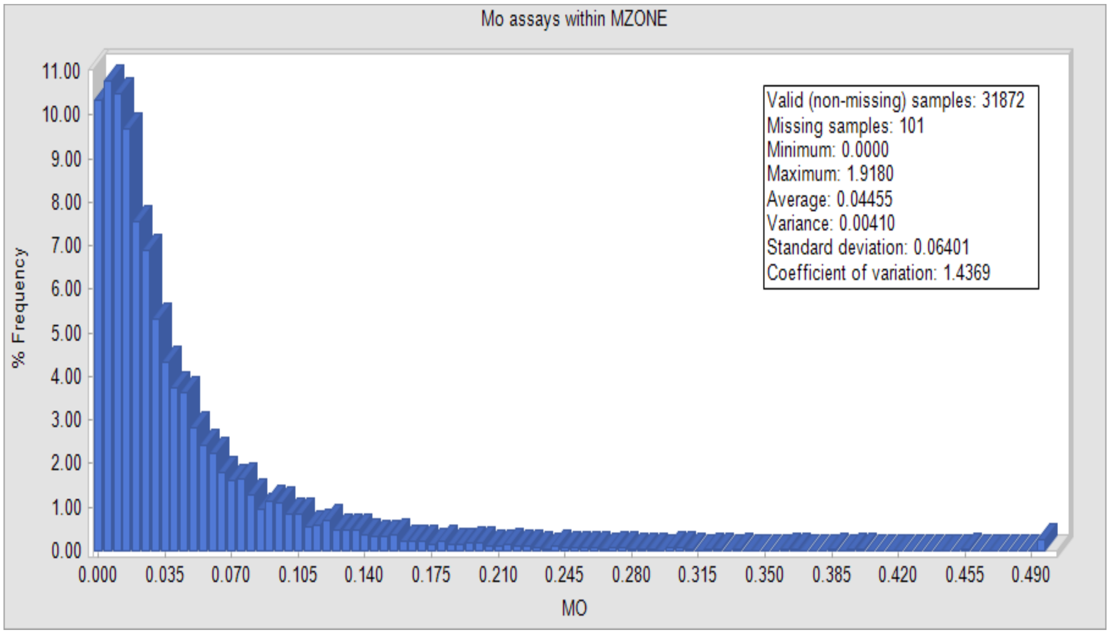


Figure 11. Histogram Plot of Mo Assays

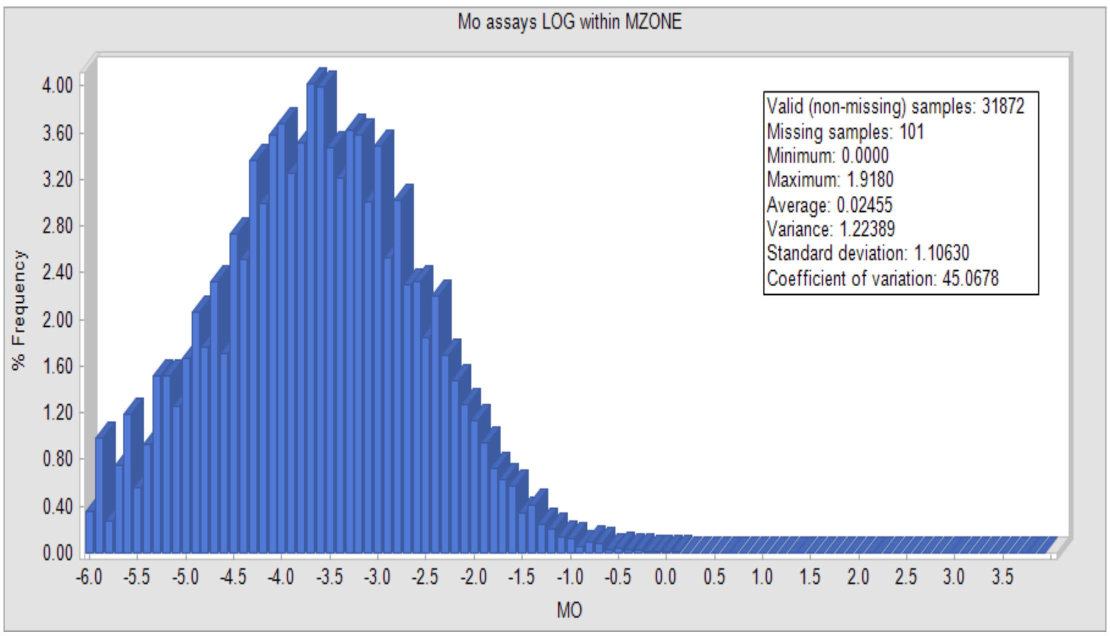


Figure 12. Log Normal Histogram Plot of Mo Assays

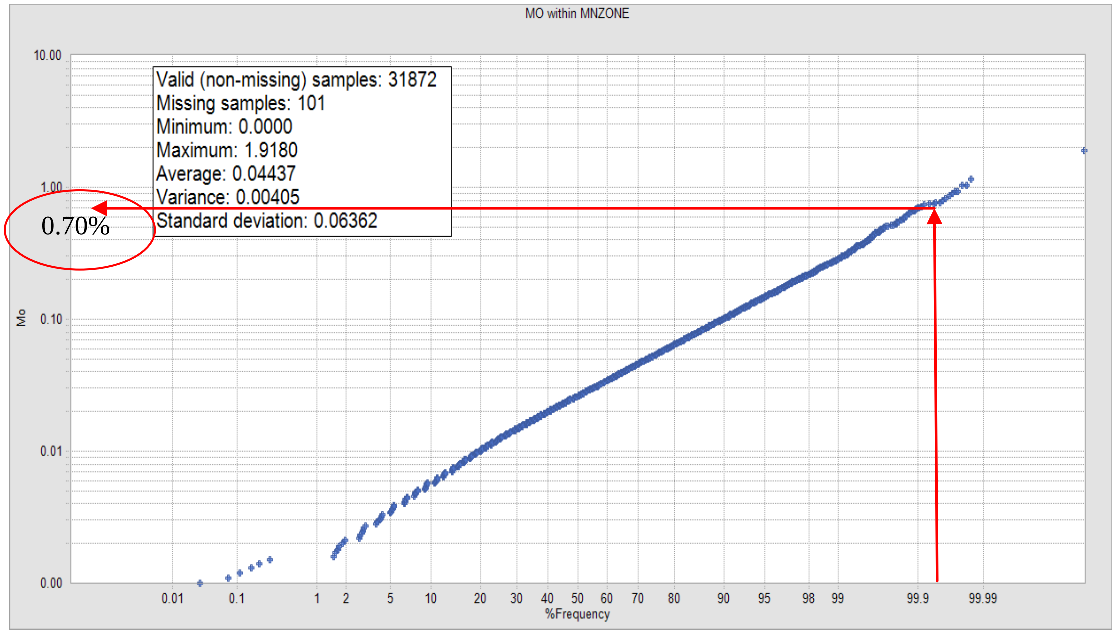


Figure 13. Cumulative Probability Plot in Log Scale of Mo Assays

14.7.2 COMPOSITE STATISTICS

The capped drill hole assay intervals were composited on 5 meter downhole intervals honouring domain boundaries. There is a total of 10,974 composites in the database; 908 composites in Domain 1 and 9,941 composites in Domain 2. A further 108 composites are outside the domains and are not used. There were 13 composites in the domains with lengths less than 2.5 m that are not included in the interpolation. Figure 14 shows the summary statistics and histograms of the 5 m composites for Mo within both domains. Figure 15 shows summary statistics and log normal histograms of the 5 m composites for Mo within domains. Table 6 is a summary of the statistics for 5 m composites Mo at different cutoff grades per domain.

The drillhole assay intervals were also composited on 10 m downhole intervals honouring domain boundaries. These composites were only used for Polygonal (Nearest Neighbor) interpolation, for validation.

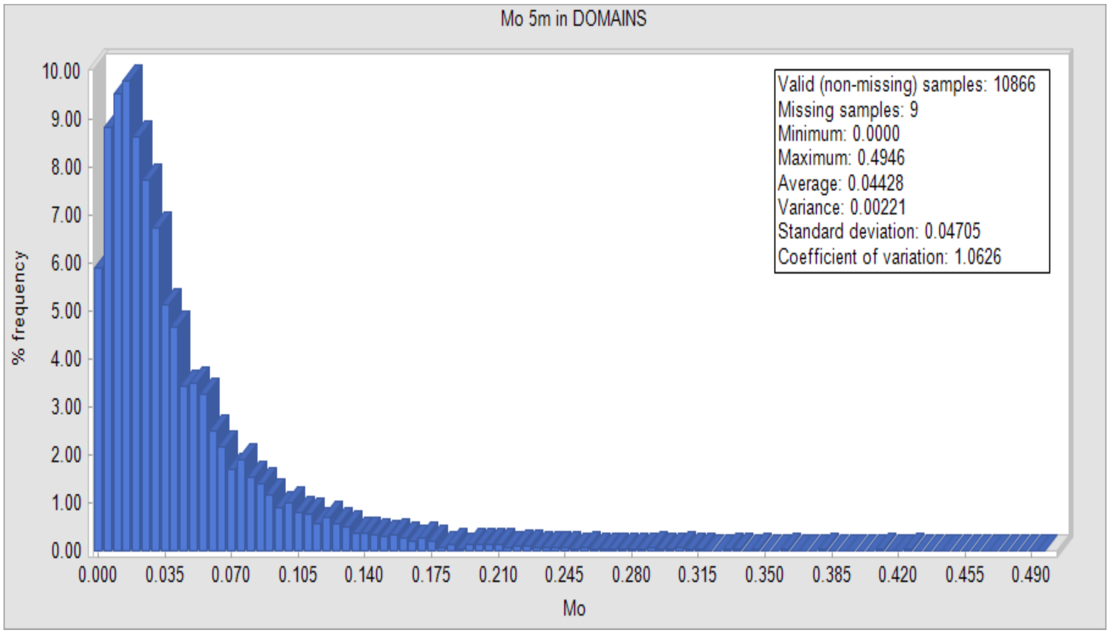


Figure 14. Histogram plot for 5 m Mo composites

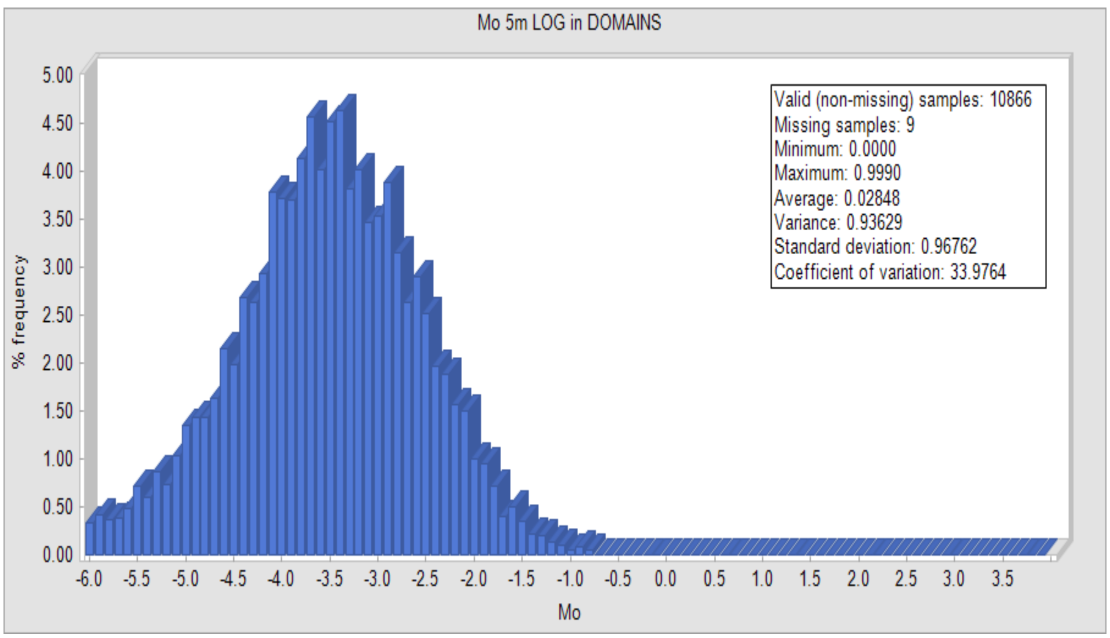


Figure 15. Log normal histogram plot for 5 m Mo composites

TABLE 6.
SUMMARY STATISTICS FOR 5M COMPOSITES Mo AT DIFFERENT CUTOFF GRADES PER DOMAIN

Mo % cutoff	Number	Length	Mean	Std. Dev.	C.V.	2009 Mean
Mo% - DOMAIN 1						
>=0.000	905	4,511.4	0.0183	0.0186	1.0168	0.0219
>=0.010	541	2,693.4	0.0270	0.0196	0.7254	0.0279
>=0.020	292	1,453.2	0.0381	0.0210	0.5504	0.0375
>=0.030	152	749.6	0.0506	0.0228	0.4509	0.0502
>=0.035	116	577.3	0.0559	0.0235	0.4204	0.0566
Mo% - DOMAIN 2						
>=0.000	9,961	49,741.1	0.0466	0.0481	1.0320	0.0484
>=0.010	8,724	43,568.8	0.0524	0.0487	0.9290	0.0529
>=0.020	6,872	34,315.1	0.0625	0.0503	0.8051	0.0628
>=0.030	5,233	26,130.2	0.0743	0.0523	0.7038	0.0746
>=0.035	4,535	22,641.1	0.0808	0.0533	0.6602	0.0810

Note: C.V. = Coefficient of variation = Std. Dev. / Mean

The cumulative probability plots ("CPP") were used to examine the Mo composite grades at the tail of the distribution curve that might behave differently than the rest of the grades. Based on these plots and composite statistics, an outlier cutoff grade of 0.1% Mo was identified for Domain 1 and 0.3% Mo for Domain 2.

