NORTHCLIFF RESOURCES LTD.

15th Floor - 1040 West Georgia Street
Vancouver, British Columbia
V6E 4H8

ANNUAL INFORMATION FORM

For the year ended October 31, 2012

Dated December 21, 2012

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PRELIMINARY NOTES

Forward-Looking Statements

Except for statements of historical fact, this Annual Information Form contains certain "**forward-looking information**" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "**plan**", "**project**", "**intend**", "**believe**", "**anticipate**", "**estimate**" and other similar words, or statements that certain events or conditions "**may**" or "**will**" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices for metals, the conclusions of detailed feasibility and technical analyses, lower than expected grades and quantities of mineralization and resources, mining rates and recovery rates and the lack of availability of necessary capital, which may not be available to the Company on terms acceptable to it or at all, changes in and the effect of government policies with respect to mineral exploration and exploitation, the ability to obtain required permits, potential environmental issues and liabilities associated with exploration and development and mining activities, delays in exploration and development projects and the possibility of adverse developments in the financial markets generally. The Company is also subject to the specific risks inherent in the mining business as well as general economic and business conditions. Key assumptions upon which the Company's forward-looking statements are based include:

- the Company will have sufficient working capital and be able to secure additional funding necessary for the continued exploration of the Company's property interests;
- the results of the feasibility study will be positive and recommend further development of the Sisson Project;
- the price of metals will remain steady or not decline significantly; and
- that key personnel will continue their employment with the Company.

The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates should change except as required by law. You are cautioned not to place undue reliance on forward-looking statements. More detailed information about potential factors that could affect financial results is included in the documents that may be filed from time to time with the Canadian securities regulatory authorities by the Company.

For a more detailed discussion of certain of these risk factors, see "Risk Factors".

Effective Date of Information

Unless otherwise stated herein, the information in this AIF is for the fiscal year ended October 31, 2012 but is current as of December 21, 2012 unless otherwise clear from the context.

Incorporation of Continuous Disclosure Documents by Reference

In this Annual Information Form ("AIF"), the "Company" or "Northcliff" refers to Northcliff Resources Ltd. and all its subsidiaries and affiliated partnerships together unless the context states otherwise.

Incorporated by reference into this AIF are the comparative audited consolidated financial statements and Management's Discussion and Analysis for Northcliff for the fiscal year ended October 31, 2012 and 2011 together with the auditor's report thereon. Also incorporated by reference is the technical report entitled "Technical Report on the Sisson Project, New Brunswick, Canada" dated June 29, 2012.

These documents are available for review on SEDAR at www.sedar.com.

Accounting Principles

All financial information in this AIF is prepared in accordance with International Financial Reporting Standard ("IFRS").

Currency

All currency amounts in this AIF are in Canadian dollars unless otherwise indicated.

Glossary

For ease of reference, the following factors for converting metric measurements into Imperial equivalents are as follows:

Metric Units	Multiply By	Imperial Units
Hectares	2.471	= acres
Metres	3.281	= feet
Kilometres	0.621	= miles (5,280 feet)
Grams	0.032	= ounces (troy)
Tonnes	1.102	= tons (short) (2,000 lbs)
grams/tonne	0.029	= ounces (troy)/ton

In this AIF the following terms have the meanings set forth herein:

Ag, Au, As, Ba, Bi, Cu, Cd, Fe, Hg, Mn, Mo, Ni, Pb, Sb, S, W, Zn	Chemical symbols for silver, gold, arsenic, barium, bismuth, copper, cadmium, iron, mercury, manganese, molybdenite, nickel, lead, antimony, sulphur, tungsten, zinc
Inductively Coupled Plasma–Atomic Emission Spectroscopy (ICP-AES)	means is an analytical technique used for the detection of trace metals. It is a type of emission spectroscopy that uses the inductively coupled plasma to produce excited atoms and ions that emit electromagnetic radiation at wavelengths characteristic of a particular element. The intensity of this emission is indicative of the concentration of the element within the sample;
ICP-OES/MS	as above with emission spectrometer or mass spectrometer;
Inductively Coupled Plasma–Mass Spectrometry (ICP-MS)	means a type of mass spectrometry that is highly sensitive and capable of the determination of a range of metals and several non-metals at concentrations below one part in 1012 (part per trillion);

INAA	means Instrumental Neutron Activation Analysis which is used to determine the concentration of trace and major elements; Geodex-INAA (INAAGEO) UT-2-0.5 g is an INAA with particular concentration range developed for Geodex;
Molybdenite (**MoS_2**)	means a molybdenum sulphide mineral, the most common ore mineral of molybdenum;
National Instrument 43-101	means the Canadian securities rule which establishes disclosure standards for mineral projects by Canadian resource companies;
Scheelite (**$CaWO_4$**)	means a calcium tungsten oxide, a common ore mineral of tungsten;
Ultraviolet fluorescence (UV)	means the emission of characteristic "secondary" (or fluorescent) X-rays from a material that has been excited by bombarding with high-energy X-rays or gamma rays; and
Wolframite (WO_4)	means an iron manganese tungsten oxide (Fe, Mn), a common ore mineral of tungsten.

Resource Category (Classification) Definitions

The discussion of mineral deposit classifications in this AIF adheres to the mineral resource and mineral reserve definitions and classification criteria developed by the CIM in 2005. Estimated mineral resources fall into two broad categories dependent on whether the economic viability of them has been established and these are namely “resources” (potential for economic viability) and ore “reserves” (viable economic production is feasible). Resources are subdivided into categories depending on the confidence level of the estimate based on level of detail of sampling and geological understanding of the deposit. The categories, from lowest confidence to highest confidence, are inferred resource, indicated resource and measured resource. Reserves are similarly sub-divided by order of confidence into probable (lowest) and proven (highest). These classifications can be more particularly described as follows:

A “**Mineral Resource**” is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid 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, and 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.

A "**Mineral Reserve**" is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

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

A "**Proven Mineral Reserve**" is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

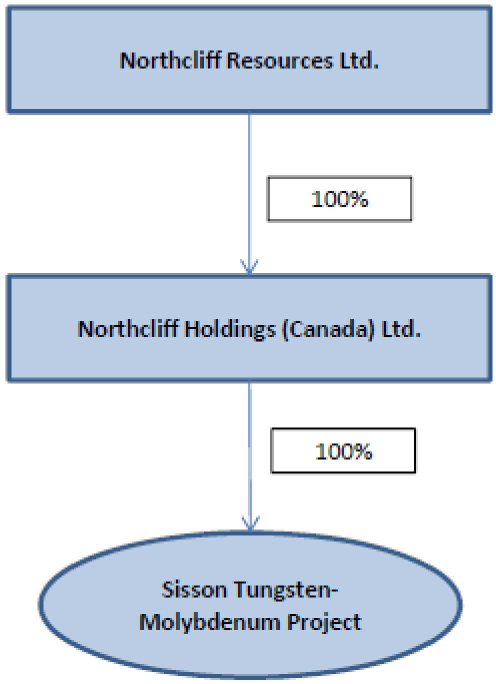
CORPORATE STRUCTURE

Incorporation and Offices

Northcliff Resources Ltd. (formerly, Cabre Capital Corp.) ("Northcliff" or the "Company") was incorporated under the *Business Corporations Act* (British Columbia) (the "BCBCA") on May 18, 2010. On June 6, 2011, the Company changed its name from Cabre Capital Corp. to Northcliff Resources Ltd.

The Company's head office is located at 1500 - 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H8. The registered office is located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

Intercorporate Relationships



GENERAL DEVELOPMENT OF OUR BUSINESS

Development of Our Business

The Company was incorporated under the BCBCA on May 18, 2010 under the name Cabre Capital Corp. The Company was a Capital Pool Company ("CPC") under the policies of the TSX Venture Exchange Inc. (the "TSX-V") and, on December 3, 2010, the Company completed its CPC initial public offering and began trading as a CPC on the TSX-V under the symbol "CCB.P" on December 6, 2010. As a CPC, the principal business of the Company was the identification and evaluation of assets or businesses with a view to completing a qualifying transaction.

On June 7, 2011, the Company completed a qualifying transaction ("Qualifying Transaction") in accordance with TSX-V Policy 2.4 whereby the Company acquired all the issued shares on a one for one basis of Northcliff Holdings (Canada) Ltd. (formerly, Northcliff Resources Ltd.). Under the terms of the Qualifying Transaction, the Company issued 32,600,001 common shares in consideration for 100% of the issued and outstanding shares of Northcliff Holdings (Canada) Ltd.

Concurrent with the completion of the Qualifying Transaction, the Company completed non-brokered private placements of an aggregate 27,702,544 common shares at a price of $1.00 per share for gross proceeds of $27,702,544.

On June 6, 2011, the Company changed its name from Cabre Capital Corp. to Northcliff Resources Ltd. and, shortly thereafter, began trading on the TSX-V under the symbol "NCF".

On February 2, 2012, the Company's shares began trading on the Toronto Stock Exchange ("TSX") under the symbol "NCF" and were concurrently delisted from the TSX-V.

The Company has access to the full resources of Hunter Dickinson Services Inc., an experienced exploration and development firm with in-house geologists, engineers and environmental specialists, to assist in its technical review of the various opportunities. The Company currently has three full-time employees.

On October 21, 2010, Northcliff and Geodex Minerals Ltd. ("Geodex") formed an unincorporated joint venture pursuant to the Sisson Development Joint Venture Agreement (the "JVA"), to advance the Sisson Project. Pursuant to the terms of the JVA, Northcliff obtained a 70% participating interest in the Sisson Project, and could maintain its 70% interest in the Sisson Project by funding the lesser of (1) $17,000,000 in joint venture expenditures or (2) the actual amount of expenditures incurred to produce a feasibility study report and to commence mine construction on the basis contemplated in a feasibility study report.

In May 2012, Northcliff completed its earn-in obligation by reaching the required $17,000,000 in joint venture expenditures, as set out in the JVA, and secured its 70% interest in the Sisson Project.

On May 9, 2012, Northcliff entered into a definitive purchase agreement with Geodex to acquire Geodex's 30% interest in the Sisson Project (the "Purchase Agreement"), which was completed and closed on June 21, 2012. Under the terms of the Purchase Agreement, in consideration for Northcliff's acquisition of Geodex's 30% interest, Northcliff issued 16,003,700 Northcliff common shares to Geodex, paid to Geodex $1 million in cash and returned to Geodex the 3,333,333 common shares of Geodex that Northcliff purchased for $0.30 per share on formation of the joint venture for cancellation.

On July 5, 2012, the 16,003,700 Northcliff common shares were distributed by Geodex to its own shareholders.

The JVA was terminated on June 21, 2012 following the Company's acquisition of Geodex's remaining 30% interest in the Sisson Project.

Northcliff is currently finalizing the results of a feasibility study (the "Feasibility Study") and an Environmental Impact Assessment ("EIA") for the Sisson Project. Additionally, it is making preparations to initiate project permitting once the EIA is submitted. A project financing strategy is also being advanced in tandem with the technical work which, so far, has encompassed preliminary discussions with potential financing partners including off-take smelter groups and banking institutions.

Northcliff has an active program of engagement with representatives of Federal and Provincal government agencies, local communities, First Nations and other stakeholders in New Brunswick to provide information and receive input about its activities and plans for the Sisson Project.

DESCRIPTION OF OUR BUSINESS

General

The Company is engaged in the business of mineral exploration. The Company's primary mineral project is the Sisson Tungsten-Molybdenum project (the "Sisson Project") located in New Brunswick, Canada.

Sisson Project, New Brunswick

The following disclosure has been summarized from a technical report entitled "Technical Report on the Sisson Project, New Brunswick, Canada" by David W. Rennie, P.Eng., Roscoe Postle Associates Inc. ("RPA"), date June 29, 2012 (the "Sisson Report") and updates from Company files. The Sisson Report has been filed on www.sedar.com.

Property Description and Location

The Sisson Project is located in east-central New Brunswick, approximately 100 km northwest of Fredericton, as shown on Figure 1.

Figure 1 – Project Location

Northcliff holds a 100% interest in five contiguous claim groups comprising a total of 850 units and covering an area of 15,500 ha, as listed in Table 1.

Table 1 – SISSON PROJECT MINERAL CLAIMS

Right Number	Mineral Claim Name	Issue Date	Expiry Date	Status	Units
5141	Turnbull Mountain	2007-06-14	2013-06-14	Active	40
5839	Barker Brook	2010-08-17	2013-08-17	Active	66
5838	West Branch Napadogan	2010-08-17	2013-08-17	Active	77
5309	Napadogan Brook	2007-11-28	2013-11-28	Active	106
3270	Sisson Brook	1997-09-04	2013-09-04	Active	561
Total					**850**

A total expenditure of $441,400 is required to retain the claims in 2013.

There are no royalties on the Sisson Project or back-in rights.

Northcliff does not hold any surface rights. New Brunswick mining law allows for access and use of the surface for mining through the permitting process.

There are no mine workings or other mine infrastructure on the Sisson Project. There are no known environmental liabilities. The Company is currently finalizing an Environmental Impact Assessment ("EIA") report in preparation for permitting.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access to the Sisson Project is gained via paved highway and good quality gravel forestry roads. The nearest large centre is Fredericton, which is the provincial capital of New Brunswick. From Fredericton, the property is accessible by travelling for approximately 60 km along Highway 1, and then via approximately 45 km of secondary highway and Valley Forest Products forestry roads. Forestry roads provide access to most areas of the Sisson Project.

In Fredericton, the average daily temperature ranges from a low of -10° C in January to a high of 19° in July. Mean annual precipitation is 886 mm, of which 277 mm falls as snow. Snow can generally be expected from November to March. The Sisson Project is somewhat higher in elevation than Fredericton, and as a result, temperatures are likely to be somewhat lower and precipitation higher. Mean annual precipitation at the town of Woodstock, located 75 km southwest of Sisson Brook is 1,113 mm, with 833 mm falling as rain. Exploration and mining activities can be carried out year round.

The Sisson Project lies in an area of moderate relief with surface elevations generally within the range of 200 m above sea level (masl) to 350 masl. Hilltops are strongly glaciated and rounded, and drainage valleys tend to be broad and open. Most of the countryside is timbered, and forestry is the primary land use in the project area at present. Local vegetation comprises deciduous and coniferous forests typical of Canadian boreal environments. Clear-cut logging and reforestation operations are active on the Sisson Project. Other land uses for the surrounding region include agriculture and recreation.

With an area of 15,500 ha, the site has sufficient space for mine, mill and associated infrastructure.

Fredericton is the closest major centre, and third largest city in New Brunswick, with a population in 2011 of just over 56,000. The city is able to supply all necessary supplies and commercial services for exploration and mining. Daily international commercial air service operates out of Fredericton, as well as rail, bus, courier and truck transport.

Several smaller towns and villages are located in the project area, and these can provide labour and minor services. The largest is Nackawic, a town of approximately 7,000 people, located 35 km from the property. Nackawic has been the site of a pulp mill since 1970, and is a likely source of skilled labour and heavy industrial services.

The Sisson Project is traversed by power lines, and as stated, is readily accessible by paved and good gravel roads. The Canadian National ("CN") rail line is located approximately 15 km north of the project.

History

The first significant work in the Sisson area was carried out in the late 1950s by Nashwaak Pulp and Paper Co. Twelve holes were completed in 1955 and 43 holes in 1959-60 which resulted in the discovery of the Nashwaak polymetallic vein deposit located east of the Sisson deposit.

From 1967 to 1969, Penarroya Canada Ltée completed geological mapping, a ground magnetic survey and soil sampling, mostly south of the Sisson deposit.

Texasgulf and Kidd Creek Mines Ltd. ("Kidd Creek") carried out exploration work in 1973 and from 1978 to 1983 comprising soil sampling, geological mapping, trenching and ground geophysical surveys; the Sisson deposit was discovered by drilling between 1979 and 1981. Relatively limited work was conducted by various operators between 1977 and 2001. From 2004 to 2009, Geodex, initially in joint venture with Champlain Resources Inc., carried out ground and airborne geophysical surveys, compilation of historical data, trenching, reanalysis of historical drill core, geological mapping and prospecting, and extension of previous soil and till sampling grids over and around the Sisson deposit. Geodex completed 198 drill holes within and proximal to the Sisson deposit which delineated a significant portion of the mineralization. Preliminary economic assessments with positive conclusions were completed by Wardrop in 2007 and Geodex in 2009.

Geological Setting

The Sisson deposit can be defined as an intrusion-related, structurally-controlled, bulk tonnage tungsten-molybdenum deposit that has characteristics similar to porphyry copper deposits. The type of deposit represented by Sisson forms in convergent margin to collisional tectonic environments and is related to highly-evolved granitic melts formed from continental crust. In New Brunswick, these types of deposits are related to Acadian granite intrusions which were emplaced during the Late Devonian. General geology of the property in the deposit area and the location of the deposit with the property boundary are shown on Figure 2.

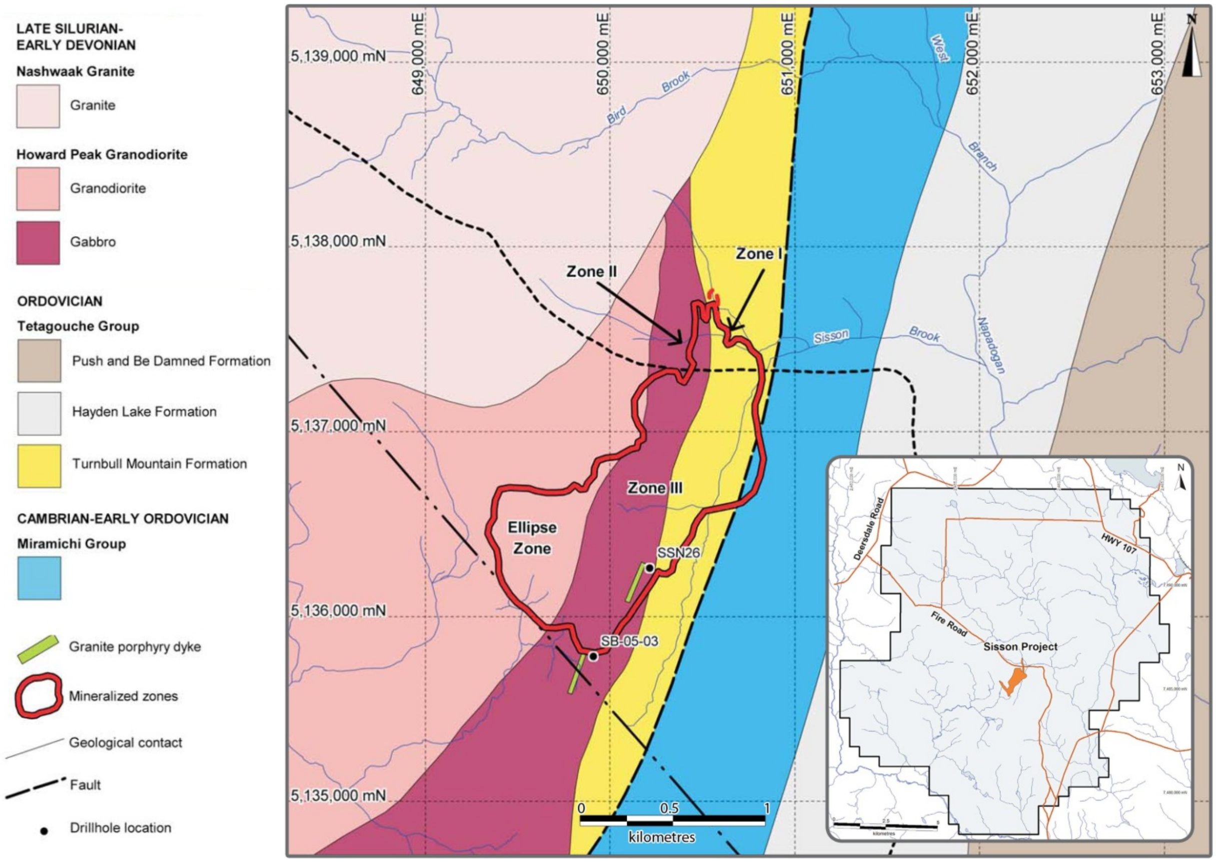


Figure 2 – Geology and Deposit Location

The Sisson deposit is centred on a north-trending contact between Acadian intrusions, represented by the Nashwaak Granite and Howard Peak Granodiorite to the west and older metavolcanic and metasedimentary rocks to the east. Mineralization occurs in four contiguous Zones. Zones I and II are narrow, structurally-controlled zones which extend north from Zone III, which hosts the bulk of the deposit; the Ellipse Zone extends northwest from the southwest corner of Zone III. Metavolcanic and metasedimentary host rocks at Sisson formed during the Taconic Orogeny and are of Cambrian to Ordovician age; they include the predominantly clastic sedimentary sequences in the Miramichi Group overlain by Ordovician felsic to mafic volcanic strata and clastic sedimentary rocks of the Tetagouche Group. Stratified rocks within and near the Sisson deposit consistently strike north-northeast and dip steeply to the east.

Mineralization

Mineralization in the Sisson deposit is hosted by:

- the quartz diorite and gabbro phases of the Howard Peak Granodiorite;
- felsic, mafic and mafic crystal tuffs in the western part of the Turnbull Mountain Formation;
- biotite wacke with minor interbeds of mafic to felsic tuff in the eastern part of the Turnbull Mountain Formation;

- volumetrically minor granite dykes and very rare mafic dykes; and
- low-grade mineralization in more siliceous biotite-sericite wackes that may be part of the Miramichi Group on the eastern edge of the deposit.

Mineralization at the Sisson Project occurs almost exclusively in quartz veins, fractures and their alteration envelopes. Tungsten and molybdenum are the metals of principal economic interest. Several other metals, including copper, zinc, lead, arsenic and bismuth, occur in geochemically anomalous but subeconomic concentrations.

Exploration

Exploration by previous operators is described under History. Northcliff commissioned a due diligence core sampling program in 2010 prior to becoming involved in the Sisson Project. The Company carried out drilling programs in late 2010 and in 2011 (described under Drilling below) as well as a test pitting program in 2011. Company geologists utilized information from drilling programs in 2010 and 2011 and from relogging core from previous programs to develop the geological model that has been used for the feasibility study.

In 2011, Northcliff conducted a test pitting program comprising 349 pits dug with a Caterpillar 320 excavator. The purpose of the program was to assess exploration potential in areas of possible infrastructure development. A total of 409 till samples and 276 bedrock samples were collected from these pits for geochemical analysis. The locations of the pits were chosen by measuring approximately equidistant sections along pre-existing roads at spacings of between 50 to 100 m. In addition to the samples collected in 2011, 147 till and 44 bedrock samples collected by Geodex in 2008 were also submitted for analysis. These sites were located between 2011 sample locations to maximize geochemical coverage of the target areas.

The physical characteristics of the till profile were documented as each pit was dug. Where bedrock was encountered, a sample was broken off by the excavator and rock type, grain size, foliation, mineralization, weathering, oxidation, veining, alteration and colour were described. Bedrock samples were only collected where the material was angular and interpreted to be in place. Other information recorded at each test pit site included UTM coordinates, the depth of the pit, depth to where the till began (below the BC soil horizons), depth of till sample(s) taken, depth of bedrock sample taken, photo number and whether any water seepage within the pit occurred. UTM coordinates were marked/saved in a GPS unit (Garmin 62s).

Till and bedrock samples were prepared for analysis by Activation Laboratories Ltd. in Fredericton, New Brunswick. Full chain of custody control was maintained for all analytical samples from collection through delivery to the analytical laboratory. The till samples were dried and screened to 230 mesh, and the concentration of tungsten was analyzed by INAA. A suite of 58 additional elements was analyzed by a combination of INAA and ICP-MS methods following four-acid digestion. All geochemical analyses were completed by Activation Laboratories Ltd. in Ancaster, Ontario. Bedrock samples were prepared and analyzed using protocols identical to those described in Section 11 of this report for drill core geochemical analysis.

Principal geological observations from the 2011 till and bedrock sampling program include the following.

- Analytical results for both bedrock and tills yield only a few scattered weakly anomalous values for various elements at very low concentrations throughout the area of infrastructure.

- Slightly higher, but still weak, results were encountered over and immediately to the north of known mineralization in Zones I and II. These values decrease markedly to the north.

- These results are fully consistent with the lack of mineralization and alteration in the hydrogeological and engineering drill holes completed in the area of potential infrastructure.

- The rock types encountered in bedrock samples generally conform to the distribution of major units as defined by published Department of Natural Resources regional geology maps.

- The results indicate that exploration potential for significant deposits of tungsten, molybdenum or other metals in the area of potential infrastructure is very low.

Drilling

Since 1979, 64,768 m of drilling has been completed on the property in 304 drill holes on the Sisson Project as summarized below in Table 2.

Table 2 - DRILLING SUMMARY ALL YEARS

Operator	**Year**	**Drill Hole ID**	**No. of Holes**	**Core Size**	**Metres**
Kidd Creek	1979	SSN01 to SSN11	11	BQ	1,663
	1980	SSN12 to SSN23	12	BQ	2,419
	1981	SSN24 to SSN32	9	BQ	1,727
	1982	SSN33 to SSN40	8	BQ	1,697
Geodex	2005	SB-05-01 to SB-05-09	9	NQ	1,219
	2006	SB-06-02 to SB-06-30	29	NQ	7,653
	2007	SB-07-01 to SB-07-751;	83	NQ	20,194
		SBM-07-01; SE-07-01 to SE-07-05; SP-07-01			
	2008	SB-08-01 to SB-08-472	49	NQ	12,122
	2009	SB-09-1 to SB-09-28	28	NQ	4,899
Northcliff	2010	SB-10-001 to SB-10-005	5	HQ	2,701
Northcliff	2011	SB-11-006M to SB-11-037G	61	PQ & HQ	8,474
		SB-11-MW-001D to SB-11-MW-006D			
		SB-11-MW-001S to SB-11-MW-006S			
		SB-11-MWG-001 to SB-11-MWG-018			
Total			**304**		**64,768**

Notes: 1. Including hole SB-07-10A.;
2. Including hole SB-08-7A and SB-08-34A.