Figure 16 shows the contact analysis plot between Domain 1 and 2, indicating the change in average Mo grade at the domain boundary.

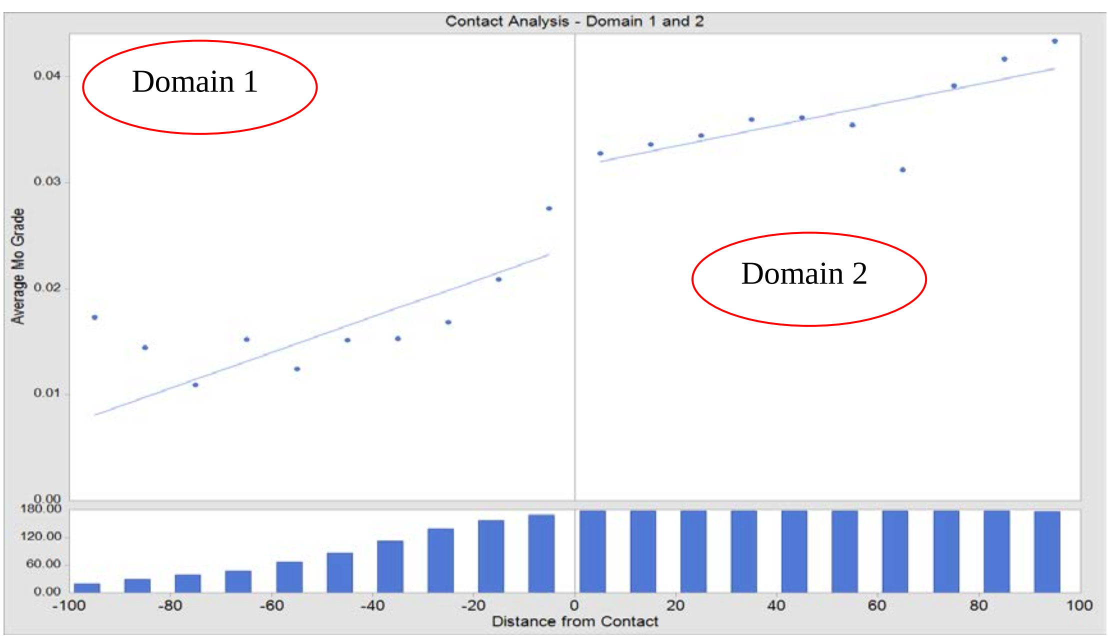


Figure 16. Contact analysis plot between Domain 1 and 2

14.7.3 VARIOGRAPHY

Variogram analysis for Mo was done using 5 m composites within each domain. The type of variogram used for the analysis was the correlogram. Directional variograms were calculated from 0° to 315° at 45° increments in horizontal directions, and at 0°, 30°, 60° and 90° dip angles, covering all directions needed to check the continuity of the mineralization in the deposit.

Downhole combined variograms at 5 m composite lags and/or 2 m assay lags (to verify variance at even smaller distances) were used to determine the nugget effect within Domain 1 and 2 which was then manually entered when calculating a 3-D auto-fit model based on the directional variograms.

The directional variograms essentially exhibit the continuity of the mineralization for different directions in a mathematical form. The parameters of the variogram model are a necessary input in kriging, but they are also helpful for defining the search distances used in the interpolation of the block grades.

Figure 17 shows the downhole composite combined variogram used with 5 m lags for calculating the nugget within Domain 2. Figure 18 shows the three individually modeled directions. Parameters from those variograms are used for interpolation.

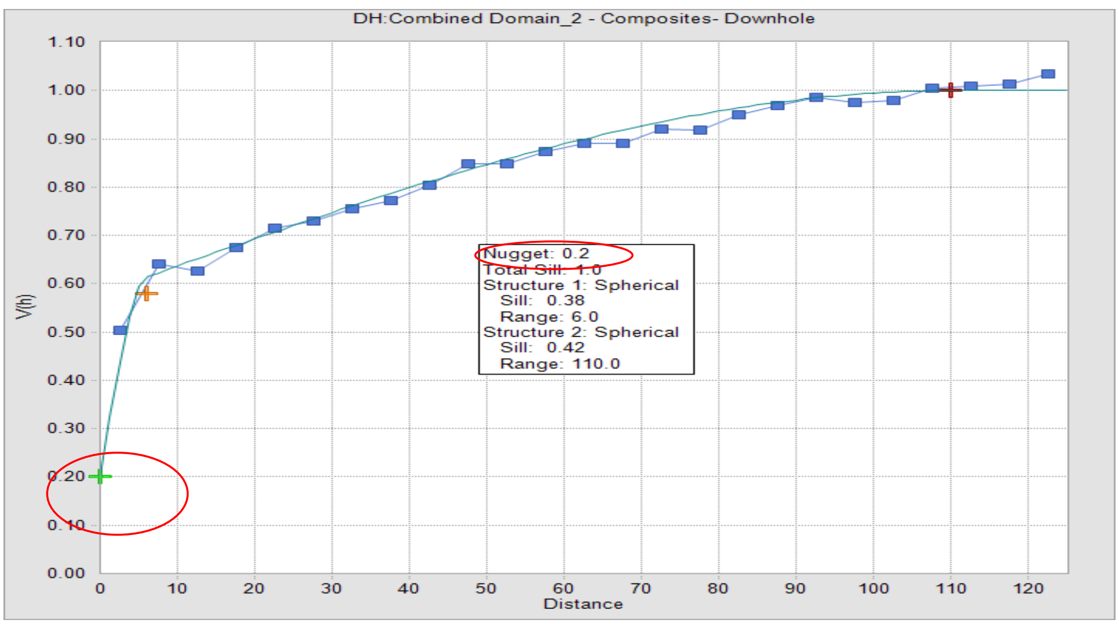


Figure 17. Downhole Combined Variogram for Mo – Domain 2

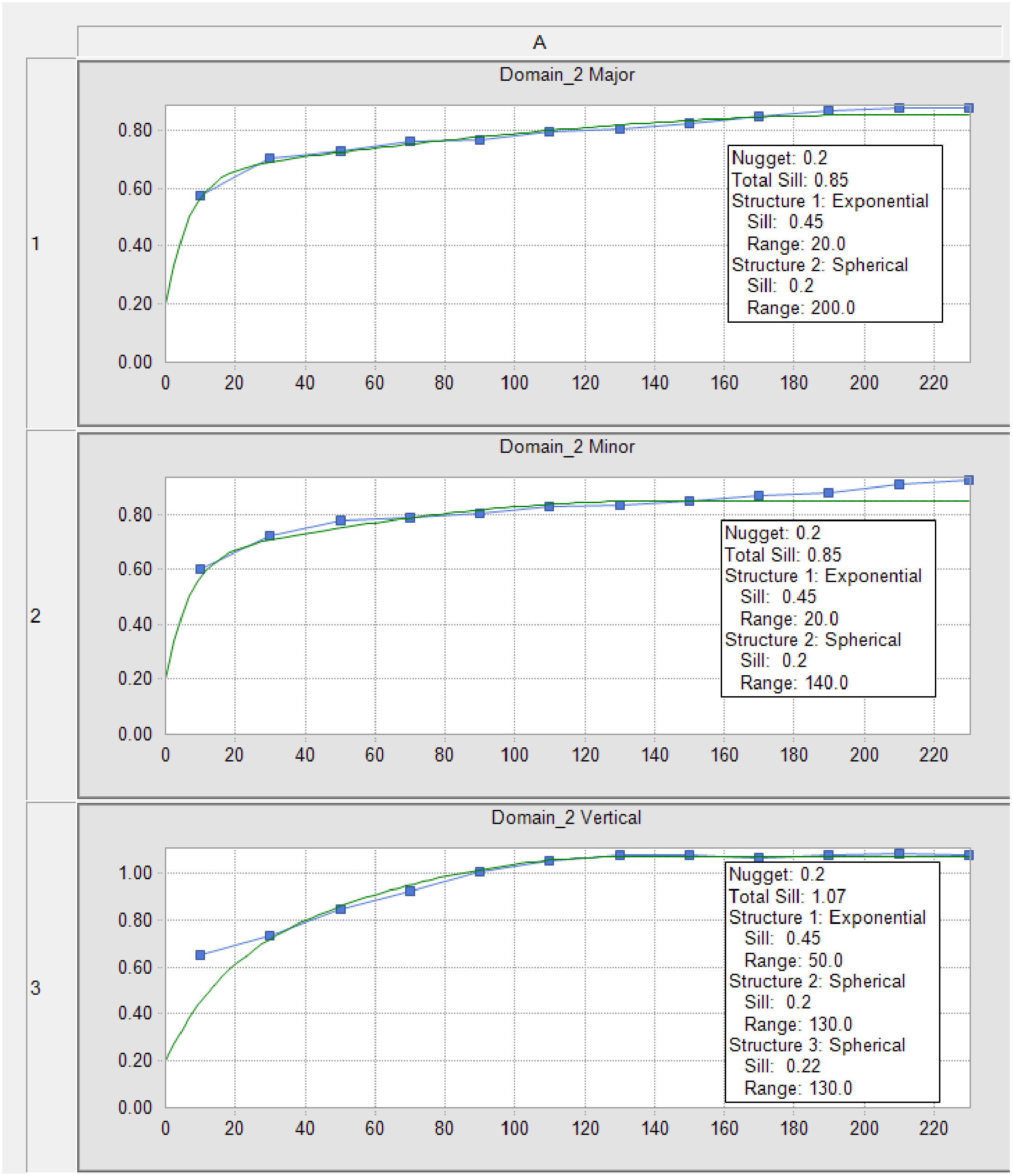


Figure 18. Directional Variograms for Mo - Domain 2

A global median indicator variogram for Mo was computed to help determine the distance ranges used in the resource estimation and classification. Using a 0.0317% Mo median grade for domain 2 (0.0125% for Domain 1), the 5m composites were tagged 0 if they were below the median cutoff, and 1 if above. Figure 19 shows the global variogram of these indicators at 0.0317% Mo cutoff and the theoretical exponential model fit. Table 7 summarizes the variogram model parameters determined for Mo in each domain. The ranges reported in this table for the exponential variograms are the *Practical Ranges* (3 x Effective Range). The MineSight® kriging program uses the effective range "a" for the exponential variogram, 1/3 of the practical range.

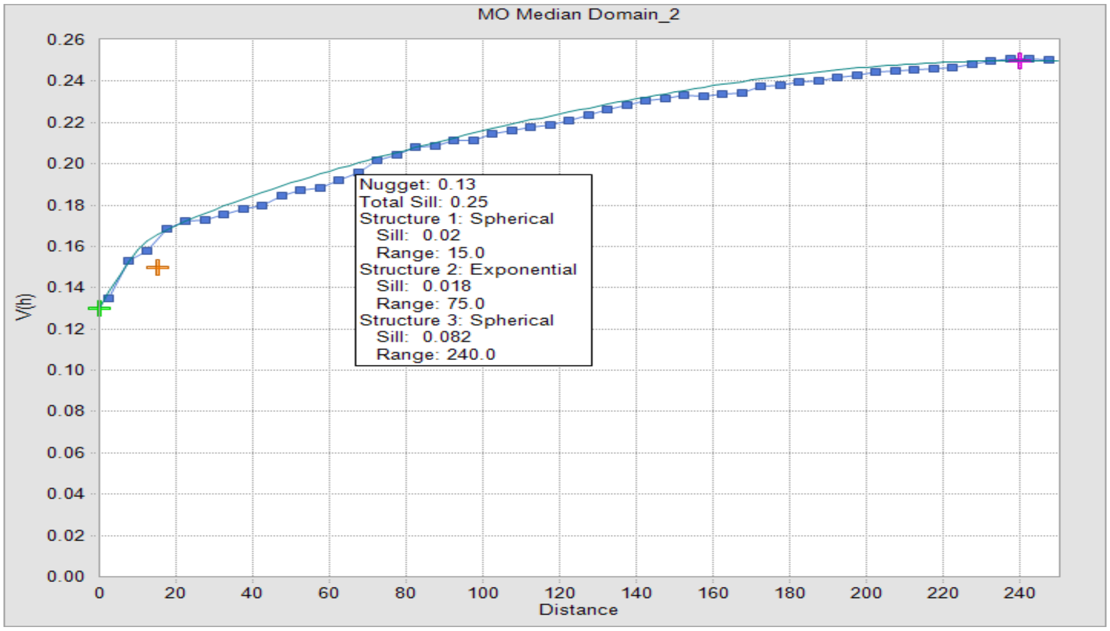


Figure 19. Global Median Indicator Variogram for Mo- Domain 2

TABLE 7.
VARIOGRAM PARAMETERS FOR Mo PER DOMAIN

	DOMN 1	DOMN 2
Nugget	0.3	0.2
1st structure sill (total)	0.71	0.65
Total Sill	0.90	0.85
Major Axis Ranges (m) – 1st/2nd structure	60(sph)/100(sph)	20(exp)/200(sph)
Minor Axis Ranges (m) –1st/2nd structure	34(sph)/85(sph)	20(exp)/140(sph)
Vert. Axis Ranges (m) – 1st/2nd structure	40(sph)/60(sph)	50(exp)/130(sph)
Rotation Angles (ZXY LRL)	135,30,30	291,-23.7,-21.1

Note: Ranges reported for the Exponential variograms are Practical Ranges (3* Effective Range). The MineSight® kriging program uses the effective range "a" for the input.

14.8 3-D BLOCK MODEL

The 3-D block model has been expanded slightly by depth and to the east from the 2009 model in order to include drilling at depth. The block model covers an area of 1.6 km by 1.7 km on plan, and 0.70 km vertically. Table 8 gives the model coordinate limits and dimensions.

Over 20 items or variables were initialized in the resource model file to store the interpolated grades for Mo and other items of interest from different interpolation methods, domain codes, mineralization and lithology zone codes, topography and other pertinent information.

TABLE 8.
RESOURCE MODEL LIMITS AND DIMENSIONS

	Minimum	Maximum	Block Size (m)	No. of Blocks
East	449,500	451,600	10	210
North	6,567,000	6,568,700	10	170
Elevation	1100	1800	10	70

14.9 GRADE INTERPOLATION

The interpolation plan and the search parameters for Inverse Distance weighting ("IDW") and Ordinary Kriging methods were based on the geostatistical analysis and variogram model ranges. According to this plan, Mo was interpolated within the geological domains in the model with the IDW method and kriging, using 5 m fixed length composites honoring these domains. Composites with lengths less than 2.5 m were not included in the interpolation. Composite to block model domain code matching was applied so that the blocks were interpolated using the composites that have the same domain code.

The Mo grades were also interpolated using the Polygonal (or Nearest Neighbour) method for comparison and checking of the global bias. For polygonal interpolation, 10 m composites were used to match the bench height.

IDW and kriging interpolations were done in two passes and separately per domain. The first pass for Domain 2 consisted of a maximum 3-D search distance of 200 m applied along the major axis ellipsoid. The second pass was more restrictive with the search distances along major, minor and vertical axes of the ellipsoid reduced by a third. Thus, a 67 m search was used along the major axis ellipsoid. The results of the second pass overwrote the first pass using an ellipsoid search based on the variogram ranges determined for the mineralized domain. A minimum of 2 and a maximum of 10 composites, with no more than 2 composites from the same hole, were used for the interpolation in both passes.

Two different outlier cutoffs were applied to Mo during the interpolation of block grades corresponding to each domain based on the cumulative probability plot results and statistical analysis. The cutoffs used were 0.1% and 0.3% Mo grade for Domain 1 and 2 respectively. The influence of the composites with grades higher than these cutoffs was limited to 15 m to avoid smearing of the high grades. Table 9 gives a summary of the interpolation parameters used for Mo in each domain.

TABLE 9.
SUMMARY OF THE INTERPOLATION PARAMETERS FOR MO

Parameter	First Pass DOMN 1	First Pass DOMN 2	Second Pass DOMN 1	Second Pass DOMN 2
Major Axis Search (m)	200	200	70	70
Minor Axis Search (m)	200	200	70	70
Vert. Axis Search (m)	40	40	30	30
Major Axis Search (m) – ellipse	100	200	33	67
Minor Axis Search (m) – ellipse	85	140	28	47
Vert. Axis Search (m) – ellipse	60	130	20	43
Max Distance to nearest hole (m)	100	200	33	67
Ellipsoid Rotation Angles (ZXY, LRL)	135,30,30	291,-23.7,-21.2	135,30,30	291,-23.7,-21.2
Min Composites	2	2	2	2
Max Composites	10	10	10	10
Max Comps Per Hole	2	2	2	2
Octant Search	Yes *	Yes *	Yes *	Yes *
Min Composite Length (m)	2.5	2.5	2.5	2.5
Domain Matching (DOMN codes)	Yes	Yes	Yes	Yes
Outlier Cutoff Grade Applied	0.1	0.3	0.1	0.3
Restriction Distance (m) for Outlier Grades	15	15	15	15

* Yes (no limit- only for classification purposes)

14.10 SPECIFIC GRAVITY

A corrected file with 121 specific gravity (SG) analyses from Columbia Yukon has been used. No new specific gravity determinations have been conducted since 2009. A 2.6 average of the 121 SG samples was used (same as in the 2009 study) as a background value for the 3-D block model. The SG values received have been composited to 10 m benches and interpolated with an IDW squared method using the search parameters from Domain 2 Mo% interpolation (for both domains 1 and 2).

14.11 MODEL VALIDATION

The Mo grade item was interpolated using ordinary kriging and the polygonal methods for comparison with IDW results. In the case of the polygonal method, the nearest 10 m composite intercept was used to assign the block grade within mineralized domain.

The grade-tonnage curves from the three methods were compared. As expected, the polygonal method resulted in a higher grade distribution with less tonnage than those of IDW and kriging methods. The IDW results are between kriging and polygonal methods. Figure 20 shows the grade-tonnage curves for Mo from IDW, kriging and polygonal methods.

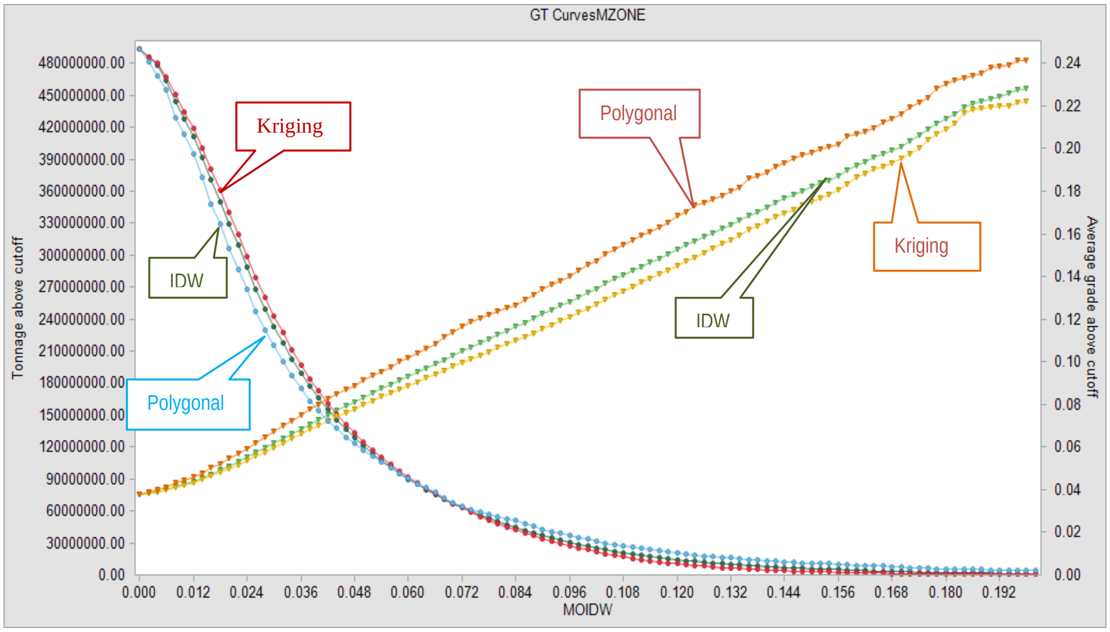


Figure 20. Grade-tonnage curves for Mo from IDW, kriging and polygonal methods – all classes

Figure 21 is a sample E-W vertical section showing Mo block grades from IDW method and drill holes on Section 29 (azimuth of 170°), looking west. Similarly, Figure 22 is a sample bench plot at 1500 bench elevation showing Mo block grades (IDW interpolation) with the drill hole intercepts.

Sections and plan maps of the grades from the block model were generated to check the interpolation results.

Grade variations from the three different interpolation methods are compared using swath plots. Swath plots were generated in several directions through the deposit. Figures 23 through 26 show swath plots at different north and east sections with 50 m width within the mineralized zone.

The model validation comparison indicates the IDW interpolation gives the best fit to the de-clustered composite data (polygonal interpolation). Therefore, the tonnage and grade based on the IDW interpolation is used for the resource estimate.