Diamond drilling to delineate the W-Mo±Cu mineralization in Zones I, II and III on the Sisson Project was completed by Kidd Creek during the 1979 to 1982 period and Geodex in the 2005 to 2009 period. Kidd Creek completed 40 drill holes on the property in three campaigns. Geodex drilled 197 additional holes totaling 45,943 m in five subsequent campaigns to the end of 2009. Drill hole collar locations for all Kidd Creek holes were originally surveyed and coordinated to Mining Lease survey pins in the area. Most of these drill collars in the Zone III area were relocated by Geodex in 2006 and subsequently resurveyed along with all Geodex holes of the 2006 through 2009 programs. Northcliff carried out a five-hole drilling program that in 2010 and 61 holes in 2011. All Geodex and Northcliff surveying was carried out by suitably certified technical staff employed by an independent, third party surveying firm.

Sampling and Analysis

Sampling and sample preparation since 1979 is summarized in Table 3 and the analytical work in Table 4.

Table 3 - SAMPLING AND SAMPLE PREPARATION METHODS SUMMARY

Year	Drill Holes	Operator	Method	Sample length		Sample Preparation Laboratory
				Range	Typical	
1979	11	Kidd Creek	Half Split	0.05 - 4.1 m Selected Intervals	2.0 - 4.1 m Selected Intervals	Bondar-Clegg Ottawa, ON
1980	12					
1981	9					
1982	8					
2005	9	Geodex	Half Split	0.12 - 2.56 m Continuous Intervals	1.5 m Continuous Intervals	Actlabs Ancaster ON or Fredericton, NB
2006	29		Half Split Mechanical	0.5 - 1.5 m Continuous Intervals	1.5 m Continuous Intervals	
2007	82					
2008	49					
2009	28					
2010	n/a	Northcliff Due Diligence	Pulp Split Reject Split 1/4 Core Split	1.5 m Selected Intervals	1.5 m Selected Intervals	Acme Vancouver BC
2010	5	Northcliff	Half Split Diamond Saw	0.7 – 5.0 m Continuous Intervals	3.0 m Continuous Intervals	Actlabs Fredericton, NB
2011	61	Northcliff	Half Split Diamond Saw	0.7 – 5.0 m Continuous Intervals	3.0 m Continuous Intervals	Actlabs Fredericton, NB

Table 4 – ASSAY METHODS SUMMARY

Year	DDH	Assay Laboratory	Elements Assayed	Method & Code	Digestion or Activation	Finish
1979	11	Bondar-Clegg Ottawa, ON	WO_3, Cu, Mo	Unknown	Unknown	Unknown
1980	12					
1981	9					
1982	8		WO_3, Cu, Mo, Ag, As, Bi	Colorimetric; titration; AAS; FA	Thiocyanate for WO_3; HF + HNO_3 for Cu and Bi; FA for Ag; Na_2O_2 fusion for As	Colorimetric for WO_3; I2 titration for As; AAS for Cu, Mo, Ag, Bi
2005	9	Actlabs Ancaster, ON	W, Mo, Au, Ag, Cd, Cu, Mn, Ni, Pb, Zn, S, As, Ba, Hg, Sb	Multi-element analytical package IEPI AQUAGEO	Neutron activation for W, Au, As, Ba, Sb & Hg; AR digestion for Ag, Cd, Cu, Mn, Mo, Pb, Zn & S	W, Au, As, Ba, Sb & Hg by INAA; Ag, Cd, Cu, Mn, Mo, Pb, Zn & S by ICP
2006	29		W, Mo, Cu	INAA INAAGEO	Neutron activation for W, Mo; AR digestion for Cu	W & Mo by INAA; Cu by ICP
2007	82					
2008	49					
2009	28					
2010	Due Dil.	Acme Vancouver, BC	W, Mo, Cu and 38 additional elements	1EX 7KP2	Phosphoric acid digest for W and 4 additional elements, 4 acid digest for Cu & 40 additional elements	ICP-AES for W and 4 additional elements, ICP-MS for Cu & 40 additional elements.
2010	5	Actlabs Ancaster, ON	W, Mo, Cu & 61 additional elements	Geodex-INAA (INAAGEO) UT-2-0.5 g	Neutron activation for W, Mo; Aqua Regia digest for Cu & 61 Elements	W & Mo by INAA; Cu & 61 elements by ICP-OES/MS
2011	61	Actlabs Ancaster, ON	W, Mo, Cu & 61 additional elements	Geodex-INAA (INAAGEO) UT-2-0.5 g	Neutron activation for W, Mo; Aqua Regia digest for Cu & 61 Elements	W & Mo by INAA; Cu & 61 elements by ICP-OES/MS

HF – Hydrofluoric Acid; NO3 – Nitric Acid; FA – Fire Assay; AR - Aqua Regia

IEPI AQUAGEO – Actlabs method - Aqua Regia digestion ICP-ES finish

INAA INAAGEO – Actlabs method - Instrumental neutron activation analysis

1EX 7KP2 – Acme method – Phosphoric acid digestion ICP-MS finish

Geodex-INAA (INAAGEO) UT-2-0.5 g – Actlabs INAA method - designed specifically for Geodex (and used by Northcliff) with included W and Mo standards to determine W and Mo to lower detection limits and with greater degree of accuracy.

Quality Assurance/Quality Control (QA/QC) and Data Verification

The overall impact of the Kidd Creek drill holes on the current Sisson Project resource estimate is limited as many of the holes are outside the current study area. Of the 31,900 core samples assayed on the Sisson Project from 1979 to the end of 2011 only 2,700 or about 8.5% of the total are from the Kidd Creek drill holes. Geodex implemented a QA/QC protocol from 2006 onward, which included the use of external standards and blanks inserted and analyzed with the mainstream core samples. The Company adopted a QA/QC program that included systematic insertion of certified standards and barren rock blanks and analysis of duplicate samples. In 2007 and 2008, Geodex also assayed 769 core samples from the Kidd Creek program, from core intervals which had not previously been assayed.

Northcliff conducted a due diligence sampling of previously drilled core in 2010. The 280 due diligence samples were compared with the original results obtained by Geodex. Generally speaking, the results from pulp and reject duplicates match the original results reasonably well. Although the results of the quarter core duplicates do not match the original half core sample results very well, the presence of W and Mo mineralization is confirmed in the samples. In order to implement a better QA/QC program for the ongoing drilling and engineering programs, six new matrix-matched certified reference materials were produced for Northcliff's drilling in 2010 and 2011.

The 2010 and 2011 drillhole geological and sample data were collected and digitally entered by site geological and technical personnel and sent to the Vancouver office of HDI on a weekly basis. In Vancouver, the digital database was compiled, merged with the analytical results, and reviewed for QA/QC purposes. Verification and validation took place at the site and Vancouver. At the site, the technical personnel responsible reviewed the digitally entered geology, sample and field log data.

Independent Database Verification

RPA collected eight quartered-core samples from drill core stored at the Northcliff logging facility. These samples were selected more or less randomly, split under RPA's supervision, and kept in the custody of RPA until delivered to a bonded carrier for shipment. The samples were sent to the SGS Canada Inc. assay laboratory in Vancouver where they were analysed for tungsten and molybdenum. The analytical method used was ICP after NA2O2 fusion. In RPA's opinion, the re-sampled assays compare reasonably well with Northcliff's results, particularly considering the difference in assay methods used.

RPA validated the drilling database using the utilities provided in GEMS. No errors were found.

RPA also compared assay results from the original laboratory certificates to the values stored in the Northcliff database for approximately 12% of the holes used in the resource estimate. Thirty-two holes were selected from those drilled by either Geodex or Northcliff, and the digital laboratory certificates were acquired and compiled into a database. Some 3,532 samples out of the total of 32,319 (note that not all were included in the estimate) were checked in this manner. There were no discrepancies found.

Security of Samples

A system of drill core and surface sample security began in 2006 and continued on through completion of the 2011 program. At the drill site, the security of core was the responsibility of the drilling contractor under the direction of Geodex (2006 – 2009) and Northcliff (2010 – 2011). Drill crews were instructed that only they and designated Geodex/Northcliff personnel were allowed access to core at the drill sites and that core boxes be covered immediately after drilling. Core delivered to the logging facility was placed in a secure location prior to logging and sampling, and Geodex/Northcliff personnel were responsible for security of all core and samples at the logging facility. Prior to sampling, a digital photograph of each box of core was taken and archived for future reference. After core logging and sampling were completed, core boxes containing half-core archives were labelled with weather-proof aluminum tags and were bound with steel strapping and stored at the logging facility on pallets. Core sample numbers were recorded on sample shipment forms, and after checking against sample listings, were placed in sealed plastic buckets for shipment to the laboratory. Details of the shipment were recorded, including date shipped, sample numbers, client account number, laboratory name and name of the individual responsible for preparation of the documents and security of the sample shipment preparation process.

Mineral Resource Estimates

A mineral resource estimate was announced in May 2012, based on 64,768 m of drilling in 304 holes (with 31,893 assayed intervals) completed between 1979 and 2011. The estimate was prepared using geostatistical methods by the technical staff of Northcliff and audited by industry-leading geological and mining consultants at Roscoe Postle Associates Inc., under the direction of David W. Rennie, P. Eng., an independent Qualified Person as defined by National Instrument 43-101.

The mineral resources at various New Smelter Return (NSR/t) cutoffs are summarized in Table 5.

Table 5 - MINERAL RESOURCES

NSR Cutoff ($/t)	Tonnes (Mt)	WO_3 (%)	Mo (%)	NSR ($/t)	WO_3EQ (%)	Contained WO_3 (Mmtu)	Contained Mo (Mlb)	Contained WO_3 EQ (Mmtu)
MEASURED								
7	122	0.066	0.022	19.40	0.092	8.1	59.2	11.2
9	**107**	**0.072**	**0.024**	**21.11**	**0.101**	**7.7**	**56.6**	**10.8**
11	92	0.078	0.025	22.82	0.108	7.2	50.7	9.9
15	68	0.091	0.028	26.37	0.124	6.2	42.0	8.5
INDICATED								
7	322	0.060	0.019	17.23	0.083	19.3	134.9	26.6
9	**276**	**0.065**	**0.020**	**18.76**	**0.089**	**17.9**	**121.7**	**24.5**
11	234	0.071	0.022	20.35	0.097	16.6	113.5	22.7
15	161	0.084	0.024	23.70	0.113	13.5	85.2	18.1
MEASURED + INDICATED								
7	444	0.062	0.020	17.83	0.085	27.4	194.0	37.8
9	**383**	**0.067**	**0.021**	**19.42**	**0.092**	**25.6**	**178.3**	**35.3**
11	326	0.073	0.023	21.05	0.100	23.8	164.2	32.6
15	229	0.086	0.025	24.49	0.116	19.7	127.2	26.6
INFERRED								
7	239	0.045	0.018	13.88	0.066	10.8	94.8	15.9
9	**178**	**0.051**	**0.021**	**15.89**	**0.076**	**9.1**	**82.4**	**13.5**
11	130	0.058	0.024	18.09	0.087	7.5	68.8	11.2
15	71	0.075	0.027	22.53	0.107	5.3	42.3	7.6

Notes to Table:

1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are estimated at a NSR cut-off grade of $US9.00/t.
3. Mineral Resources are estimated using a long-term metal prices of US$300 per mtu WO3 and $US15/lb Mo, and a US$/C$ exchange rate of 0.9:1.
4. Metallurgical recoveries for the NSR calculation were 74% for WO3 and 80% for Mo.
5. Numbers may not add due to rounding.

Additional Notes:

NSR = (WO_3% * NSP WO_3*Recovery WO_3*22.046) + (Mo%*NSP Mo Recovery Mo*22.046);
Net Smelter Price (NSP) WO_3 = CDN$11.96/lb; Mo = CDN$15.37/lb. (Realization costs of US$62.78/mtu WO3 and US$1.17/lb Mo)
WO_3 equivalent (EQ) = WO_3% + Mo% * 1.189 (developed using the assumptions above)

Mining Operations

At the time that the estimate was announced only preliminary metallurgical testwork had been completed for the Sisson deposit. Although the metallurgical test work for the Sisson Project was not complete and additional testing was warranted, RPA opined that the preliminary results obtained to that time suggested that there is a reasonable probability that acceptable recoveries can be obtained using conventional, existing technology.

Exploration and Development Plans for 2013

Feasibility Study

A full complement of engineering work required to advance the Feasibility Study was carried out in 2012. Financial analyses and report writing were being finalized in the latter part of the 2012 calendar year. The Company expects that the results will be released in early 2013.

Environmental

Northcliff is working toward the completion of an EIA to facilitate regulatory/public review and permitting. The Company expects to submit the draft EIA report to federal and provincial regulatory agencies in early 2013. Following regulatory and public review of the EIA report, Northcliff would apply for the broad range of construction, environmental and operating permits necessary to take the Sisson Project into production.

Community and Stakeholder Engagement

Public, stakeholder and First Nations engagement is a central focus of the Company's activities in New Brunswick. Offices for communication and community engagement activities are located in Stanley, a village close to the site and in Fredericton.

Northcliff has continued discussions in 2012 and will be ongoing in 2013 with local communities, key interest groups and individuals, First Nations and representatives of Provincial and Federal governments to identify and address environmental and social concerns.

Risk Factors

The securities of the Company are highly speculative and subject to a number of risks. A prospective investor or other person reviewing the Company for a prospective investor should not consider an investment in the Company unless the investor is capable of sustaining an economic loss of the entire investment. The risks associated with the Company's business include:

Exploration and Mining Risks

Resource exploration, development, and operations are highly speculative, characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, land slides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. The Company will rely upon consultants and others for exploration, development, construction and operating expertise. Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources, and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining.

No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection. The exact effect of these factors cannot accurately be predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

The Company will carefully evaluate the political and economic environment in considering any properties for acquisition. There can be no assurance that additional significant restrictions will not be placed on the Sisson Project and any other properties the Company may acquire or its operations. Such restrictions may have a material adverse effect on the Company's business and results of operation.

Future Profits/Losses and Production Revenues/Expenses

The Company has no history of operations and expects that its losses will continue for the foreseeable future. The Company currently has only one mineral property. There can be no assurance that the Company will be able to acquire additional properties. If the Company is unable to acquire additional properties, its entire prospects will rest solely with the Sisson Project and accordingly, the risk of being unable to identify a mineral deposit that is economically viable to develop will be higher than if the Company had additional properties to explore. There can be no assurance that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Sisson Project and any other properties the Company may acquire are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred and the Company's acquisition of additional properties and other factors, many of which are beyond the Company's control. The Company does not expect to receive revenues from operations in the foreseeable future, if at all. The Company expects to incur losses unless and until such time as the Sisson Project and any other properties the Company may acquire enter into commercial production and generate sufficient revenues to fund its continuing operations. The development of the Sisson Project and any other properties the Company may acquire will require the commitment of substantial resources to conduct the time-consuming exploration and development of properties. There can be no assurance that the Company will generate any revenues or achieve profitability. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

Permits and Licenses

The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development of the Sisson Project.

Additional Funding Requirements

Further development of the Sisson Project will require additional capital. The Company currently does not have sufficient funds to meet its development objectives on the Sisson Project. In addition, a positive production decision at the Sisson Project or any other development projects acquired in the future would require significant capital for project engineering and construction. Accordingly, the continuing development of the Company's properties will depend upon the Company's ability to obtain financing through debt financing, equity financing, the joint venturing of projects, or other means. There is no assurance that the Company will be successful in obtaining the required financing for these or other purposes, including for general working capital.

Environmental Matters

All of the Company's mining operations will be subject to environmental regulations, which can make operations expensive or prohibit them altogether.

The Company may be subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products that could occur as a result of its mineral exploration, development and production.

To the extent the Company is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to the Company and could have a material adverse effect on the Company. If the Company is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Company.

All of the Company's exploration, development and any production activities will be subject to regulation under one or more environmental laws and regulations. Many of the regulations require the Company to obtain permits for its activities. The Company must update and review its permits from time to time, and is subject to environmental impact analyses and public review processes prior to approval of the additional activities. It is possible that future changes in applicable laws, regulations and permits or changes in their enforcement or regulatory interpretation could have a significant impact on some portion of the Company's business, causing those activities to be economically re-evaluated at that time.

Market for Securities and Volatility of Share Price

There can be no assurance that an active trading market in the Company's securities will be established or sustained. The market price for the Company's securities could be subject to wide fluctuations. Factors such as announcements of exploration results, as well as market conditions in the industry, may have a significant adverse impact on the market price of the securities of the Company. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or companies providing services to the Company or they may have significant shareholdings in other companies. Situations may arise where the directors and/or officers of the Company may be in competition with the Company. Any conflicts of interest will be subject to and governed by the law applicable to directors' and officers' conflicts of interest. In the event that such a conflict of interest arises at a meeting of the

Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Payment of Dividends Unlikely

There is no assurance that the Company will pay dividends on its shares in the near future. The Company will likely require all its funds to further the development of its business for the foreseeable future.

Lack of Revenue and a History of Operating Losses

The Company does not have any operational history or earnings and the Company has incurred net losses and negative cash flow from its operations since incorporation. Although the Company will hope to eventually generate revenues, significant operating losses are to be anticipated for at least the next several years and possibly longer. To the extent that such expenses do not result in the creation of appropriate revenues, the Company's business may be materially adversely affected. It is not possible to forecast how the business of the Company will develop.

Reliance on Key Personnel

The Company will be dependent on the continued services of its senior management team, and its ability to retain other key personnel. The loss of such key personnel could have a material adverse effect on the Company. There can be no assurance that any of the Company's employees will remain with the Company or that, in the future, the employees will not organize competitive businesses or accept employment with companies competitive with the Company.

Furthermore, as part of the Company's growth strategy, it must continue to hire highly qualified individuals. There can be no assurance that the Company will be able to attract, assimilate or retain qualified personnel in the future, which would adversely affect its business.

DIVIDENDS AND DISTRIBUTIONS

The Company has not paid any dividends on any of its shares since incorporation and does not presently have any intention of paying dividends.

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of common shares. As at the date hereof, 77,399,245 common shares were issued and outstanding as fully paid and non-assessable.

All of the authorized common shares rank equally as to dividends, voting powers (one vote per common share) and participation in assets upon dissolution or winding-up. No common shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights attached to the common shares and no provisions for redemption, retraction, or purchase for cancellation, surrender, or sinking or purchase funds, or provision permitting or restricting the issuance of additional securities, or requiring a security holder to contribute additional capital. Provisions as to the modification, amendment or variation of such rights or provisions are contained in the BCBCA and the articles of the Corporation. Generally, substantive changes to the share capital require the approval of the shareholders by special resolution (at least two-thirds of the votes cast by shareholders present in person or by proxy).

MARKET FOR SECURITIES

The Company's common shares were listed for trading on the TSX-V from December 6, 2010 to February 2, 2012. On February 2, 2012, the Company's common shares were listed on the TSX under the trading symbol "NCF". The following tables set forth information relating to the trading of the common shares on the TSX-V and TSX for the months indicated.

TSX-V Price Range ($)

Month	High	Low	Total Volume
November 2011	0.85	0.75	17,850
December 2011	0.78	0.38	783,150
January 2012	0.60	0.45	178,284
February 1, 2012	0.59	0.45	82,000

TSX Price Range ($)

Month	High	Low	Total Volume
February 2012	0.63	0.51	254,750
March 2012	0.58	0.49	36,280
April 2012	0.55	0.46	118,761
May 2012	0.64	0.415	44,650
June 2012	0.65	0.45	149,784
July 2012	0.59	0.415	189,882
August 2012	0.58	0.33	133,424
September 2012	0.46	0.30	324,313
October 2012	0.44	0.315	661,294

ESCROWED SECURITIES

The following common shares are held in escrow as at December 21, 2012:

Designation of Class	Number of Securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	8,260,001(1)	10.7%

Note:

(1) 8,260,001 shares are being held in escrow pursuant to a voluntary pooling agreement dated June 7, 2011 between the Company and Computershare Trust Company of Canada (the "Pooling Agreement"). Pursuant to the Pooling Agreement 8,260,000 shares were released from escrow on each of December 7, 2011, June 7, 2012 and December 7, 2012 and the remaining shares will be released on June 7, 2012.

DIRECTORS AND OFFICERS

Directors and Officers

The following table sets forth information regarding our directors and executive officers. The term of office for the Directors expires at the Company's next Annual General Meeting.

Name and Municipality of Residence	Positions with the Company	Date of Appointment	Securities Beneficially Owned or Controlled[4]
Christopher Zahovskis Delta, BC	President, Chief Executive Officer and Director	June 7, 2011	144,500 Common Shares 300,000 Options
Bryce Hamming North Vancouver, BC	Chief Financial Officer	June 7, 2011	100,200 Common Shares 150,000 Options
Robert A. Dickinson Lions Bay, BC	Chairman and Director	June 7, 2011	868,350 Common Shares 150,000 Options
T. Barry Coughlan[(1)(2)(3)] Vancouver, BC	Director	June 7, 2011	99,900 Options
Scott D. Cousens Vancouver, BC	Director	May 30, 2012	2,318,040 Common Shares 150,000 Options
Peter Mitchell[(1)(2)(3)] West Vancouver, BC	Director	June 7, 2011	25,000 Common Shares 99,900 Options
Darcy Rezac[(1)(2)(3)] Vancouver, BC	Director	February 1, 2012	30,000 Common Shares 99,900 Options
Trevor Thomas Vancouver, BC	Secretary	June 7, 2011	107,000 Common Shares 78,000 Options

Notes:

(1) Member of Audit and Risk Committee

(2) Member of Compensation Committee

(3) Member of Nominating and Governance Committee

(4) Information was derived from insider reporting filings available at www.sedi.ca

The principal occupations of each of the Company's directors and executive officers within the past five years are disclosed in the brief biographies set forth below.

Christopher Zahovskis (age 56), President, Chief Executive Officer and Director

Mr. Zahovskis is a mining engineer from Queen's University with over 30 years' experience. He brings a wealth of knowledge and experience in strategic leadership and operations, project development, green field start up and due diligence assessments. Over the years, Mr. Zahovskis has worked in gold, silver, base metals, potash and nickel laterite in Canada as well as in Turkey, Indonesia, Australia, New Caledonia and China.

He began his career with Cominco Ltd. where he spent 17 years in a variety of engineering, production, project development and management roles. During this period, he was closely involved with the start-up of a gold operation in NW British Columbia and an early stage gold-copper development in Turkey. This was followed by nine years with Inco Limited where he was the Vice President responsible for the Mining, Milling, Smelting and Refining operations in Thompson, Manitoba and the early development of a nickel laterite project in New Caledonia.

He was also the Chief Operating Officer of Minco Silver Corporation where he played a pivotal role in managing the successful completion of the feasibility study on the Fuwan Silver project in Guangdong, China.

Mr. Zahovskis joined the Hunter Dickinson Inc. ("HDI") group of companies ("HD Group") in March 2010 as Chief Operating Officer of Continental Minerals Corporation, which was acquired by Jinchuan Group Ltd. in April 2011. He has overseen corporate and project planning for the Sisson Project since mid-2010.

Bryce Hamming (age 36), Chief Financial Officer

Mr. Hamming is a Canadian Chartered Accountant and a graduate of Simon Fraser University with a Bachelor of Business Administration. He has more than 13 years of corporate finance, tax and accounting experience with a focus on debt and equity financing, acquisitions, valuations, transaction structuring and compliance. Prior to joining the HD Group, Mr. Hamming was an associate director with the Royal Bank of Scotland in London in their debt capital markets division. He also spent 8 years with KPMG LLP in their Canadian tax group.

Robert A. Dickinson (age 64), Chairman of the Board and Director

Mr. Dickinson is an economic geologist who has been actively involved in mineral exploration and mine development for over 40 years. He is Chairman of HDI as well as a director and member of the management team of a number of the public companies associated with HDI. He is also President and Director of United Mineral Services Ltd., a private resource company. He also serves as a Director of the BC Mining Museum and a Trustee of the BC Mineral Resources Education Program.

T. Barry Coughlan (age 67), Director

Mr. Coughlan is a self-employed businessman and financier who has been involved in the financing of publicly traded companies for over 25 years. His principal occupation is President and Director of TBC Ventures Ltd., a private investment company.

Scott D. Cousens (age 48), Director

Mr. Cousens provides management and financial services to a number of publicly traded companies managed by HDI. His focus for the past 20 years has been the development of relationships within the international investment community. Substantial financings and subsequent corporate success has established strong ties with North American, European, and Middle Eastern investors.

Peter Mitchell (age 57), Director

Mr. Mitchell is currently CFO of Taseko Mines Limited based in Vancouver. He is a graduate of the University of Western Ontario with a Bachelor of Arts in Economics as well as a graduate of the MBA program of the University of British Columbia. Mr. Mitchell is a Chartered Accountant and has worked as Senior Vice President and CFO of Crown Packaging Ltd., as well as Vice Chairman and CFO of Von Hoffmann Corporation of St. Louis, Missouri. More recently, he has held leadership roles in the for-profit education sector as President of Florida Career College based in Fort Lauderdale, Florida and prior to that, as President and CEO of Vatterott Education Centers, Inc. in St. Louis, Missouri. Over the past decade, Mr. Mitchell has been extensively involved in leading and managing private equity portfolio companies.