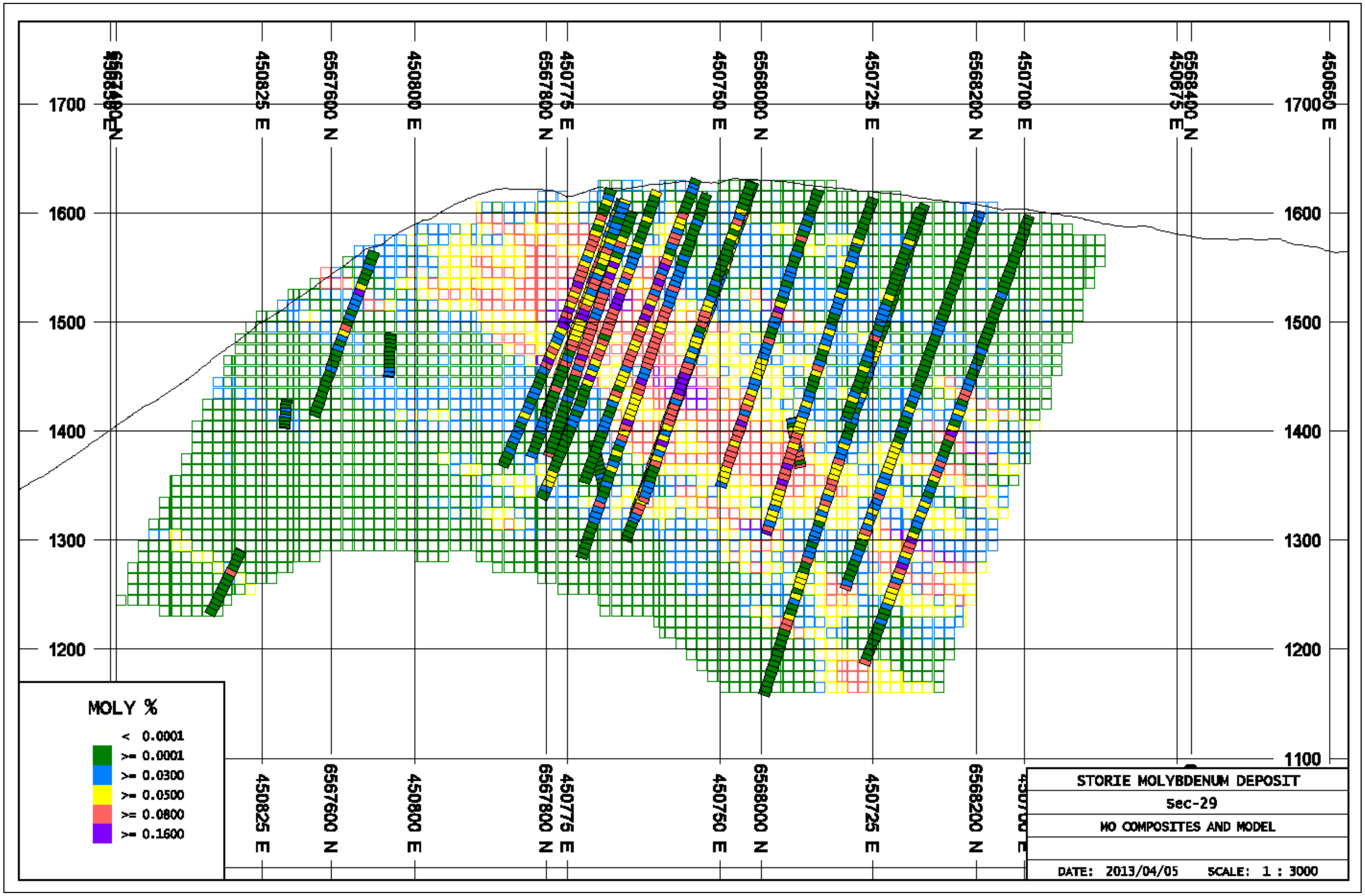


Figure 21. Mo Block Grades from Inverse Distance Weighting Method – Section 29

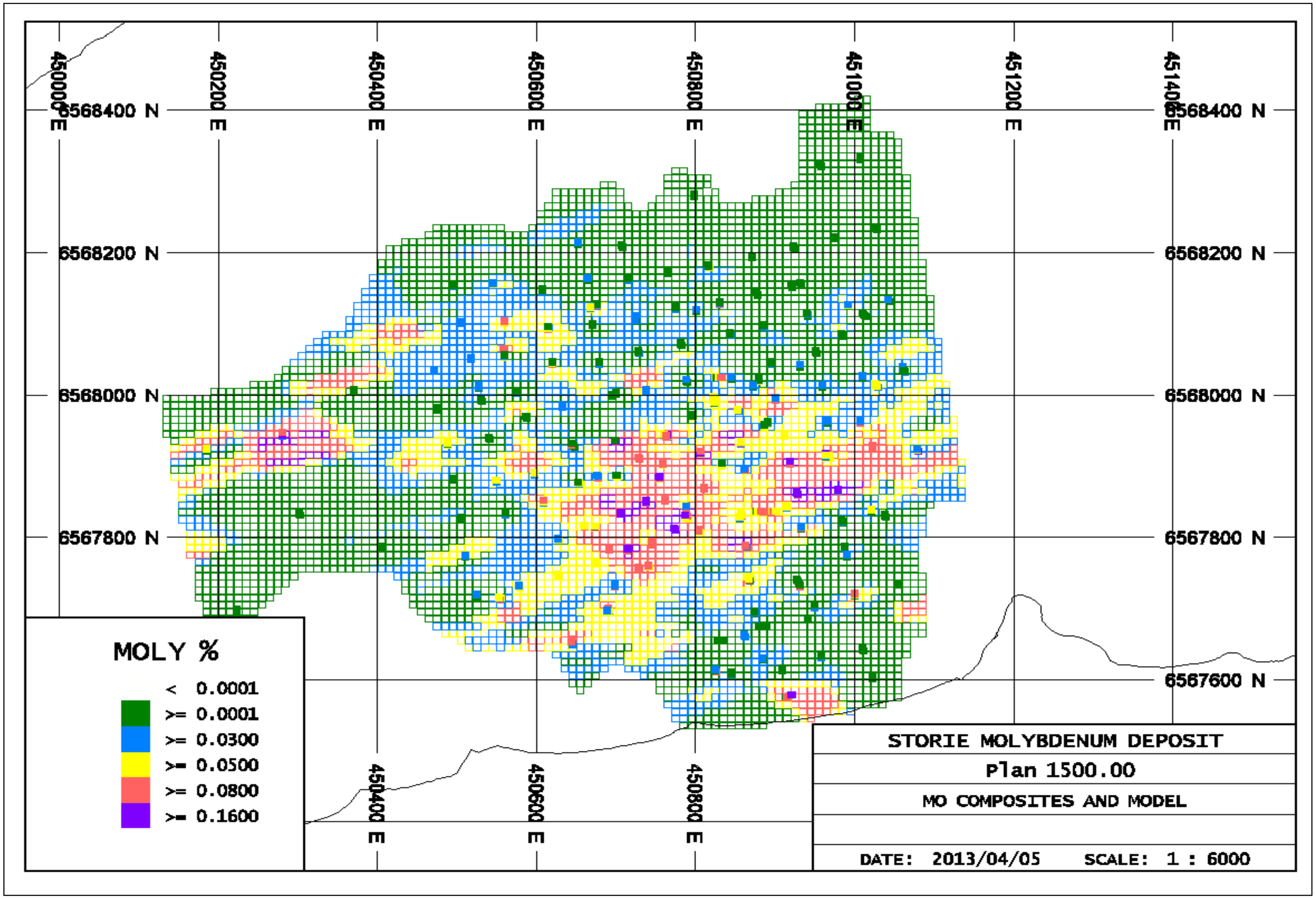


Figure 22. Mo Block Grades from Inverse Distance Weighting Method – Bench 1500

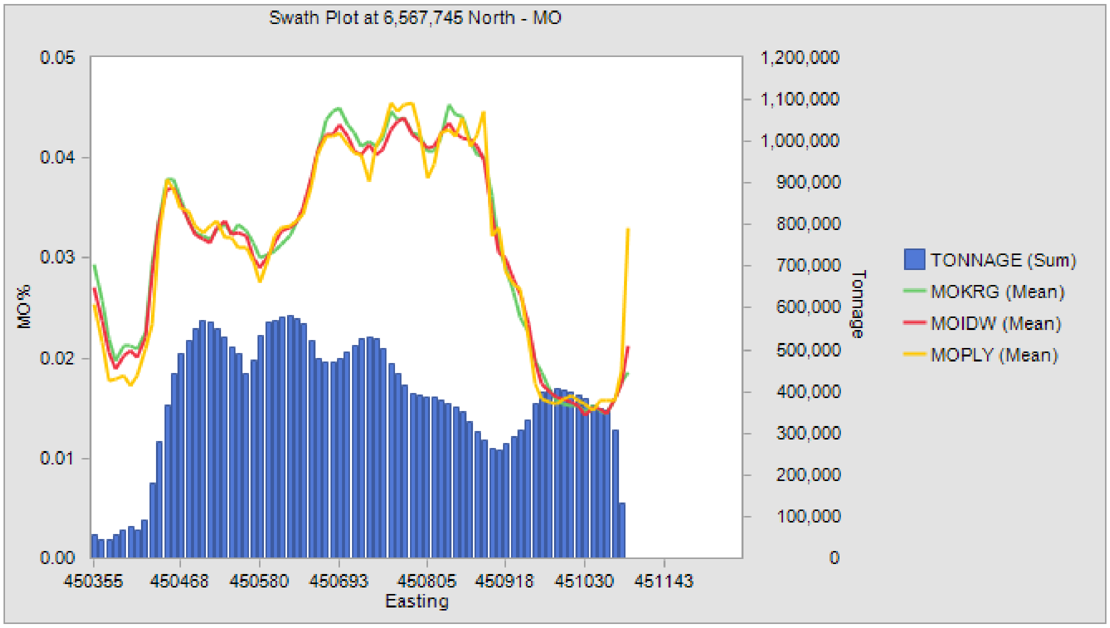


Figure 23. Swath Plot Comparison at 6,567,745 North

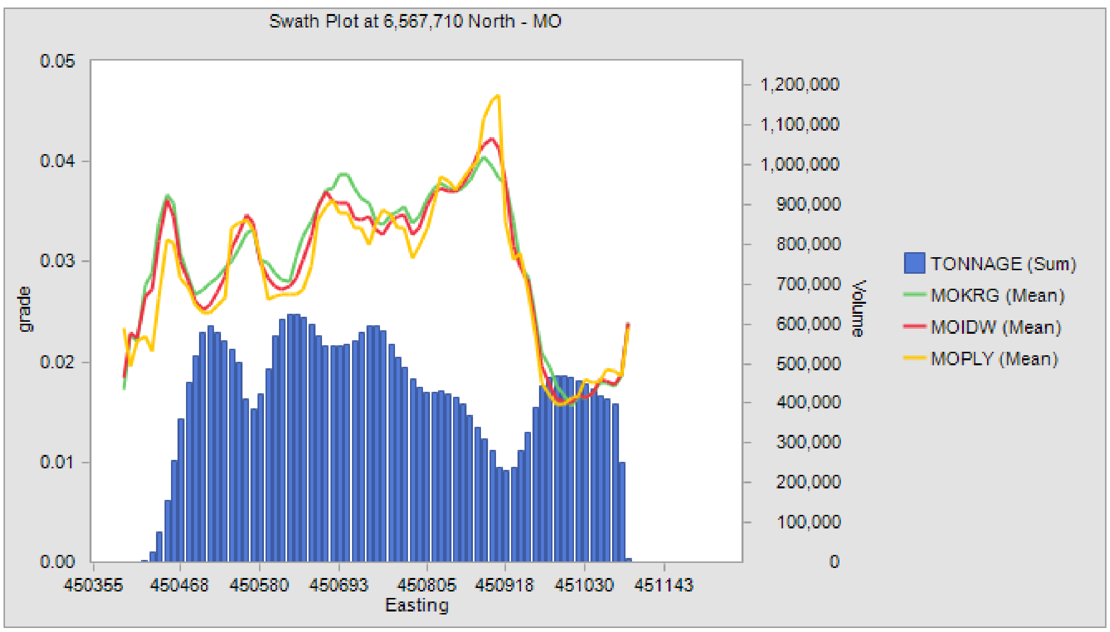


Figure 24. Swath Plot Comparison at 6,567,710 North

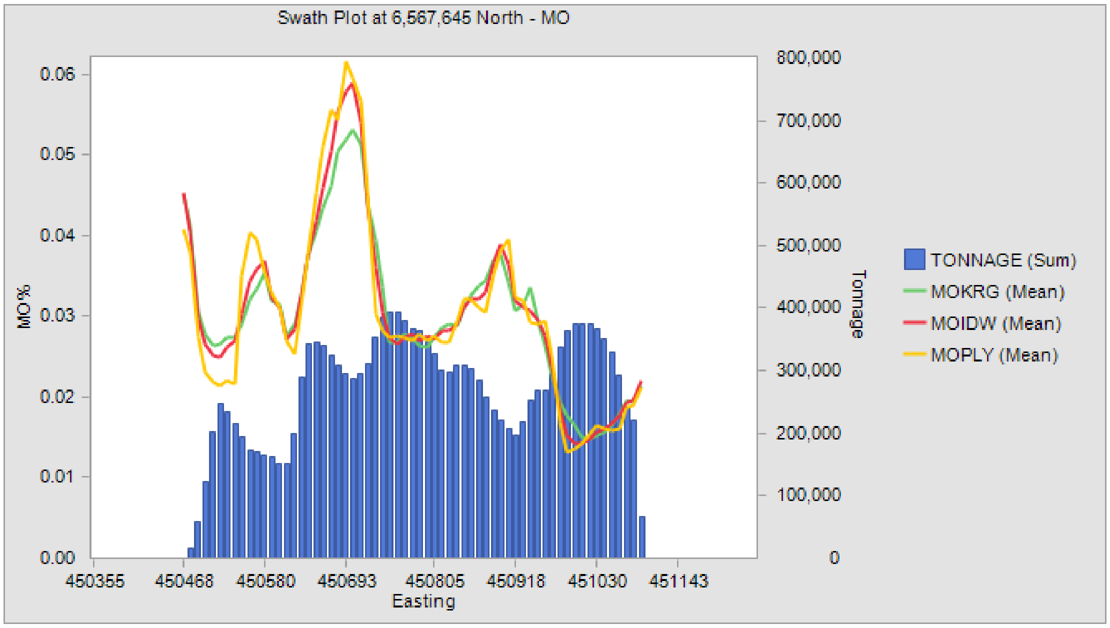


Figure 25. Swath Plot Comparison at 6,567,645 North

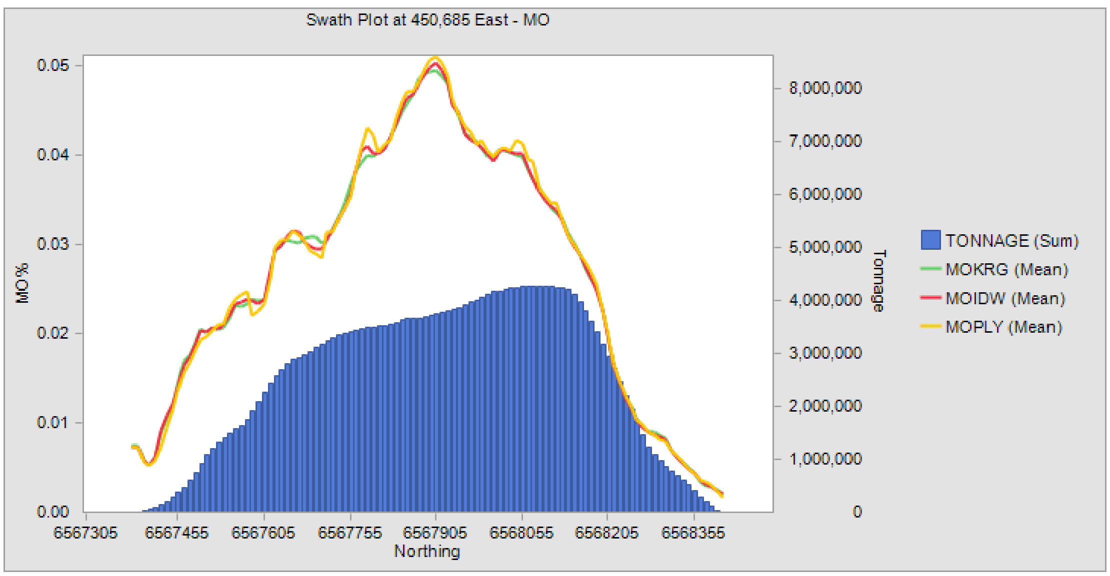


Figure 26. Swath Plot Comparison at 450,685 East

14.12 RESOURCE CLASSIFICATION

The distances used in the resource classification are based on the drilling density and the information from the global median indicator variogram determined for Mo at 0.0317% cutoff grade for Domain 2 (0.0125% for Domain 1). The first and second structure ranges of the indicator variogram (see Figure 19) are approximately 15 and 75 m, respectively. The same variogram distances are also detected in the median variogram. Although the variogram range for the second structure extends to 75 m the correlation between composites beyond the first structure decreases more rapidly. Therefore, the first structure range (15 m) was used for the measured resources, but a distance value between the first and second structure ranges (45 m) was used for the indicated resources.

The following parameters stored in the block model are considered to classify the resources into Measured, Indicated and Inferred categories:

DISTN	Distance to the nearest drill hole from the center of the block
NDDH	Number of drill holes used in the interpolation of a block
KVRP1	Kriging estimation variance for PASS 1
KVRP2	Kriging estimation variance for PASS 2
NOCT	Number of quadrants with data

A block is considered a Measured Resource (CLASS=1) if the distance to the nearest drill hole from the block is equal to or less than 15 m and more than one drill hole was used to interpolate the grade value, provided that it satisfied other criteria described below. If a block is within 15 m distance of a drill hole, but does not satisfy the Measured criteria, it is included in the Indicated category. If a block is within 10 m from closest composite, it is considered Measured.

A block is considered an Indicated Resource (CLASS=2) if the distance to the nearest drill hole from the block is between 16-45 m, provided that it satisfies other criteria described below. The number of drill holes required is based on two distance intervals. For a distance to the nearest hole of 16-30 m, at least two drill holes are required. For the distances 31-45 m, there has to be at least three drill holes used for the grade interpolation of the block.