Darcy Rezac (age 66), Director

Darcy Rezac is the Managing Director of Ana Pacific Consulting and has served on numerous boards including the Vancouver International Airport (YVR), BC Bearing Engineers Ltd., Vancouver Board of Trade, and BC Trade Development Corporation. Mr. Rezac has served on a number of board committees, including nominating and executive, HR, strategic planning, investment and audit. Mr. Rezac also served as Director of Corporate Services for Alcan Canada between 1980 and 1984.

Trevor R. Thomas (age 45), Corporate Secretary

Mr. Thomas has practiced in the areas of corporate commercial, corporate finance, securities and mining law since 1995, both in the private practice environment as well as in-house positions and is currently General Counsel for HDI and is Corporate Secretary for a number of companies in the HD Group. Prior to joining HDI, he served as in-house legal counsel with Placer Dome Inc.

As of the date hereof, our directors and executive officers, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 3,593,090 common shares, representing approximately 4.6% of the issued common shares or 4,720,790 common shares, representing 6% assuming the exercise of their stock options.

Other Reporting Issuer Experience

The following tables set out information for the directors, officers and promoters of the Company that are, or have been within the five years prior to the date hereof, directors, officers or promoters of other reporting issuers. In the following tables, “TSX” means Toronto Stock Exchange, “TSX-V” means TSX Venture Exchange Inc., “OTCBB” means the OTC Bulletin Board, “NYSE-MKT” means the NYSE MKT LLC Amex stock exchange, “JSE” means the JSE Limited and “AIM” means Alternative Investment Market, London Stock Exchange.

Christopher Zahovskis - Director, President and Chief Executive Officer

Mr. Zahovskis is, or was within the past five years, an officer and/or director of the following public companies:

Company	Positions Held	Name of Market	From	To
Blue Note Mining Ltd.	Vice President, Operations	TSX-V	August 2006	January 2008
Minco Silver Inc.	Chief Operating Offering	TSX	July 2007	December 2009
Continental Minerals Corporation	Chief Operating Officer	TSX-V, OTCBB	March 2010	April 2011

Bryce Hamming – Chief Financial Officer

Mr. Hamming has not within the past five years been an officer and/or director of any other public companies.

Robert A. Dickinson - Chairman of the Board and Director

Mr. Dickinson is, or was within the past five years, an officer and/or director of the following public companies:

Company	Positions Held	Name of Market	From	To
Atlatsa Resources Corporation	Director	TSX-V, NYSE-MKT, JSE	October 2004	June 2009
	Chairman		April 2004	September 2004
	Co-Chairman		October 2004	June 2009
Amarc Resources Ltd.	Director	TSX-V, OTCBB	October 2004	June 2009
	Chairman		April 2004	September 2004
Continental Minerals Corporation	Director	TSX-V, OTCBB	June 2004	April 2011
	Chairman		June 2004	January 2006
	Co-Chairman		January 2006	December 2006
Curis Resources Ltd.	Director	TSX	November 2010	November 2012
	Chairman		November 2010	December 2010
Heatherdale Resources Ltd.	Director	TSX-V	November 2009	Present
Northern Dynasty Minerals Ltd.	Chairman	TSX, NYSE-MKT	August 2001	Present
	Director		November 1995	Present
Quartz Mountain Resources Ltd.	Chairman	TSX-V	January 2012	November 2012
	Director		January 2012	Present
Rathdowney Resources Ltd.	Chairman and Director	TSX-V	March 2011	December 2011
Taseko Mines Limited	Director	TSX, NYSE-MKT	January 1991	Present
	Chairman		April 2004	July 2005
	Co-Chairman		July 2005	May 2006

T. Barry Coughlan - Director

Mr. Coughlan is, or was within the past five years, an officer and/or director of the following public companies:

Company	Positions Held	Name of Market	From	To
Amarc Resources Ltd.	Director	TSX-V, OTCBB	February 2009	Present
Continental Minerals Corporation	Director	TSX-V, OTCBB	May 2006	December 2006
Creso Exploration (formerly Creso Resources Inc.)	Director	TSX-V	October 2007	October 2010
Farallon Mining Ltd. (formerly Farallon Resources Ltd.)	Director	TSX/NASDAQ	March 1998	January 2011
Great Basin Gold Ltd.	Director	TSX, NYSE-MKT	February 1998	Present
ICN Resources Ltd. (formerly Icon Industries Ltd.)	President, CEO, Director	TSX-V	September 1991	February 2010
Rathdowney Resources Ltd.	Director	TSX-V	March 2011	Present
Taseko Mines Limited	Director	TSX, NYSE-MKT	February 2001	Present
Quadro Resources Ltd.	President, CEO,	TSX-V	June 1986	Present

(formerly Tri-Gold Resources Corp.)	Director			
Quartz Mountain Resources Ltd.	Director	TSX-V	January 2005	December 2011
Vatic Ventures Corp.	Director	TSX-V	January 2011	Present

Scott D. Cousens – Director

Mr. Cousens is, or was within the past five years, an officer and/or director of the following public companies:

Company	Positions Held	Name of Market	From	To
Amarc Resources Ltd.	Director	TSX-V, OTCBB	September 1995	Present
Atlatsa Resources Corporation	Director	TSX-V, NYSE-MKT, JSE	September 1996	June 2009
Continental Minerals Corporation	Director	TSX-V, OTCBB	June 1994	April 2011
Farallon Mining Ltd.	Director	TSX	December 1995	April 2007
Heatherdale Resources Ltd.	Chairman and Director	TSX-V	November 2009	Present
Northern Dynasty Minerals Ltd.	Director	TSX, NYSE-MKT	June 1996	Present
Quartz Mountain Resources Ltd.	Director	TSX-V	November 2012	Present
Rockwell Diamonds Ltd.	Director	TSX, OTCBB	November 2000	November 2008
Taseko Mines Limited	Director	TSX, NYSE-MKT	October 1992	Present

Peter Mitchell - Director

Mr. Mitchell is, or was within the past five years, an officer and/or director of the following public companies:

Company	Positions Held	Name of Market	From	To
Northern Dynasty Minerals Ltd.	Director	TSX, NYSE-MKT	May 2011	Present
Taseko Mines Limited	CFO	TSX, NYSE-MKT	September 2008	Present

Darcy Rezac – Director

Mr. Rezac has not within the past five years been an officer and/or director of any other public companies.

Trevor R. Thomas – Corporate Secretary

Mr. Thomas is, or was within the past five years, an officer and/or director of the following public companies:

Company	Positions Held	Name of Market	From	To
Amarc Resources Ltd.	Corporate Secretary	TSX-V, OTCBB	February 2008	Present
Atlatsa Resources Corporation	Corporate Secretary	TSX-V, NYSE-MKT	November 2007	July 2011
Continental Minerals Corporation	Corporate Secretary	TSX-V	February 2008	April 2011
Farallon Mining Ltd.	Corporate Secretary	TSX	December 2007	January 2011
Heatherdale Resources Ltd.	Corporate Secretary	TSX-V	November 2009	September 2010
Northern Dynasty Minerals Ltd.	Corporate Secretary	TSX, NYSE-MKT	February 2008	Present
Rathdowney Resources Ltd.	Corporate Secretary	TSX-V	March 2011	Present
Rockwell Diamonds Inc.	Corporate Secretary	TSX, OTCBB	February 2008	September 2012
Taseko Mines Limited	Corporate Secretary	TSX, NYSE-MKT	July 2008	Present

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Company) that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as disclosed below, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially control of the Company, (i) is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

In September, 2012, Great Basin Gold Ltd. (“GBG”), a company for which Mr. T. Barry Coughlan was a director, filed for creditor protection under the Companies Creditors Arrangement Act (“CCAA”) in Canada, as well, GBG’s principal South African subsidiary Southgold Exploration (Pty) Ltd. (“Southgold”), filed for protection under the South African Companies Act business rescue procedures. The two insolvency proceedings were primarily caused by production ramp-up shortfalls at GBG’s newly opened Burnstone Mine due to unforeseen ground faulting and water control problems, combined with gold productions shortfalls at GBG’s Nevada Hollister trial mine. These production shortfalls cause a cash-flow deficiency which caused GBG and Southgold to default under certain term loan agreements with an aggregate value of approximately $200 million. The default of these term loan agreements in turn cause GBG to default under the terms of a class of listed debentures with an aggregate value of approximately $126 million in principal. The outcome of the insolvency proceedings insofar as the potential for financial recovery by creditors and shareholders of GBG is not yet ascertainable.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of the Company’s knowledge there are no known existing or potential material conflicts of interest among the Company and the Company’s directors, officers or other members of management, as a result of their outside business interests except that certain of our directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to us and their duties as a director or officer of such companies. In the event of such a conflict of interest, the Company will follow the requirements and procedures of applicable corporate and securities legislation and applicable exchange policies, including the relevant provisions of the BCBCA.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the directors or senior officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any material transactions of the Company other than as set out herein.

Hunter Dickinson Services Inc. ("HDSI"), a private company, has power to participate in the financial or operating policies of the Company. Several directors and other key management personnel of HDSI, who are close business associates, are also key management personnel of the Company. Pursuant to a Services Agreement between the Company and HDSI dated July 2, 2010, the Company receives geological, engineering, corporate development, administrative, management and shareholder communication services from HDSI. HDSI also incurs third party costs on behalf of the Company. Costs for services rendered by HDSI to the Company and the reimbursement of third party costs to HDSI during the year were $2,881,334 (2011 — $2,634,786) and $405,650 (2011 — $294,312), respectively. As at October 31, 2012, the amount of deposit paid to HDSI in excess of services rendered and reimbursement of third party costs was $245,448 (October 31, 2011 — $203,955). As at October 31, 2012, the amount of prepayment to HDSI in relation to director and officer services was $110,000 (October 31, 2011 — $124,167).

TRANSFER AGENTS AND REGISTRAR

The Company's transfer agent and registrar is Computershare Investor Services Inc. at its principal offices in Vancouver, British Columbia.

MATERIAL CONTRACTS

The following are the only material contracts, other than those contracts entered into in the ordinary course of business, which we have entered into within the financial year ended October 31, 2012 or before such time that is still in effect:

1. the Pooling Agreement; and

2. the Joint Venture Interest Purchase Agreement dated May 9, 2012 between Northcliff and Geodex pursuant to which Northcliff acquired the remaining 30% interest of Geodex in the Sisson Project

INTERESTS OF EXPERTS

David W. Rennie, P.Eng., is named as having prepared a report in the AIF either directly or in a document incorporated by reference and whose profession or business gives authority to the report made by him.

The Company's auditors Devisser Gray have issued an auditor's report for the Company's financial statements for the year ended October 31, 2012.

To the Company's knowledge, none of named experts (or partners and associates thereof) or individuals holds, directly or indirectly, any of the Company's issued and outstanding common shares.

ADDITIONAL INFORMATION

Additional information relating to the Company, including additional financial information contained in the audited financial statements and the Management Discussion and Analysis for the year ended October 31, 2012 and directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans contained in the Company's Information Circular dated April 26, 2012, can be found on SEDAR at www.sedar.com.

INFORMATION CONCERNING THE COMPANY'S AUDIT AND RISK COMMITTEE AND EXTERNAL AUDITOR

The Audit and Risk Committee's Duties and Charter

The Board has adopted a charter for the Audit and Risk Committee to follow in carrying out its audit and financial review functions. The text of the Audit and Risk Committee charter is attached as Appendix A to this AIF. The Audit and Risk Committee Charter is included in the Company's Corporate Governance Policies and Procedures Manual, which is publicly available on the Company's website at www.northcliffresources.com. The Audit and Risk Committee reviews all financial statements of the Company prior to their publication, reviews audits, considers the adequacy of audit procedures, recommends the appointment of independent auditors, reviews and approves the professional services to be rendered by them and reviews fees for audit services. The Audit and Risk Committee meets separately (without management present) with the Company's auditors to discuss the various aspects of the Company's financial statements and the independent audit.

The Company has adopted a code of ethics that applies to all personnel of the Company. A copy of the code of ethics is attached as Appendix B to this AIF. The code of ethics is included in the Company's Corporate Governance Policies and Procedures Manual, which is available on the Company's website at www.northcliffresources.com.

Composition of the Audit Committee

The Audit and Risk Committee is currently composed of three directors: T. Barry Coughlan, Peter Mitchell and Darcy Rezac. Each of these individuals is "independent" and financially literate within the meaning of National Instrument 52-110 of the Canadian Securities Administrators.

Relevant Education and Experience

Disclosure respecting the education and experience of the Audit and Risk Committee is provided in their biographies above. As a result of their education and experience, each member of the Audit and Risk Committee has familiarity with, an understanding of, or experience in:

- the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- reviewing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, and
- internal controls and procedures for financial reporting.