Additional criteria are applied to the Measured and Indicated blocks described above. These blocks also have to be below or equal to the kriging estimation variance threshold of 0.85 for Domain 2 and 0.81 for Domain 1. The kriging variance requirement, based on approximately the 90th percentile kriging variance value, has been added to make sure that the composites around the interpolated blocks are well distributed. If the number of drill holes or the kriging variance requirement is not satisfied within these distance ranges, then the block has been placed into the Inferred category (CLASS=3). All blocks interpolated with only a PASS 1 grade are also considered as Inferred Resource.

A block is considered an Inferred Resource if the distance to the nearest drill hole from the block is greater than 45 m. All Indicated blocks surrounded by grades in each of the four quadrants are converted to Measured. All Inferred blocks with a PASS 2 grade surrounded by grades in each of the four quadrants are converted to Indicated.

The blocks below 1220 m elevation were considered Inferred Resources (per 2009 report). The blocks outside the economic pit shell (US$15/lb Mo shell) were excluded and not considered in the resources. An additional constraint of continuous mineralization is imposed on the Measured classification to avoid isolated pods of Measured. In a similar manner, Indicated material is also assumed continuous within the mineralized boundary, thus excluding isolated Inferred blocks.

14.13 MINERAL RESOURCES

A resource pit shell has been created to limit the resources in the current block model to within an optimized Lerchs-Grossmann ("LG") pit. The assumptions for the LG resource shell are summarized in Table 10. These are based on reasonable values as obtained from similar deposits and on historic market conditions. The metallurgical recovery is a reasonable estimate of potential recovery for a resource, based on the preliminary metallurgical study of this deposit. It should be noted that these assumptions are valid only to determine that the stated resource is contained within an open pit that has a reasonable prospects of economic extraction. The assumptions are not based on economic or other studies required to determine the pit reserves.

TABLE 10.
SUMMARY OF LG INPUT ASSUMPTIONS

Assumption	Value
Mo Price	$15 / lb
Processing + G&A Costs	$12 / tonne ore
Mining Costs (ore and waste)	$1.75 / tonne
Metallurgical Recovery	85%
Pit Slope Angles	45 degrees

All classes (including Inferred Resources) of material were included for the LG resource pit optimization. A section and plan view of the block model, indicating the Mo grades and the outline of the resource pit are given in Figures 27 and 28, respectively.

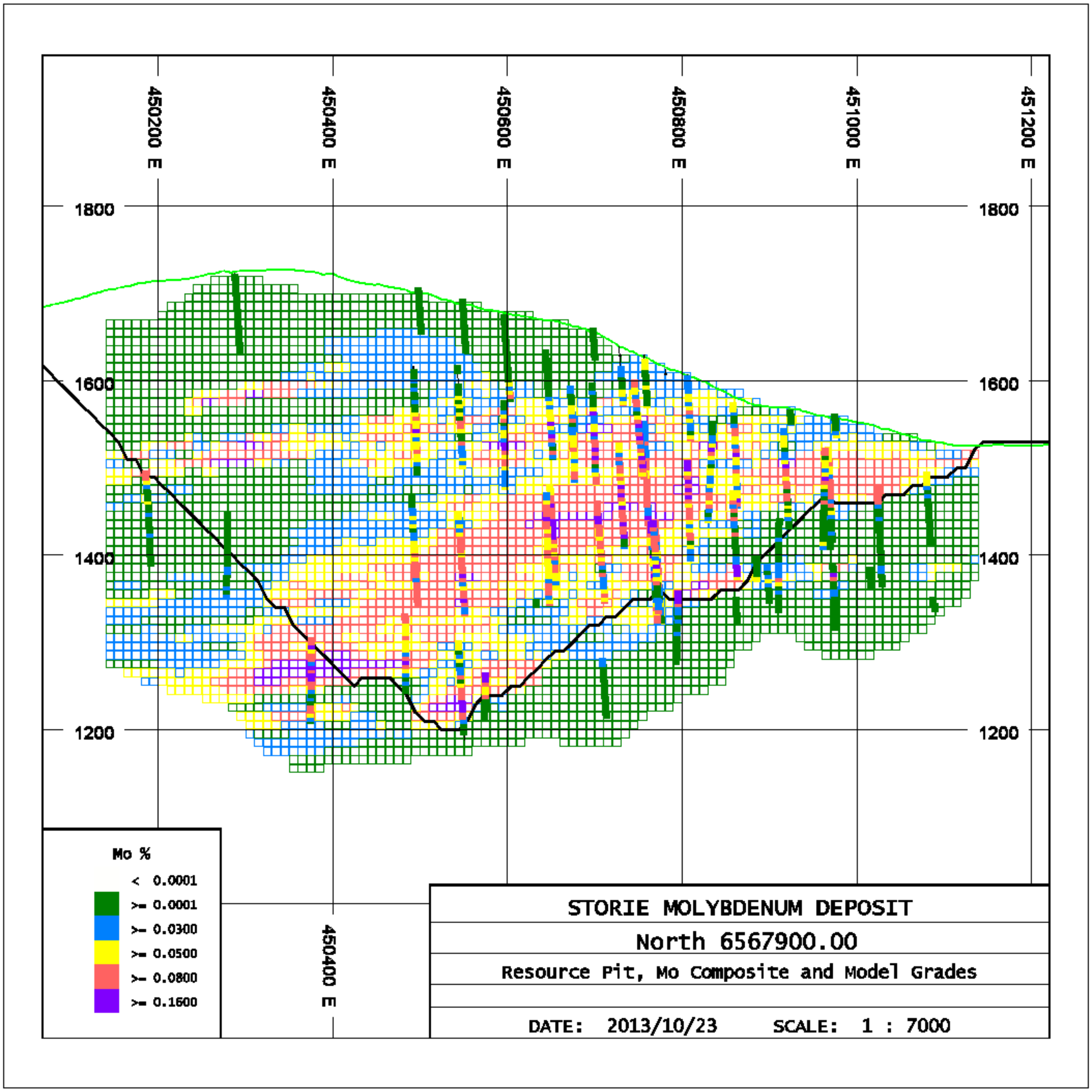


Figure 27. E-W Section of the Block Model and Resource Pit - N6567900

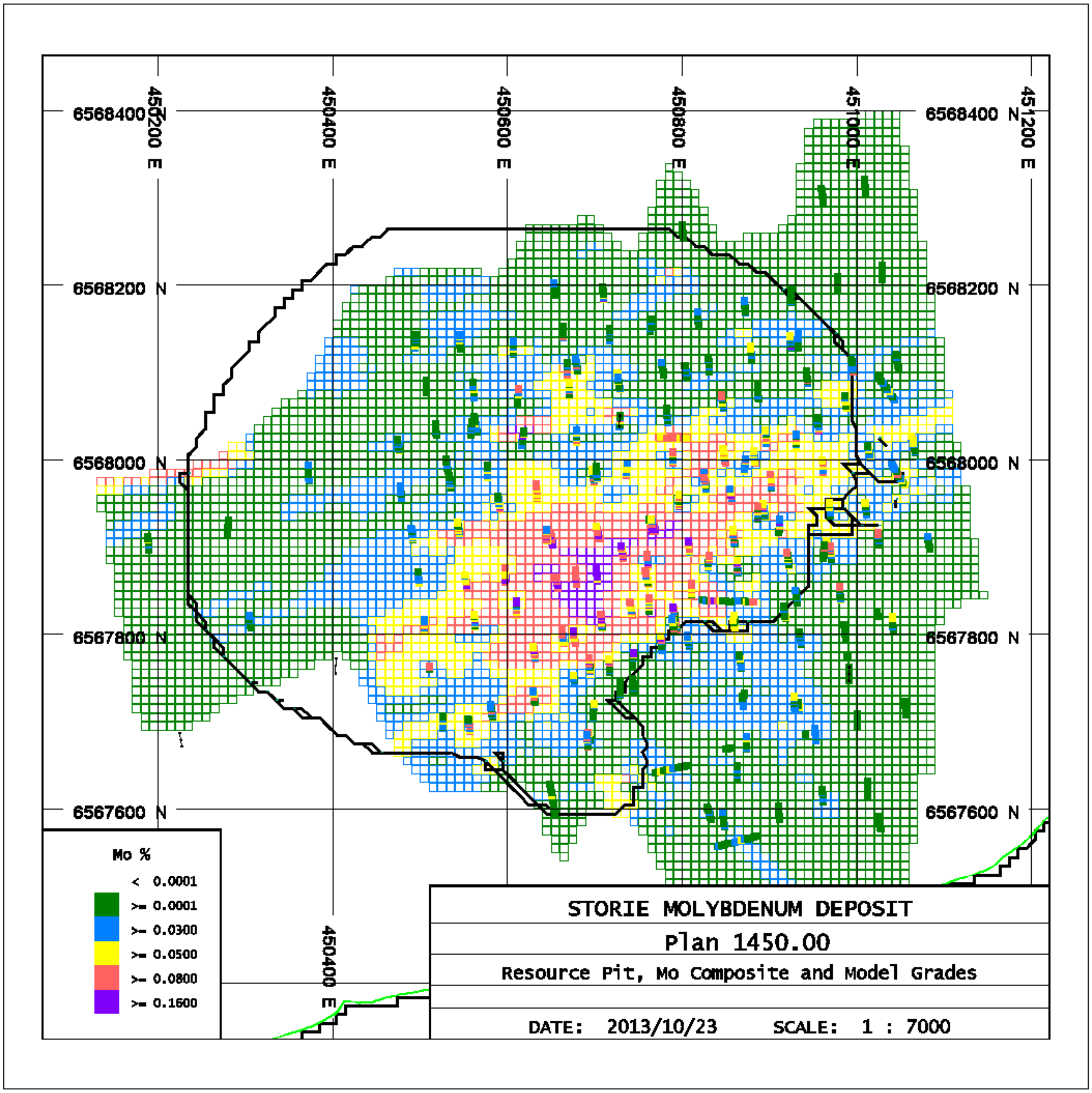


Figure 28. Plan View of the Block Model and Resource Pit – Level 1450

Table 11 summarizes the Measured, Indicated and Inferred resources at incremental cutoffs. The 0.03% Mo cutoff is highlighted as the base case cutoff for economic extraction, in that the expected value at $15/lb Mo, exceeds the processing costs.

Table 12 summarizes a comparison of the 2013 Measured+Indicated Resources corresponding to a US$15/lb Mo price and the 2009 Measured+Indicated Resources corresponding to a US$30/lb Mo price. A 0.030% Mo cutoff is used for both cases. The present report, at the reduced Mo price of $15/lb indicates a 13% reduction in Mo metal and 5% increase in Mo grade compared to the 2009 resource due to the reduction in the Mo price used to define the LG pit and state the resource.

Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Due to the uncertainty that may be associated with Inferred mineral resources it cannot be assumed that all or any part of inferred mineral resources will be upgraded to an Indicated or Measured Resource.

TABLE 11.
SUMMARY OF THE MO RESOURCE AT VARYING CUTOFFS

Class	Cutoff	In Situ		
	Mo (%)	tonnage (ktonnes)	Mo (%)	Metal (Mlbs)
Measured	0.02	42,000	0.073	67.5
	0.03	39,000	0.076	65.8
	0.04	34,000	0.082	62.0
	0.05	28,000	0.090	56.4
	0.075	16,000	0.111	39.7
Indicated	0.02	103,000	0.054	123.2
	0.03	78,000	0.064	109.7
	0.04	58,000	0.073	94.2
	0.05	44,000	0.083	79.9
	0.075	21,000	0.106	50.0
Measured+Indicated	0.02	145,000	0.060	190.6
	0.03	117,000	0.068	175.5
	0.04	92,000	0.077	156.2
	0.05	72,000	0.086	136.2
	0.075	38,000	0.108	89.8
Inferred	0.02	71,000	0.049	77.2
	0.03	48,000	0.061	64.6
	0.04	33,000	0.073	53.3
	0.05	24,000	0.083	44.6
	0.075	11,000	0.109	26.7

TABLE 12.
COMPARISON OF 2013 AND 2009 MEASURED AND INDICATED RESOURCES AT A 0.03% Mo CUTOFF

Report	Class	In Situ tonnage (ktonnes)	Mo (%)	Metal (Mlbs)
2009	Measured	36,000	0.069	54,216
	Indicated	104,000	0.063	144,307
	Measured+Indicated	**140,000**	**0.064**	**198,523**
2013	Measured	39,000	0.076	65,803
	Indicated	78,000	0.064	109,664
	Measured+Indicated	**117,000**	**0.068**	**175,467**
Difference	Measured	8%	9%	18%
	Indicated	-33%	1%	-32%
	Measured+Indicated	**-20%**	**5%**	**-13%**

15. MINERAL RESERVE ESTIMATES

Does not apply

16. MINING METHODS

Does not apply

17. RECOVERY METHODS

Does not apply

18. PROJECT INFRASTRUCTURE

Does not apply

19. MARKET STUDIES AND CONTRACTS

Does not apply

20. ENVIRONMENTAL STUDIES, PERMIT, AND SOCIAL OR COMMUNITY IMPACT

Does not apply

21. CAPITAL AND OPERATING COSTS

Does not apply

22. ECONOMIC ANALYSIS

Does not apply

23. ADJACENT PROPERTIES

Tenures lying within the current Columbia Yukon Property are held by Eveready and other individuals. Because these entities are private, any work in progress or planned is not available in the public record, at least until any work is filed for assessment credits. Historic work on the various prospects is reviewed in Section 6.2 of this report.

There are no mineral tenures west of the Property.

The Cassiar Moly Deposit is located about 5 km southeast of the Storie Deposit. It is on a property held by Velocity Minerals Ltd. ("**Velocity**") and adjoining the southern boundary of the Columbia Yukon property. Historical exploration dates back to 1968 when the deposit was explored by drilling and an 885-m adit (Campbell, 1968). In late 2008, Velocity re-established the road to the adit portal and constructed an enclosure to restrict access. In 2009, the adit was rehabilitated and underground and surface sampling done; in addition, 1,478 m of drilling was done by Velocity. Mineralization is locally high-grade: e.g. 2.24% Mo over 1.5 m, and 3.45% Mo over 0.5 m (Velocity press release, October 20, 2009). Four 2009-2010 drillholes, totalling 1,478 m, encountered extensive but weak mineralization: 0.02% Mo over 60.3 m and 64 m; 0.023% Mo over 83.8 m; 0.024% Mo over 164.6 m; and 0.032% Mo over 33.5 m (from Velocity press releases, October 20 and 29, 2009; July 6 and September 24, 2010). No further work has been reported.

Adjoining the Property to the east are tenures held by Cassiar Gold Corp., a subsidiary of TSXV-listed China Minerals Mining Corporation, which has a very large land position of almost 59,000 ha covering the Table Mountain and Taurus Deposits. Approximately 425,000 ounces of gold have historically been produced from the Cassiar Gold Camp, mainly from underground mines on China Minerals' current land holdings on the Table Mountain project, just southeast of Hwy 37. The Taurus Deposit is adjacent to the road connecting Cassiar with Hwy 37. Gold mineralization comprises an orogenic (mesothermal) gold district (China Minerals website, October 4, 2013). This area has in recent years been intermittently explored. Assessment work filed in December, 2012, is still confidential; some of the work, including drilling, is believed to have been done only about 3 km east of the Columbia Yukon boundary. China Minerals reported that a small drilling program began in September, 2013.

Adjoining Columbia Yukon's tenure 8509542 to the south is a property held by Lomiko Metals Inc. ("**Lomiko**"), known as the "Vines Lake Property". Some surface technical work and drilling was filed for assessment credit in May, 2013, but the data are still confidential. Lomiko (website) reports geochemical sampling in 2011. In 2008, airborne magnetic and

VLF-EM surveys were also done. The property is thought to have potential for both gold and base metals mineralization (Kirkham, 2009).

Adjacent tenures to the northeast are held by S.G. Diakow, E.K. Hatzl and Cassiar Jade Contracting Inc. Cassiar Jade also holds a mining lease, dating back to the Cassiar Mine era, over the former townsite (see Figure 2).

24. OTHER RELEVANT DATA AND INFORMATION

24.1 TECHNICAL INFORMATION

WGM is unaware of any other available technical information pertaining to the Storie Deposit. In 2006, Columbia Yukon contacted Shell Canada and New Jersey Zinc to locate the historic record prior to Shell Canada, but the historic information is no longer available. Although the historic drilling data could be of interest, it is likely that it has been largely supplanted by data generated by Columbia Yukon between 2006 and 2010, and subsequent compilation work.

WGM has reviewed, but not compiled in any detail, the historic work done on base and precious-base metals mineralization elsewhere on the current Property. Some records of previous work, particularly early exploration, are unavailable on ARIS, but are referenced in other historic reports.

24.2 FIRST NATIONS ISSUES

24.2.1 AGREEMENTS

The Project site is located in the western portion of the asserted traditional territory of the Kaska Dena Nation, of which the Dease River First Nation ("DRFN" or "the Band") at Good Hope Lake, B.C., is the closest community (population 75) to the mine area.

As has been previously reported, it is WGM's understanding, to the extent outlined in the now-exercised option agreement between Eveready and Columbia Yukon, that as of March, 2006, there were "no pending or on-going actions taken by or on behalf of any native persons pursuant to the assertion of any land claims with respect to lands included in the Property." (Kuehnbaum, MacFarlane, Roberts and Arik, 2009, p 18).

On November 7, 2007, Columbia Yukon and the DRFN signed a Memorandum of Understanding ("MOU") with respect to the Storie Property, which continues to remain in effect (Gordon Gibson, P.Geo., personal communication, October 8, 2013). The MOU covers the entire mineral exploration phase of the Project, which at the time was estimated to take a further two years to complete.

Under the provisions of the MOU, Columbia Yukon agreed to make a number of financial contributions and work-related opportunities available to members of the DRFN. As a result of that agreement Columbia Yukon reports that it has employed a number of the local First Nations in a variety of pursuits, including environmental assessment work with Dillon Consulting, road building, core-splitting, camp and food service positions and numerous other jobs that have arisen during Columbia Yukon’s exploration programs (Bruce Morley, personal communication, January 7, 2013).

As part of the MOU, Columbia Yukon and the DRFN also agreed to begin negotiations toward concluding a Socio-Economic Participation Agreement (“SEPA”). The SEPA is intended to cover a broad range of issues related to the potential future development of a mine on the Storie Property, including economic and business opportunities, skill development and training for the Band, as well as establishing protocols for environmental monitoring and protection and conservation of the Band's cultural heritage resources. To date the negotiations for completing SEPA have taken longer than expected as the DRFN are in the process of finalizing a new form of SEPA. It remains the goal of both parties to have the SEPA, or significant portions thereof, in place before a feasibility study for the Storie Property Project is finalized (B. Morley, 2013).

As per the MOU, the DRFN has publicly supported the Project in three Company news releases (Columbia Yukon, 2007, Columbia Yukon, 2009a, and Columbia Yukon, 2009b).

On November 2, 2009, Columbia Yukon and DRFN signed a Traditional Knowledge (TK) Protocol (Columbia Yukon, 2009a). The intent of the TK protocol is to assist the parties in establishing the appropriate traditional knowledge practices and procedures for the collection, management, ownership and integration of Kaska traditional knowledge with regard to the exploration and development of the Storie Property. The information generated will be used in connection with Columbia Yukon’s upcoming application for an environmental assessment certificate pursuant to the *Environmental Assessment Act of British Columbia*. A key purpose of the TK Protocol is to ensure that the Traditional Knowledge Report and Recommendations are accorded full, fair and equitable consideration to other baseline studies in decision-making processes related to the Storie molybdenum project.

24.2.2 ARCHAEOLOGICAL STUDIES

As per Section 10(1) of the *Mines Act* (Government of British Columbia, 2013) and though their TK Protocol agreement (Columbia Yukon, 2009a) with the DRFM, Columbia Yukon is required to prepare a plan outlining a program for the conservation of cultural heritage resources that may be affected by the development and operation of the mine. To that end, Columbia Yukon contracted AMEC to prepare an Archaeological Overview Assessment Plan for the Storie site. The Assessment determined that while there are no known archaeological sites in the Project area, “there is a high to moderate potential for activities associated with development of the mine to affect as yet undiscovered buried archaeological sites, based on the recorded historic (ethnographic) use of the area by the local Kaska Dena people” (AMEC, 2009, p ii). The report’s authors recommended that further archaeological investigation be conducted in the form of an archaeological impact assessment (AIA) under a provincial Heritage Inspection permit, in accordance with the British Columbia Archaeological Impact Assessment Guidelines. As of January, 2013, an AIA has not been initiated. As per the MOU, if in the course of their activities Columbia Yukon were to uncover items of archaeological significance, company officials will immediately notify representatives of the Band.

Pursuant to the TK Protocol Agreement, Columbia Yukon Explorations agreed to fund the Dena Kayeh Institute to prepare a Traditional Knowledge report on the Storie Project. While the report’s contents are considered under the Protocol as confidential information, it can be reported that the assessment concluded that the Kaska Dena people have had a long historical connection (hunting, fishing, trapping, etc.) with the Project site (Dena Keyeh Institute, 2010). The report also concludes (though does not substantiate) that sacred sites (i.e. gravesites) are located in the Project area. A key function of any future AIA will be to determine if and where the proposed mine will directly impact known sacred and/or culturally sensitive areas.

24.3 ENVIRONMENTAL STUDIES

In 2006, Columbia Yukon commissioned Dillon Consulting Limited ("**Dillon**") of Richmond, British Columbia, to perform an initial environmental baseline study. In the opinion of WGM, Dillon has the necessary experience to effectively carry out this review. The study consisted of a surface water quality program and preliminary literature and background information review. A water sampling program was done at selected sites in and around the project area, and monthly sampling (with periodic sampling in winter) was done at six sites.