Pre-Approval Policies and Procedures

From time to time, management of the Company recommends to and requests approval from the Audit and Risk Committee for audit and non-audit services to be provided by the Company's auditors. The Audit and Risk Committee routinely considers such requests at committee meetings, and if acceptable to a majority of the Audit and Risk Committee members, pre-approves such audit and non-audit services by a resolution authorizing management to engage the Company's auditors for such non-audit services, with set maximum dollar amounts for each itemized service. During such deliberations, the Audit and Risk Committee assesses, among other factors, whether the non-audit services requested would be considered "prohibited services" as contemplated by the US Securities and Exchange Commission, and whether the non-audit services requested and the fees related to such services could impair the independence of the auditors.

External Auditor Service Fees

The following table disclosed the aggregate fees billed for each of the last two fiscal years for professional services rendered by the Company's audit firm for various services.

Services	Year ended October 31, 2012	Year ended October 31, 2011
Audit Fees(1)	$26,900	$51,800
Audit-Related fees(2)	$0	$0
Tax Fees(3)	$0	$0
All Other Fees(4)	$0	$0
TOTAL	$26,900	$51,800

Note:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit–Related Fees" include services that are traditionally performed by the auditor. These audit related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

APPENDIX A – AUDIT AND RISK COMMITTEE CHARTER

1. Purpose: Responsibilities and Authority

The Audit and Risk Committee (the Audit Committee" or "Committee") shall carry out its responsibilities under applicable laws, regulations and stock exchange requirements with respect to the employment, compensation and oversight of the Company's independent auditor, and other matters under the authority of the Committee. The Committee also shall assist the Board of Directors in carrying out its oversight responsibilities relating to the Company's financial, accounting and reporting processes, the Company's system of internal accounting and financial controls, the Company's compliance with related legal and regulatory requirements, and the fairness of transactions between the Company and related parties. In furtherance of this purpose, the Committee shall have the following responsibilities and authority:

(a) Relationship with Independent Auditor

(i) Subject to the law of British Columbia as to the role of the Shareholders in the appointment of independent auditors, the Committee shall have the sole authority to appoint or replace the independent auditor.

(ii) The Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.

(iii) The independent auditor shall report directly to the Committee.

(iv) The Committee shall approve in advance all audit and permitted non-audit services with the independent auditor, including the terms of the engagements and the fees payable; provided that the Committee Chairman may approve services to be performed by the independent auditor between Committee meetings if the amount of the fee does not exceed $50,000, provided that any such approval shall be reported to the Committee at the next meeting thereof. The Committee may delegate to a subcommittee the authority to grant pre-approvals of audit and permitted non-audit services, provided that the decision of any such subcommittee shall be presented to the full Committee at its next scheduled meeting.

(v) At least annually, the Committee shall review and evaluate the experience and qualifications of the lead partner and senior members of the independent auditor team.

(vi) At least annually, the Committee shall obtain and review a report from the independent auditor regarding:

(1) the independent auditor's internal quality-control procedures;

(2) any material issues raised by the most recent internal quality-control review, or peer review, of the auditor, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm;

(3) any steps taken to deal with any such issues; and

(4) all relationships between the independent auditor and the Company.

(vii) At least annually, the Committee shall evaluate the qualifications, performance and independence of the independent auditor, including considering whether the auditor’s quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor’s independence.

(viii) The Committee shall ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit, the concurring partner responsible for reviewing the audit, and other audit partners as required by law.

(ix) The Committee shall consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditing firm on a regular basis.

(x) The Committee shall recommend to the Board policies for the Company’s hiring of employees or former employees of the independent auditor who were engaged on the Company’s account or participated in any capacity in the audit of the Company.

(xi) The Committee shall oversee the implementation by management of appropriate information technology systems for the Company, including as required for proper financial reporting and compliance.

(b) Financial Statement and Disclosure Review

(i) The Committee shall review and discuss with management and the independent auditor the annual audited financial statements, including disclosures made in management’s discussion and analysis, and recommend to the Board whether the audited financial statements should be filed with applicable securities regulatory authorities and included in the Company’s annual reports.

(ii) The Committee shall review and discuss with management (and, to the extent the Committee deems it necessary or appropriate, the independent auditor) the Company’s quarterly financial statements, including disclosures made in management’s discussion and analysis, and recommend to the Board whether such financial statements should be filed with applicable securities regulatory authorities.

(iii) The Committee shall review and discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Company’s financial statements, including the independent auditor’s assessment of the quality of the Company’s accounting principles, any significant changes in the Company’s selection or application of accounting principles, any major issues as to the adequacy of the Company’s internal controls over financial reporting, and any special steps adopted in light of material control deficiencies.

(iv) At least annually and prior to the publication of annual audited financial statements, the Committee shall review and discuss with management and the independent auditor a report from the independent auditor on:

(1) all critical accounting policies and practices used by the Company;

(2) all alternative accounting treatments of financial information that have been discussed with management since the prior report, ramifications of the use of such alternative disclosures and treatments, the treatment preferred by the independent auditor, and an explanation of why the independent auditor's preferred method was not adopted; and.

(3) other material written communications between the independent auditor and management since the prior report, such as any management letter or schedule of unadjusted differences, the development, selection and disclosure of critical accounting estimates, and analyses of the effect of alternative assumptions, estimates or GAAP methods on the Company's financial statements.

(v) Prior to their filing or issuance, the Committee shall review the Company's Annual Information Form, quarterly and annual earnings press releases, and other financial press releases, including the use of "pro forma" or "adjusted" non-GAAP information.

(vi) The Committee shall review and discuss with management the financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be specific or it may be in general regarding the types of information to be disclosed and the types of presentations to be made.

(c) Conduct of the Annual Audit

The Committee shall oversee the annual audit, and in the course of such oversight the Committee shall have the following responsibilities and authority:

(i) The Committee shall meet with the independent auditor prior to the audit to discuss the planning and conduct of the annual audit, and shall meet with the independent auditor as may be necessary or appropriate in connection with the audit.

(ii) The Committee shall ascertain that the independent auditor is registered and in good standing with the Canadian Public Accounting Board and that the independent auditor satisfies all applicable independence standards. The Committee shall obtain from the auditor a written statement delineating all relationships between the auditor and the Company as per applicable independence standards, and review relationships that may impact the objectivity and independence of the auditor.

(iii) The Committee shall discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit, including

(1) the adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the independent auditor, internal auditors or management;

(2) the management letter provided by the independent auditor and the Company's response to that letter; and

(3) any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

(iv) The Committee shall make such inquiries to the management and the independent auditor as the Committee members deem necessary or appropriate to satisfy themselves regarding the efficacy of the Company's financial and internal controls and procedures and the auditing process.

(d) Compliance and Oversight

(i) The Committee shall meet periodically with management and the independent auditor in separate executive sessions. The Committee may also, to the extent it deems necessary or appropriate, meet with the Company's investment bankers and financial analysts who follow the Company.

(ii) The Committee shall discuss with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.

(iii) The Committee shall discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies, and regularly review the top risks identified by management and the policies and practices adopted by the Company to mitigate those risks.

(iv) If required, the Committee shall annually review with management and the independent auditor the disclosure controls and procedures and confirm that the Company (with CEO and CFO participation) has evaluated the effectiveness of the design and operation of the controls within 90 days prior to the date of filing of the AIF. The Committee also shall review with management and the independent auditor any deficiencies in the design and operation of internal controls and significant deficiencies or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls. As a part of that review, the Committee shall review the process followed in preparing and verifying the accuracy of the required CEO and CFO annual certifications.

(v) If required, the Committee shall annually, prior to the filing of the AIF, review management's internal control report and the independent auditor's assessment of the internal controls and procedures.

(vi) The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

(vii) The Committee shall discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or reports which raise material issues regarding the Company's financial statements or accounting policies.

(viii) At least annually, the Committee shall meet with the Company’s legal counsel and discuss any legal matters that may have a material impact on the financial statements or the Company’s compliance policies.

(ix) The Committee shall oversee the preparation of reports relating to the Audit Committee as required under applicable laws, regulations and stock exchange requirements.

(x) The Committee shall exercise oversight with respect to anti-fraud programs and controls.

(e) Related Party Transactions

(i) The Committee shall review for fairness to the Company proposed transactions, contracts and other arrangements between the Company and its subsidiaries and any related party or affiliate, and make recommendations to the Board whether any such transactions, contracts and other arrangements should be approved or continued. The foregoing shall not include any compensation payable pursuant to any plan, program, contract or arrangement subject to the authority of the Company’s and Compensation Committee.

(ii) As used herein the term “related party” means any officer or director of the Company or any subsidiary, or any shareholder holding a greater than 10% direct or indirect financial or voting interest in the Company, and the term “affiliate” means any person, whether acting alone or in concert with others, that has the power to exercise a controlling influence over the Company and its subsidiaries. "Related party" includes Hunter Dickinson Services Inc.

2. Structure and Membership

(a) **Number and qualification**. The Committee shall consist of three persons unless the Board should from time to time otherwise determine. All members of the Committee shall meet the experience and financial literacy requirements of National Instrument NI 52-110 and the rules of the Toronto Stock Exchange.

(b) **Selection and Removal**. Members of the Committee shall be appointed by the Board, upon the recommendation of the Nominating and Corporate Governance Committee. The Board may remove members of the Committee at any time with or without cause.

(c) **Independence**. The Committee shall be in compliance with the appropriate securities or exchange independence requirements, except in the instance of director transition or resignation where the Committee and/or the board will seek to meet independence requirements at the earliest opportunity. At a minimum, a majority of the members of the Committee shall be “independent” as determined under the Company’s Corporate Governance Overview and Guidelines.

(d) **Chair**. Unless the Board elects a Chair of the Committee, the Committee shall elect a Chair by majority vote.

(e) **Compensation**. The compensation of the Committee shall be as determined by the Board.

(f) **Term**. Members of the Committee shall be appointed for one-year terms. Each member shall serve until his or her replacement is appointed, or until he or she resigns or is removed from the Board or the Committee.

3. Procedures and Administration

(a) **Meetings**. The Committee shall meet as often as it deems necessary in order to perform its responsibilities, but not less than quarterly. The Committee shall keep minutes of its meetings and any other records as it deems appropriate.

(b) **Subcommittees**. The Committee may form and delegate authority to one or more subcommittees, consisting of at least one member, as it deems appropriate from time to time under the circumstances.

(c) **Reports to the Board**. The Committee shall regularly report to the Board with respect to such matters as are relevant to the Committee's discharge of its responsibilities, and shall report in writing on request of the Chairman of the Board.

(d) **Charter**. The Committee shall, at least annually, review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

(e) **Independent Advisors**. The Committee shall have the authority to engage such independent legal and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be regular advisors to the Company. The Committee is empowered, without further action by the Board, to cause the Company to pay appropriate compensation to advisors engaged by the Committee.

(f) **Investigations**. The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it deems appropriate, including the authority to request any Officer or other person to meet with the Committee and to access all Company records.

(g) **Annual Self-Evaluation**. The Committee shall evaluate its own performance at least annually.

4. Additional Powers

The Committee shall have such other duties as may be delegated from time to time by the Board of Directors.

5. Limitation of Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with GAAP and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

6. Committee Member Independence and Financial Literacy Requirements

A. Independence

(a) See Appendix 2 of the Company's Corporate Governance Overview and Guidelines.

B. Financial Literacy

NI 52-110

Section 3.1(4) states that each audit committee member must be financially literate.

Section 1.6 defines the meaning of financial literacy as follows:

"For the purposes of this Instrument, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements"

APPENDIX B – CODE OF ETHICS AND TRADING RESTRICTIONS

Introduction

The Company's policy is to conduct its business in accordance with the highest ethical and legal standards. To assist the Company in achieving this policy, the Board of Directors has adopted this Code of Ethics and Trading Restrictions. The Code is designed to deter wrongdoing and to promote:

(1) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest;

(2) Full, fair, accurate, timely and understandable disclosure in reports and documents that the Company submits to regulatory authorities and communicates to the public;

(3) Compliance with applicable governmental laws and regulations;

(4) Prompt internal reporting of violations of the Code to appropriate persons identified in the Code; and

(5) Accountability for adherence to the Code.

The Code applies to all employees, officers, and directors of the Company and its subsidiaries. Because Hunter Dickinson Services Inc. ("HDSI") employees and officers provide substantial services to the Company, the Code also applies to all employees, officers and directors of HDSI with respect to their activities relating to the Company. Depending on the circumstances, it may also apply to agents and other representatives of the Company. ("You" as used in this Code refers to all such persons, as appropriate.) In addition to your complying with the Code, it is your responsibility to prevent others from violating these standards if you are in a position to do so. If you are not in a position to do so, it is your responsibility to bring the matter to the attention of a member of senior management who is in a position to take appropriate action, or to the attention of an independent member of the Board of Directors.

1. Avoiding Questionable or Illegal Practices

The Company's policy is to comply with all laws and regulations that apply to its business, and to avoid any activity that may be regarded as questionable or unethical. Fraudulent, illegal or unethical acts will not be tolerated. No action that would otherwise be questionable is permissible simply because it is customary in a particular location or business.

If you are confronted with a situation that raises an issue under this policy, ask yourself these questions:

- Is the life, health or safety of anyone, or the environment, endangered by the action?
- Is it legal?
- Does it feel honest, fair and ethical?
- Does it compromise anyone's trust or integrity?

- Would the public disclosure of the activity in any way be embarrassing to you, the Company or any other affected employees?

You should be sufficiently familiar with any laws and regulations and Company policies and procedures that apply to your area of work and responsibility. That will permit you to recognize possible breaches and to know when to seek advice. If in doubt, you should discuss the matter with a member of senior management.

2. Honesty and Fair Dealing

When representing the Company, it is important that you deal honestly and fairly with the Company's joint venture partners, suppliers, customers, professional advisors, competitors, other employees, and anyone else with whom you have contact in the course of performing your job. You should not take any advantage of anyone through actions such as manipulation, concealment, misappropriation or abuse of confidential information, falsification, misrepresentation of material facts, undue influence or any other unfair dealing practice. You also should not give any advantage to anyone for reason of personal relationship, personal benefit or other reasons not involving the best interest of the Company.

3. Policy to Prevent the Corruption of Foreign Public Officials

Both Canada and the United States have laws making it illegal to corrupt officials of foreign governments or to engage in certain related acts. In Canada, the law is entitled *Corruption of Foreign Public Officials Act* and in the United States the law is entitled *Foreign Corrupt Practices Act*. In the discussion that follows, we have always adopted the more stringent requirement of the two laws.

(a) Persons to Whom the Laws Apply. Both laws apply to the Company and its subsidiaries; their employees, officers and directors; and their agents and representatives. For these purposes, action by a foreign agent or representative is the equivalent of action by the Company.

The laws may apply in whole or in part to foreign companies and joint ventures if a U.S. or Canadian company controls the foreign company or joint venture or otherwise authorizes, directs or participates in activity by the foreign company or joint venture. Deciding whether activities of a foreign company or joint venture are authorized, directed or participated in by the Company in any particular instance will be an uncertain exercise with uncertain results. In addition, allegations of illegal conduct by any company or joint venture in which the Company has a significant interest can only cause damage to the reputation of the Company. For this reason, you should assume that any action of any foreign companies and joint ventures in which the Company has a significant interest, including the actions of the employees and agents of such foreign companies and joint ventures, will be attributable to the Company.

(b) Prohibition. The laws make it illegal to offer or provide money or anything of value for the personal benefit of (i) any foreign government official or any official of a public international organization (such as the International Monetary Fund, regional development banks or other multilateral organizations) or (ii) any foreign political party or its officials or any political candidate for the purpose of: influencing that official in the exercise of his or her duties (or non-exercise of those duties); having any such person influence foreign government activity; or otherwise securing an improper advantage for the purpose of aiding the Company in obtaining, retaining or directing business. The laws may be violated if the Company knows, or if it should have been obvious to the Company, that the payments were made for an illegal purpose.

The laws also apply to indirect payments, *i.e.*, where the Company offers or provides money or anything of value to any person with the knowledge that the person will make a payment to a foreign government official, official of a public international organization, foreign political party or its officials, or any political candidate for such a prohibited purpose.

The laws also make it illegal to possess property or proceeds from property known to have been obtained as a result of the bribery of a public official or to "launder" (*i.e.*, deal with intent to conceal) property or proceeds from property obtained as a result of the bribery of a public official.

Foreign government-owned corporations and other instrumentalities are generally treated as if they are governments, and their employees, officers and directors are treated as government officials.

(c) Exception to Prohibition. There is an exception in the laws for "facilitating payments." "Facilitating payments" are payments made to expedite routine governmental action that does not involve obtaining, retaining or directing business. Example include payments to (i) secure processing of papers such as visas, work orders and permits, (ii) induce customs officials to process legally transmitted goods, (iii) obtain police protection, (iv) obtain installation and maintenance of utility connections, and (v) induce minor government functionaries (government employees without discretionary authority over a project or transaction) to complete their jobs in the manner required and where the situation does not involve the securing of business.

There are three additional exceptions:

- It is an affirmative defence if it can be shown that the payment was legal under the written laws and regulations of the foreign country. As an example, in some foreign countries, the Company may be required by law to hire as an agent a national of that country who also is connected to the government of that country in some way or other.

- It also is an affirmative defence if it can be shown that the payment was a reimbursement of travel, lodging and other reasonable and bona fide expenses directly related to the business promotion, demonstration or explanation of the Company's business, or the execution or performance of a contract with the foreign government. As an example, payment of the travel expenses of a foreign government official to visit one of our mines, as a part of an effort to promote the Company in that country, would fit into this category.

- Unconditional gifts having nominal value, when made openly and as a social amenity, or as a token of esteem, regard or gratitude in accordance with local custom, generally will not be regarded as a bribe.

(d) Company Policy. The Company's policy is firm and unconditional. Under no circumstances will the Company ever pay a bribe prohibited by the laws. If you are ever solicited for such a bribe, or if you become aware of any instance where any Company employee, officer, director, agent or representative of the Company or its subsidiaries or its joint ventures proposes to offer such a bribe or is otherwise involved in such illegal activity, you are to report the matter to your immediate superior, or directly to the CEO or CFO of the Company. Any employee, officer, director, agent or representative who participates in any scheme to pay such an illegal bribe will be terminated immediately.

With respect to payments that fall within the exceptions noted above:

- No “facilitating payments” may be made without the prior written approval of the CEO.

- No payment that would otherwise be an illegal bribe may be made on the basis that it is legal under the written laws and regulations of the foreign country without the prior written approval of the CEO.

- No payment that would otherwise be an illegal bribe may be made on the basis that it is a reimbursement of travel, lodging or other reasonable and bona fide expenses directly related to the business promotion, demonstration or explanation of the Company’s business or the execution or performance of a contract with the foreign government without the prior written approval of the CEO.

- With respect to unconditional gifts of nominal value made openly and as a social amenity, or as a token of esteem, regard or gratitude in accordance with local custom, the CEO will establish a monetary limit on the value of any such gift. Any gifts with a value in excess of that limit must be approved in advance by the CEO.

(e) Accounting Requirements. The Company and its affiliated foreign companies and joint ventures must:

- Keep financial records which, in reasonable detail, accurately and fairly reflect transactions; and

- Maintain a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management authorization, (ii) transactions are properly recorded as needed to permit preparation of financial statements and to maintain accountability for assets, (iii) all assets are recorded on the books of the Company and access to assets is only permitted in accordance with management authorization, and (iv) periodic auditing is done at reasonable intervals and action is taken to resolve discrepancies.

As an example, the accounting provisions require that the Company properly record “facilitating payments” as such and prohibit their characterization in some other form. The accounting provisions also prohibit the Company from maintaining off-record cash “slush” funds or cash that may be accessed without senior management authorization.

(f) Things to Look For. The following is a list of “red flags” that may indicate the possible existence of corrupt practices:

- Foreign agent with a poor reputation or with links to the government.

- Unusually large commission payments or commission payments where the agent does not appear to have provided significant services.

- Cash payments, or payments without paper trail or compliance with normal internal controls.

- Unusual bonuses to foreign personnel for which there is little support.

- Payments to third country accounts.

4. Corporate Opportunities and Duty of Loyalty

You have a duty of loyalty to the Company, which includes a duty to advance the Company's legitimate interests when the opportunity to do so arises. Accordingly, you may not use your position or the Company's name, property, information or good will for personal gain or for the gain of others. You are further prohibited from taking advantage of an opportunity that is discovered through the use of any corporate property, information, contacts or your position with the Company. All such opportunities, actual or perceived, should be reported to your immediate supervisor.

Business opportunities that come to the employees, officers and directors of HDSI are dealt with in accordance with the Service Agreement between the Company and HDSI. The Audit and Risk Committee of the Board of Directors is charged with the responsibility of reviewing relationships with HDSI, and it will consider such matters as a part of its periodic review of the relationship. Directors of the Company who are also directors of HDSI nevertheless have an overriding fiduciary duty to the Company that is governed by Canadian law.

Outside directors of the Company may have a variety of other business relationships involving duties of loyalty. In addition, outside directors do not, as a general matter, have the same obligation as officers and employees to bring corporate opportunities to the Company. For these reasons, the Code does not apply to outside directors of the Company with respect to issues involving duties of loyalty or corporate opportunities and such issues, to the extent they arise, are to be resolved directly with the Board of Directors.

5. Avoiding Conflicts of Interest

A conflict of interest occurs when your private interests, or the private interests of your family, interfere, or appear to interfere, in any way with the best interests of the Company. For these purposes, "family" would generally include your parents and grandparents, spouse, children and grandchildren, siblings, in-laws and other persons who share a residence with you or another member of your family. You must take care to avoid any direct or indirect involvement or understanding that might result in such a conflict or create the appearance of such a conflict. Whether a situation involves a conflict of interest depends on all of the circumstances. Generally, the Company would not consider it a conflict of interest if an employee's brother or sister were an officer of a competitor. However, the Company would consider it a conflict of interest if a Company employee in charge of procurement were to purchase products or services from a company owned by the employee's brother or sister or from a company owned by a close personal friend of the employee. The following are examples of conflict of interest situations which generally must be avoided or which may raise a question:

- Acting as an employee, officer or director of, or a consultant to, a competitor or potential competitor of the Company;

- Having a financial interest in or loan from a business which is a joint venture partner, optionor or optionee, competitor, customer or supplier of the Company or which otherwise does business with the Company (an investment in the securities of a publicly traded company normally would not be considered to present a conflict of interest unless it represented a material part of your savings);

- Placing of Company business with any other company that is directly or beneficially owned or controlled by you or by members of your family.

Some conflicts are clear-cut; others are less obvious. In addition, there may be circumstances where it is necessary or in the best interests of the Company to have a business relationship with a business or company in which an employee or officer, or his or her family, may have an interest. For example, where Company operations are in a remote location, it may be necessary from time to time to enter into a business relationship with a business controlled by an employee's family members. For these reasons, you must fully disclose to your supervisor, the CEO or the CFO all circumstances that could be perceived as involving a conflict of interest between the Company and you or members of your family. Full disclosure enables the Company to resolve unclear situations and to ethically handle conflicts of interest before any difficulty can arise. To the extent a conflict of interest cannot be avoided in a reasonable fashion, the appropriate procedures will be put in place to ensure that there is full disclosure and to minimize the involvement of the conflicted individuals in the relationship giving rise to the conflict.

The Company recognizes that there is a potential for a conflict of interest inherent in the Company's relationship with HDSI. The Board of Directors believe that the Company derives substantial benefits on a cost-effective basis from its continuing relationship with HDSI. The Audit and Risk Committee of the Board of Directors will periodically (not less than annually) review the service agreement with HDSI and transactions under such agreement to confirm the fairness to the Company.

Outside directors of the Company are not expected to devote their time and effort solely on behalf of the Company, and they may have a variety of other business relationships that could give rise to a conflict of interest. Any such potential conflicts of interest are not subject to the Code and are to be resolved directly with the Board of Directors.

6. Giving or Accepting Gifts

The giving or accepting of gifts can adversely affect the Company's reputation for fair dealing and also create conflicts of interest. You should avoid:

- Giving or offering to give any gift, favour, entertainment, reward, or any other thing of value that might influence or appear to influence the judgment or conduct of the recipient in the performance of his or her job. This includes transactions with government personnel, customers and suppliers. Such action may damage the Company's reputation for fair dealing and may be illegal.

- Accepting or soliciting a gift, favour, or other thing of value that is intended to, or might appear to, influence your decision-making or professional conduct. In addition to damaging the Company's reputation for fair dealing, receipt of such gifts could interfere with your ability to make judgments solely in the best interest of the Company, and thus create the appearance of a conflict of interest.

You may give or receive unsolicited gifts or entertainment only in cases where the gifts or entertainment are of nominal value, are customary to the industry, will not violate any laws, and will not influence nor appear to influence the recipient's judgment or conduct.

7. Outside Activities

Outside activities must not conflict with the proper performance of your duties.

(a) Other Business Activity. Full-time employees and officers are expected to devote substantial effort and attention to the furtherance of the Company's business. In the usual case, this would make it difficult for you to properly perform your duties while also being engaged in other business ventures. For this reason, you may not serve as the proprietor, general partner, officer or director of any other business without first obtaining the written consent of the CEO or CFO. In the case of family owned businesses, the CEO or CFO will normally grant such consent if he or she is satisfied that the involvement in the family business will not conflict with your duties and will not involve any conflict with the interests of the Company. In addition, the CEO may grant consent to an officer or employee serving as a member of the board of directors of another company in special circumstances. (The Board of Directors will consider any proposal for the CEO or the CFO of the Company to serve on the board of another entity, other than not-for-profit entities or family businesses that in no material way compete with the Company or do any material business with the Company.)