WGM has reviewed reports (Dillon 2008a, 2008b) that outlined the environmental studies that had been completed by Dillon to the end of 2008. The detailed results of the studies completed to date are not available, but will be required for any future environmental assessment process. In reviewing the reports prepared by Dillon, WGM was not in a position to comment on the appropriateness of the data collection methodology and/or analytical tools used by Dillon's team of researchers. For the purposes of this report, WGM will assume that Dillon and/or its subcontractors followed all of the accepted scientific protocols for collecting, analyzing, and interpreting the data.

In 2007, Dillon was contracted by Columbia Yukon to review existing literature/studies for the Project area, as well as carry out a more extensive field study program. Data were collected in several areas including: continued water sampling at the same sites; hydrological studies using water level loggers in three drainages; the installation of two climate stations at the Cassiar townsite and in the drilling area on the Property, with the recording of information throughout the summer and winter months; fisheries habitat assessment and fish sampling in drainages in the area (no fish found); benthic invertebrate sampling at four locations in drainages; and, identification of wildlife, particularly focusing on large mammals and their associated habitat use.

In 2008 and 2009 baseline information was gathered in the following areas:

1. Monthly surface water sampling at the same six sites that run until fall 2009. Samples collected were processed by an accredited analytical laboratory. Data have not been summarized.

2. Hydrological studies using water level loggers in the three drainages first established in 2007.

3. Continued recording of meteorological information at the two climate stations, expanded in early 2008 to include snow surveys. All critical meteorological parameters (with the exception of evapotranspiration) were sampled.

4. The collection and analysis of samples of various rock units across the Storie site to characterize the acid rock drainage ("ARD") potential of the mine area, and background samples east and west of the site. Samples were submitted for whole rock and trace metals analysis, and larger samples were also archived for future kinetic testing which will be based upon the results of the initial static program. As of yet the samples have not undergone acid-base accounting testing (Richard Pope, personal communication, January 19, 2013).

5. Initial groundwater studies, based on a review of available topographical maps, drill logs, and a site reconnaissance performed by a hydrogeologist. The results will be used to determine the locations of future groundwater monitoring wells. No test wells have been established on the site. Once basic mine design details are commissioned and finalized, Dillon estimates that between six and ten wells may be installed.

6. An extended program of fish sampling was conducted to confirm the results of the 2007 survey. Consistent with the earlier findings, no fish were captured or observed within the project area.

7. No further sampling of benthic-invertebrates has occurred since 2007.

8. Continuation of existing wildlife and vegetation studies, terrestrial ecosystem (using air photos generated in 2008) and listed species / species at risk mapping, wildlife suitability and capability assessments, and additional surveys of ungulate and raptor populations. Surveys were conducted for large mammalian species, breeding bird populations, raptors, amphibians, and listed species / species at risk. Preliminary Terrain Ecosystem Mapping (TEM) for the Project site to be completed.

9. Archaeological Overview Assessment ("AOA") initiated in 2008, completed in 2009. When approved by Columbia Yukon, the AOA will be carried out in accordance with the British Columbia Archaeological Impact Assessment Guidelines.

10. In 2009 protocols for collecting traditional use and ecological knowledge information were negotiated with Dease River First Nation.

11. Preparation of a baseline description of the relevant socio-economic conditions for the project area.

12. Continued discussions and public information sessions involving local First Nations and the surrounding communities. Preliminary meetings and/or discussions will continue with a variety of provincial and federal regulators.

13. Continued consultation with local communities, including First Nations, with an emphasis on identifying both short and long-term positive and negative environmental and socio-economic impacts resulting from the project.

14. Continued liaison with federal and provincial regulators in the lead up to the preparation of the Environmental Impact Assessment report.

Fieldwork undertaken in 2012 included the following:

- Continued collection of data from climate monitoring stations; and
- Continued collection of data from surface flow monitoring stations.

In reviewing the overall contents of the baseline environmental studies conducted by Dillon during 2007–2009, in the opinion of WGM the data sets collected in these reports are consistent with current best practice in British Columbia. This opinion is based on our review of the contents of previous Environmental Impact Assessment reports for mining projects of a similar scope. Data collection for the period 2009–2012 has been limited, but it is expected that baseline data collection will recommence as the Project matures. At present only data covering climatology is being collected (G. Gibson, P.Geo., personal communication, Oct 8, 2013).

24.4 ENVIRONMENTAL ASSESSMENT PROCESS

Under British Columbia's Environmental Assessment Act, the Storie Project will require an Environmental Assessment Certificate ("EAC") from the Environmental Assessment Office ("EAO") as a condition for receiving a Permit under the Mines Act.

Originally, Columbia Yukon had intended to submit a Project Description (“PD”) to the EAO in 2009. Once the PD has been filed, the Environmental Assessment ("EA") process is initiated. To date several versions of the PD have been provided to the regulators for their review and comment. The PD remains to be finalized as the regulators have requested that the Company delay its final submission until a Preliminary Economic Assessment report has been finalized, at which time sufficient project-related information will be available (Richard Pope, personal communication, January 10, 2013). Once the PD has been finalized and submitted the EAO process will start, at which time Columbia Yukon will be required to develop the project's Application Information Requirements ("AIR"). The AIR will identify the specific content areas that will be addressed in the EA report. In preparing the AIR, Columbia Yukon reports that it plans to work closely with provincial and federal regulators and with First Nations to ensure that all major issues relevant to the Storie project are thoroughly presented.

Depending on scheduling decisions made by Columbia Yukon, the EA process may be initiated in 2014.

25. INTERPRETATION AND CONCLUSIONS

The Storie Deposit was discovered 54 years ago, and has been extensively explored by diamond drilling: 48,653 m by Columbia Yukon (excluding the 2010 drillhole north of the Deposit) and at least 15,857 m by previous operators; not all of the results of the historic drilling were used in the current Mineral Resource estimate. In the 2006 to 2008 programs, Columbia Yukon verified, upgraded and significantly expanded the historic Mineral Resources of the Storie Deposit outlined by a previous operator

During the 2006 to 2008 drilling campaigns, Columbia Yukon put into place adequate QA/QC programs, consisting of prepared sample blanks, standards and duplicates (re-splits), to ensure the quality of the analytical data. In addition, laboratory repeat (replicate) analyses were done. Inter-laboratory re-analysis of pulps was also done on selected samples during the 2007 program and systematically during the 2008 program. Re-split, duplicate and inter-laboratory analyses demonstrated acceptable precision. Standards have in general demonstrated that the analytical data are accurate; one of the standards used in 2008 may have been poorly homogenized and should not be employed in further exploration.

WGM is satisfied that Columbia Yukon's 2006 to 2008 logging, sampling and storage procedures have been done in a professional manner and are in general accordance with standard industry practice. The project databases have been well-organized for the purposes of Mineral Resource estimation. As the sample population grew in volume, improvements were made to the database by Columbia Yukon to facilitate the monitoring and analysis of QA/QC parameters.

Scoping level metallurgical flotation testing by SGS Canada Ltd. on samples selected from the core drilling from the Storie Deposit demonstrated that the deposit is amenable to standard flotation concentration to produce saleable Mo concentrates. A medium hardness rock requiring 12.8 KW/t is indicated, requiring primary grinding to 80% passing 112 microns prior to four rougher stages of flotation concentration followed by a regrind stage and four stages of cleaner flotation concentration. The preliminary testing demonstrated a concentrate grade ranging from 37 to 50% Mo can be produced with recoveries ranging from 75 to 84%.

Mineralogical characterization of the Storie Deposit sample showed molybdenite as the main sulphide mineral with minor amounts of pyrite. The balance was comprised of quartz minerals and feldspars, with minor clay and micaceous minerals. WGM anticipates that further optimization of the primary and regrinding requirements will improve on the metallurgical results achieved to date.

Columbia Yukon continues to maintain a cordial and mutually supportive relation with local First Nations. Under the provisions of the MOU, Columbia Yukon has employed a number of local First Nations members to assist in the on-going development of the property, including environmental assessment work. As part of the MOU, Columbia Yukon and the DRFN also agreed to begin negotiations toward concluding a SEPA. To date, the negotiations for completing SEPA have taken longer than expected as the DRFN are in the process of finalizing a new form of SEPA. It remains the goal of both parties to have the SEPA, or significant portions thereof, in place before a feasibility study for the Storie project is finalized.

Since 2009 Columbia Yukon and DRFN have operated under a Traditional Knowledge (TK) Protocol. The information provided through the Protocol will be used in connection with Columbia Yukon's upcoming application for an environmental assessment certificate pursuant to the Environmental Assessment Act of British Columbia.

With respect to the EA process, data collection for the period 2009 – 2012 has been limited, but it is expected that baseline data collection will recommence as the Project matures. Depending on scheduling decisions made by the Company, the EA process may be initiated in 2014.

Utilizing drillholes from 1979, 1980, 2006, 2007 and 2008, a revised Mineral Resource estimate of the Storie Deposit has been prepared by Mintec / Moose Mountain. The drill hole assay and geologic information received from Columbia Yukon was used for interpolation the Mo grades into the 3-D model for resource estimation.

The geostatistical analysis for the deposit was completed for Mo within the mineralized domain to determine the spatial continuity of the mineralization in the deposit. The 3-D block model of 10x10x10 m block dimension was preserved and updated for mineral resource calculations. The following points summarize the conclusions from this work:

- Inverse Distance Cubed Weighting method was used to interpolate Mo grades into the 3-D block model using 5 m composites. Ordinary Kriging and polygonal grade interpolations were also done for checking and comparison;

- Composite to block code matching was used to limit the interpolation to the domains, and outlier high-grade restrictions and capping were applied during the interpolation based on the mineralization domain;

- The resource classification was based on the geostatistical variogram ranges and Mo grade interpolation parameters in the deposit;

- Total Measured and Indicated Resources in the deposit at 0.030% Mo cutoff and a Mo price of $15/lb. are about 117 million tons grading of 0.068% Mo; and

- Total Inferred Resources at 0.30% Mo cutoff are about 48 million tons grading 0.061% Mo based on a $15 Mo shell.

Because of the use of a $15/lb Mo price in 2013 and a $30/lb Mo price in 2009, there is a13% reduction in Mo metal and 5% increase in Mo grade for Measured+Indicated Resources in the current Mineral Resource Estimate compared to the 2009 Mineral Resource Estimate.

The deposit is presently open to the east and north where it is deepening. To the south and west, current drilling suggests that mineralization is weakening. Further drilling in the western area is warranted to upgrade more of the Mineral Resources to the Measured and Indicated categories.

Columbia Yukon has outlined several potential drill target areas beyond the known limits of the Storie Deposit based on geophysical (IP) anomalies. The most favourable and most accessible IP target area is immediately east of the Storie Deposit, suggesting that the deposit continues to the east within the Cassiar Stock and possibly beneath Paleozoic sedimentary strata. The zone does not appear to have been tested by current drillholes or known historic drillholes, except for one hole which was abandoned at a depth of 28 m.

In addition, there is a relatively untested molybdenum occurrence, the "M Zone", east of the main Storie Deposit, which merits further exploration. Also, untested *in situ* molybdenite mineralization in Units 1 and 5 on the steep south-facing slope southeast and downhill from the main Storie Deposit is considered by Columbia Yukon to be a high-priority target.

The intent of this Report is to provide an updated Mineral Resource Estimate for the purpose of carrying out a Preliminary Economic Assessment (“PEA”) planned by Columbia Yukon.

26. RECOMMENDATIONS

Columbia Yukon's current main focus is on the known Storie Deposit. They have proposed a 42-hole, 10,500 m drill budget for the next stage of drilling, the purpose of which is to upgrade current Inferred Mineral Resources to the Indicated or, perhaps, Measured categories. An estimated budget for the proposed work, provided by Columbia Yukon, is outlined in Table 13. Drill stations were prepared during the 2008 program. Because an additional target might be tested with one or two holes, a contingency of approximately 10% is included to allow for flexibility, for a total of **C$1,695,000**. In WGM's opinion, the drilling budget is appropriate and reasonable. It should be noted that carrying out the proposed exploration drilling is entirely dependent upon financing available to Columbia Yukon.

TABLE 13.
ESTIMATED 2014 DRILLING BUDGET

Item		Units	Total (C$)
Diamond Drilling:	Direct Drilling (42 Holes @ 250 m)	10,500 m @ $93	C$976,500
Fuel:	Diesel		$27,000
	Trucks		$5,000
Misc (Transportation, Insurance Etc.)			$15,000
Personnel:	Field Geologist	40 days @ $700	$28,000
	Senior Geologist	40 days @ $700	$28,000
	Logging Geologist	40 days @ $350	$14,000
	Core Handlers (2)	80 days @ $250	$20,000
Analytical	Drill core samples	5,000 samples @ $20	$100,000
Travel	Air fares	4 round trips @ $750	$3,000
Drafting and Report			$20,000
NI 43-101 Report			$40,000
Environmental Studies, Incl. Expendables			$192,000
Excavator		10 days @ $1,250	$12,500
Accommodation and Meals		400 person-days @ $150	$60,000
Subtotal			**C$1,538,000**
Contingency (10%)			$154,000
TOTAL			**C$1,695,000**

It is unknown if any future drill program(s) would have an on-site sample preparation facility, as Columbia Yukon elected to do for the 2008 drill program, or if samples would be shipped off-site for preparation and analysis. The advantages of on-site preparation are greatly reduced shipping costs and shorter turn-around times for analytical results. However, as mentioned in Section 11.4, WGM recommends obtaining a coarse blank to run through the preparation process with each batch, which is the only way to independently check any potential contamination from the crushing and pulverizing steps. In addition, a wash should be run through after visibly higher-grade samples. The preparation facility should be equipped with improved ventilation and compressed air to clean the crushers and other equipment between samples. The use of multiple standards, field duplicates and inter-laboratory checks should be continued on any future drill campaign.

Columbia Yukon commissioned this report primarily to advance to a Preliminary Economic Assessment ("PEA"). The PEA is expected to cost approximately **C$300,000**.

WGM recommends that the historic work recorded in the assessment files, on areas on the current Property beyond the Storie Deposit, be compiled to accurately determine which zones of mineralization, or parts thereof, are actually on the Property. Some of this mineralization, specifically the molybdenum occurrences, is of potential interest.

WGM recommends formal interpretation of the 2008 IP survey to identify the most favourable targets to potentially expand the dimensions of the Storie Deposit through potential future drilling. Because Columbia Yukon's focus is to proceed to a PEA on the currently outlined deposit, there are no immediate plans to drill this area, but it remains a viable and promising target.

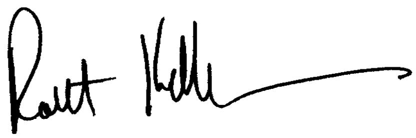
Given the economic and regulatory advantages that result from securing the active support of the local First Nations, it is recommended that Columbia Yukon continue with its program of First Nations engagement, specifically providing regular updates to First Nations leaders of progress toward eventual development of the Property. The goal of this engagement should be directed toward providing the Band with accurate information regarding realistic timelines of project milestones and addressing the Band's concerns in a timely fashion.

As baseline data collection has been largely on hold since 2009, it is recommended that as the Project moves closer toward starting the EA process, Columbia Yukon, through its principle environmental consultant, begin planning and budgeting for the resumption of broad-based environmental and socio-economic baseline data collection. To add credibility and focus to the collection process, it is further recommended that Columbia Yukon actively consult with the DFNR to determine the Band's collection priorities.

27. DATE AND SIGNATURE PAGE

This report titled "*Technical Review on the Storie Molybdenum Deposit, Liard Mining Division, British Columbia for Columbia Yukon Explorations Inc*." and dated December 23, 2013, was prepared and signed by the following authors:

Date effective as of December 23, 2013.



Robert M. Kuehnbaum, P.Geo.
Senior Associate Geologist
Watts, Griffis and McOuat Limited

G. Ross MacFarlane, P.Eng.
Senior Associate Metallurgical Engineer
Watts, Griffis and McOuat Limited

"Signed By"

Stephen A. Roberts, P.Ag.
Senior Associate Social and Economic Scientist
Watts, Griffis and McOuat Limited

Susan Bird

Susan Bird, P.Eng.
Senior Associate
Moose Mountain Technical Services

CERTIFICATE

I, Robert M. Kuehnbaum, P.Geo., do hereby certify that:

1. I reside at 3101 O'Hagan Drive, Mississauga, Ontario, Canada.

2. I am a Senior Associate Geologist with Watts Griffis and McOuat Limited, a firm of consulting geologists and engineers, which has been authorized to practice professional engineering by Professional Engineers Ontario since 1969, and professional geoscience by the Association of Professional Geoscientists of Ontario.

3. This certificate accompanies the report titled **"***Technical Review on the Storie Molybdenum Deposit, Liard Mining Division, British Columbia for Columbia Yukon Explorations Inc*." dated December 23, 2013.

4. I am a graduate from the University of Toronto, Toronto, Ontario with B.Sc. (1971) and M.Sc. (1973) degrees in Geology, and have practised my profession for a total of 34 years, in Canada and internationally. I have been involved in the search for a wide variety of commodities, including base and precious metals, uranium, diamonds and industrial minerals. I have broad experience in granite-related mineralization, including tungsten and molybdenum, and, in 1980-1982, supervised exploration programs in and around the Cassiar Batholith in northern British Columbia and Yukon.

5. I am a Professional Geoscientist licensed by the Association of Professional Engineers and Geoscientists of the Province of British Columbia (licence no. 31101), the Association of Professional Geoscientists of Ontario (registration no. 0217) and the Association of Professional Engineers and Geoscientists of Saskatchewan (registration no. 10474), Canada.

6. I have read the definition of "qualified person" set out in the National Instrument 43-101 and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfil the requirements to be a "qualified person" for the purposes of NI 43-101.

7. I visited the Storie property and Columbia Yukon facilities in Cassiar, British Columbia on three separate occasions for the purpose of the preparation of three previous NI 43-101 reports: April 24, 2007, July 10 and 11, 2007, and September 10 to 13, 2008 (site visit on September 11). The information and data used in this report are largely from internal reports of previous operators and the current operator, Columbia Yukon Explorations Inc., and were obtained from the references cited, and other data collected during the property visit.

8. I am solely responsible for Sections 2 to12, 23, 24 and 26. With co-authors Stephen Roberts, G. Ross MacFarlane, and Susan Bird, I am jointly responsible for Sections 1

and 25 for parts unrelated to metallurgy, First Nations and environmental issues and Mineral Resource Estimate.

9. I am independent of the issuer as described in Section 1.5 of NI 43-101.

10. I am the co-author of three previous WGM Technical Reports on the Property discussed in this Report: the first with Leo Lindinger dated June 27, 2007; the second with Abdullah Arik dated July 29, 2008; and, the third with G. Ross MacFarlane, Stephen A. Roberts and Abullah Arik, dated April 15, 2009.

11. I have read NI 43-101, Form 43-101F1 and the technical report and have prepared the technical report in compliance with NI 43-101, Form 43-101F1 and generally accepted Canadian mining industry practice.

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

Robert M. Kuehnbaum, M.Sc., P.Geo.
December 23, 2013

CERTIFICATE

I, G. Ross MacFarlane, do hereby certify that:

1. I reside at 1302 Woodgrove Place, Oakville, Ontario, Canada, L6M 1V5.

2. I am a Senior Associate Metallurgical Engineer with Watts, Griffis and McOuat Limited, a firm of consulting engineers and geologists, which has been authorized to practice professional engineering by Professional Engineers Ontario since 1980.

3. This certificate accompanies the report titled **“***Technical Review on the Storie Molybdenum Deposit, Liard Mining Division, British Columbia for Columbia Yukon Explorations Inc*.” dated December 23, 2013.

4. I am a graduate of the Technical University of Nova Scotia, Halifax, Nova Scotia, with a Bachelor of Engineering, Mining with Metallurgy Option in 1973 and have practiced my profession since that time. I have more than 35 years of experience in the operation, evaluation, and design of mining and milling operations. I also have knowledge of and experience with iron ore operations including mining, concentrating, and pelletizing.

5. I am a licensed Professional Engineer of Professional Engineers Ontario (Registration Number 28062503

6. I have read the definition of “qualified person” set out in the National Instrument 43-101 (“NI 43-101”) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfil the requirements to be a “qualified person” for the purposes of NI 43-101.

7. I have not visited the Property.

8. I am solely responsible for Section 13, and jointly responsible with co-authors Robert Kuehnbaum, Stephen Roberts, and Susan Bird, for the parts of Sections 1 and 25 dealing with metallurgical testing.

9. I am an independent Qualified Person for the purposes of NI 43-101.

10. I am the co-author of one previous WGM Technical Report on the Property discussed in this Report. The report was co-authored with Robert M. Kuehnbaum, Abullah Arik and Stephen A. Roberts, dated April 15, 2009.

11. I have read NI 43-101, Form 43-101F1 and the technical report and have prepared the technical report in compliance with NI 43-101, Form 43-101F1 and generally accepted Canadian mining industry practice.

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

G. Ross MacFarlane, P.Eng.
December 23, 2013

CERTIFICATE

I, Stephen A. Roberts, P.Ag., do hereby certify that:

1. I reside at 595 Brookleigh Road, Victoria, British Columbia, Canada.

2. I am a Senior Associate Social and Economic Scientist with Watts, Griffis and McOuat Limited, a firm of consulting geologists and engineers, which has been authorized to practice professional engineering by Professional Engineers Ontario since 1969, and professional geoscience by the Association of Professional Geoscientists of Ontario.

3. This certificate accompanies the report titled **“***Technical Review on the Storie Molybdenum Deposit, Liard Mining Division, British Columbia for Columbia Yukon Explorations Inc*.” dated December 23, 2013.

4. I graduated from Queen's University with a BA in Political Science (1983), from the University of British Columbia with Master of Landscape Architecture (1999), and a Ph.D. in Mining Engineering (2005). Since 1999, I have been involved in reporting of environmental and socio-economic impacts resulting from mine development projects. In 2006, I became a professional agrologist practicing in the field of natural resource development, both in Canada and internationally. I have been involved in writing of Environmental Impact Assessments for mine projects in British Columbia and Ontario.

5. I am a registered Professional Agrologist licensed by the British Columbia Institute of Agrology (licence no. 1861).

6. I have read the definition of “qualified person” set out in the National Instrument 43-101 and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfil the requirements to be a “qualified person” for the purposes of NI 43-101.

7. I have not visited the Storie Property and Columbia Yukon facilities in Cassiar, British Columbia. The information and data used in this report are largely from internal reports of previous operators and the current operator, Columbia Yukon Explorations Inc., and were obtained from the references cited.

8. I am solely responsible for Sections 20, and parts of Sections 1, 25 and 26 dealing with First Nation and environmental assessment issues.

9. I am independent of the issuer as described in Section 1.5 of NI 43-101.

10. I am the co-author of one previous WGM Technical Report on the Property discussed in this Report. The report was co-authored with Robert M. Kuehnbaum, G. Ross MacFarlane and Abullah Arik, dated April 15, 2009.

11. I have read NI 43-101, Form 43-101F1 and the technical report and have prepared the technical report in compliance with NI 43-101, Form 43-101F1 and generally accepted Canadian mining industry practice.

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

"Signed By"

Stephen A. Roberts, Ph.D., P.Ag.
December 23, 2013

CERTIFICATE

I, Susan C. Bird, M.Sc., P.Eng., do hereby certify that:

1. I reside at 32 Paddon Ave., Victoria, B.C. V8V 2M5.

2. I am a Senior Associate Engineer of Moose Mountain Technical Services.

3. This certificate accompanies the report titled **“***Technical Review on the Storie Molybdenum Deposit, Liard Mining Division, British Columbia for Columbia Yukon Explorations Inc*.” dated December 23, 2013.

4. I graduated with a B.Eng. from the Queen’s University in 1989, and an M.Sc. from Queen’s University in 1993.

5. I am a member of the Association of Professional Engineers and Geoscientists of the Province of British Columbia (#25007).

6. I have worked as an engineering geologist for a total of 17 years since my graduation from university.

7. My past experience with porphyry deposits includes exploration, resource/reserve reporting and engineering work on Rosemont, Gibraltar, Kerr-Sulphurets-Mitchell (KSM), Whistler, and Ilovitza among others.

8. I have read the definition of “qualified person” set out in National Instrument 43-101 (“NI 43-101”) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101)and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purposes of NI 43-101.

9. I am responsible for Section 14 and parts of Sections 1 and 25 dealing with the resource estimate, of this Technical Report.

10. I am independent of Columbia Yukon Explorations Inc. as described in Section 1.5 of NI 43-101, and work as a geological and mining consultant to the mining industry.

11. I have not visited the Storie Property.

12. To the best of my knowledge, information and belief at the effective date, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

13. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

14. I have no previous involvement with the Storie Property.

Susan Bird

Susan C. Bird, M.Sc., P.Eng.
December 23, 2013

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