This policy does not apply to employees or officers who are also employees or officers of HDSI with respect to services performed by them for other companies.

(b) Professional Associations and Charitable Organizations. The Company encourages employees and officers to participate in geological, engineering and other professional associations and activities that do not conflict with their duties for the Company and do not involve conflicts of interest. The Company also encourages officers and employees to participate in charitable organizations and activities. However, you should consult with the CEO or CFO before you undertake any such outside activities requiring a substantial amount of time. In addition, you should not accept a position as an officer or director of a professional or charitable organization without prior consultation with the CEO or CFO, so that they can be satisfied that your activity on behalf of such organizations cannot be attributed to the Company.

(c) Political and Government Affairs. No Company contributions may be made, directly or indirectly, to any election or issue campaign in any jurisdiction or circumstance that would be unlawful. Corporate contributions may be made in appropriate cases where and when permitted by applicable law, but only with the approval of the CEO. Use of Company equipment, supplies or facilities to support any political party, candidate or campaign, as well as employee activity during normal business hours, may constitute a political contribution. You may not engage in any such activity where it involves Company equipment, supplies or facilities or activity during normal business hours without the prior approval of the CEO. In addition, no action which presents, or may appear to present, the position of the Company with respect to any political or governmental matter may be taken without the prior approval of the CEO.

The Company encourages employees and officers, as individuals, to take part in political and governmental affairs to the extent that such activity does not interfere with the proper performance of their duties or involve the use of Company assets or a conflict of interest. However, if you wish to run for public office or hold an appointed public position, you must confer with the CEO and counsel for the Company to ensure that the proposed activity is consistent with your duties to the Company and does not involve a conflict of interest.

The outside directors of the Company are not expected to devote their full time and effort solely on behalf of the Company and accordingly this policy does not apply to them.

8. Accounting and Recordkeeping, Internal Accounting Controls and Auditing Matters

Many employees of the Company, not just accountants and controllers, participate in the financial control and reporting processes of the Company. If you have ANY responsibility for any aspect of the Company's financial activities (for example: processing or approval of payments; creation, processing or approval of invoices and credit memos; payroll and benefits decisions; approval of expense reports and other transactions; the estimation of financial reserves or other claims or the amount of any accrual of deferral; or the recording of any of the foregoing in the Company's records) and/or the preparation of the Company's financial statements or other financial reports, you must ensure your involvement complies with complete and accurate procedures as per established Company practice.

(a) Accounting and Recordkeeping. You may not maintain funds or assets for any improper purposes or make false or misleading statements in any Company documents, reports or records. No undisclosed or unrecorded accounts may be established using the Company's funds or other assets. All accounting records and the financial reports produced from those records must be kept and presented in accordance with applicable law, must accurately and fairly reflect in reasonable detail the Company's assets, liabilities, revenue and expenses and, where applicable, must be in accordance with generally accepted accounting principles.

Transactions must be supported by accurate and reasonably detailed documentation and recorded in the proper account. Best efforts are to be made to record transactions in the proper accounting time period. To the extent that estimates are necessary, they must be based on your good faith judgment and be supported by appropriate documentation. No payment or the related accounting entry may be approved or made with the intention or understanding that any part of the payment will be used for any purpose other than that described by the document supporting the entry or payment.

(b) Internal Accounting Controls. Internal accounting controls have been established to provide reasonable assurances that (i) transactions are executed in accordance with management authorization, (ii) transactions are properly recorded as needed to permit preparation of financial statements and to maintain accountability for assets, (iii) all assets are recorded on the books of the Company and access to assets is only permitted in accordance with management authorization, and (iv) periodic auditing is done at reasonable intervals and action is taken to resolve discrepancies. You must comply with all internal control requirements and ensure that no action is taken to avoid the internal controls requirements.

(c) Auditing. The Company employs a firm of independent chartered accountants to audit the Company's annual financial statements. The annual audit has a number of purposes, including (i) compliance with regulatory requirements, (ii) providing an independent assessment of whether the Company's financial statements fairly present the financial condition, results of operations and cash flow of the Company, (iii) assessment of the accounting principles used and significant estimates made by the Company in preparing its financial statements, and (iv) assessment of the Company's system of internal controls over financial reporting as required by applicable law and regulatory policies. Each employee is responsible for providing whatever assistance may be required by the auditors. If you receive inquiries from the Company's independent accountants, you must respond promptly, fully and accurately.

If you have any concerns as to weaknesses in the Company's accounting system or in the Company's internal controls; or if you believe that any instances of fraud,* or incorrect or questionable accounting practices may have occurred; or if you believe that any instances of fraudulent, incorrect or questionable practices may have occurred in connection with the annual audit of the Company's financial statements, you should consult with your immediate supervisor or with the Company's CEO or CFO. Alternatively, you may contact the Audit and Risk Committee of the Board of Directors using the procedures outlined below under the heading "Reporting of Possible Violations or Other Questionable Practices - Procedures to Submit a Report." Those procedures include a procedure for confidential, anonymous submission of concerns.

9. Use of Company Property

You are entrusted with the care, management and cost-effective use of the Company's property and you are not to make use of these resources for your own personal benefit or for the personal benefit of anyone else. Passwords are to be kept confidential and use of the computer systems is limited to authorized business purposes, although occasional personal use of the internet, e-mail and voice mail will normally be permitted unless your supervisor believes that this privilege is being abused.

However, in order to protect the Company's interests - including for example, to ensure that the Company's computers and voice mail are not being used for improper purposes, such as sexual harassment - the Company reserves the right to review the contents of the Company's computers, its e-mail system, and its voice mail system. No employee has a right of personal privacy with respect to information that is placed in the Company's computers, the e-mail system, or the voice mail system.

You are responsible to ensure that all Company property assigned to you is maintained in good condition, and you should be able to account for such equipment. Any disposition of Company property should be for the benefit of the Company and not for personal benefit.

Company letterhead stationery is to be used only for correspondence related to the Company's business. Do not use it for personal correspondence or charitable solicitation.

You are to return all documents and property in your possession upon termination of your employment for any reason.

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*For purposes of the Code, "fraud" includes any deliberate misstatements or omissions in connection with preparation or reporting (internal or external) of financial and/or operating information about the Company, whether or not material and without regard to whether the employee receives any personal benefit.

10. Proprietary Information

We want our employees to be well informed about our business, our plans for the future, and the successes and challenges we have along the way. In return for this openness, the Company places trust in its employees to maintain the confidentiality of our proprietary information without need for court orders or other legal requirement.

You are to take all reasonable measures to protect the confidentiality of proprietary information obtained or created by you, or otherwise made known to you, in connection with your activities on behalf of the Company. In addition, you must use proprietary information only for the Company's legitimate business purposes, and not for your personal benefit or the benefit of anyone else.

To provide the Company with reasonable protection against unauthorized disclosure or unauthorized use of its proprietary information, all employees are required to sign an employment agreement prior to their start with the Company that includes provisions addressing confidentiality. These agreements state in part that the Company retains exclusive ownership of all project information and opportunities arising out of employment or consulting relationships and any information pertaining to the exploration plans of the Company.

For these purposes, "proprietary information" means information developed or secured for use of the Company in its business, where that information is not generally known to or otherwise readily available to the public and members of our industry. Proprietary information includes, without limitation:

- The Company's ideas, discoveries, projects, data, contact information and production processes

- Information concerning actual or projected expenditures, corporate transactions, earnings or operating results or business transactions that has not been disclosed by the Company.

- Investor lists, relationships with consultants, contracts, business plans and strategies.

- Personnel information.

It is your responsibility to know what information is proprietary and ensure that you use and disclose it only in the performance of your duties with the Company. If you are unsure, consider the information to be confidential until you obtain clarification.

If your employment terminates, you will continue to be bound to your obligations of confidentiality to the maximum extent permitted by law.

11. Outside Ideas

The purpose of this policy is to avoid the risk of allegation of unauthorized use or disclosure of another person's proprietary rights, ideas or information.

When an idea, prospect, opportunity, or other confidential or proprietary information is submitted to the Company by an outsider, care must be taken to ensure that the outsider signs an agreement defining the Company's rights and obligations before the idea or prospect or information is disclosed to employees qualified to evaluate it or use it. Outsiders who propose to submit information should be told to submit the information in writing. Outsiders should also be told that any submission constitutes their agreement that the Company's brief review to determine possible interest will not create any non-use, confidentiality or area of interest agreement or obligation of the Company. If they do not so agree, they should be told not to submit their information.

On its receipt, any such information should be sent to the CEO or CFO or persons authorized by them to evaluate outside submissions. No one other than the CEO or CFO and persons authorized by them are to evaluate any outside submission.

Each written submission will first be reviewed to see if it purports to impose non-use, confidentiality or area of interest obligations. If it does, no further review should be made and, unless the CEO upon being notified otherwise directs, the material should be returned without further review. If the material does not purport to impose such an obligation, it should be reviewed briefly to see if it might be of interest. If it is not of interest, it is to be returned with a letter stating that the information was briefly reviewed to determine possible interest, that the information is not of interest, and that the Company has no non-use, confidentiality or area of interest agreement or obligation to the sender. If the sender was previously so informed, the letter should also refer to that prior advice. If the material appears to be of interest, then the Company will need to enter into an appropriate confidentiality agreement setting out the parties' rights and obligations before any further review or use of the information.

Third party data subject to confidentiality obligations should be so marked, all confidentiality obligations should be noted on the relevant document or file, and all such obligations must be strictly adhered to.

12. Disclosure Policy

The Company has both legal and ethical obligations to provide appropriate disclosure of material information, and to ensure that employees and others do not benefit from having and using undisclosed material information. "Material information" is any information that reasonably could be expected to affect the market for the Company's stock or to influence an investor's decision to buy, sell or hold the stock. The wrongful use of undisclosed material information may make both the Company and the individual involved liable for criminal and/or civil penalties and damage awards.

(a) Control of Confidential Information. All employees have the responsibility to inform senior management on a timely basis of events or developments that might have a material effect on the Company. Such information should be communicated to your superior or to members of senior management.

Strict confidentiality must be maintained with regard to disclosure of confidential information to persons within the Company who have no need to know, and to anyone outside of the Company. Care must be taken when handling confidential correspondence, assay results, reports, documents, memos and facsimiles. Documents containing confidential information should be shredded or otherwise destroyed, and not placed in rubbish bins. Visitors to the offices or work sites of the Company are not to be left unattended at any time, except in designated "safe" locations, *e.g.* reception area and conference rooms. Discussions by Company personnel concerning Company business should be confined to Company personnel only and on a "need to know" basis, and should never occur in public places such as elevators or airplanes.

(b) Public Disclosure Responsibilities. The Company has a variety of disclosure obligations under laws and stock exchange rules. The Company fulfills those obligations through regulatory filings, periodic reports to shareholders, press releases, and web site disclosure. The Company also provides information to shareholders and others through communications with the media, analysts and others in the financial community, by way of industry presentations, and in response to inquiries. In carrying out the Company's disclosure responsibilities:

- The CEO, the CFO, and other members of senior management, as appropriate, have the sole responsibility to determine (i) whether a particular matter is sufficiently material to the Company to require disclosure, and (ii) the content, time and manner of disclosure.

- Company Spokespersons have the exclusive authority to speak for the Company with respect to matters of public disclosure. The Company Spokespersons consist of the CEO and any other persons who are authorized by the CEO, generally or in a specific instance, to speak for the Company. **NO OTHER PERSONS ARE AUTHORIZED TO COMMUNICATE AS TO MATTERS OF PUBLIC DISCLOSURE ON BEHALF OF THE COMPANY**.

- It is the responsibility of the Company to ensure that that undisclosed material information is disseminated in such a way that all members of the public have equal access to the information. Substantial security holders and analysts in particular MUST NOT receive preferential treatment in the matter of information disclosure. Persons given early access to undisclosed material information may not use that information to trade in the Company's securities, and they, the Company and the individual who causes the early disclosure may be liable for civil and criminal penalties and damage awards if there is trading on undisclosed material information.

(c) External Communications and Inquiries from Analysts, Media and Other Outsiders. Communications intended for dissemination outside of the Company and concerning the Company's business must be referred to the CEO or to one of the designated Company Spokespersons prior to dissemination. This includes presentations to analysts and papers or presentations to professional groups and others.

All inquiries from the press, securities analysts, investors and other outsiders concerning the Company's business and affairs must be referred to one of the designated Company Spokespersons. This will ensure that information is disclosed consistently and equitably. Unless specifically authorized, no one is authorized to respond to such inquiries.

(d) Comments on and Dissemination of Analysts' Reports and Other Media Stories. From time to time, the Company may be asked to review or comment on analysts' reports or other media stories about the Company. No employee, officer or director is to review or comment on analysts' reports or media stories except an authorized Company Spokesperson, and any such inquiry should be forwarded to such an authorized person without any comments. If a Company Spokesperson does review such a report or story, the Company Spokesperson should review the report or story ONLY for factual information and limit his/her comments to discussion or correction of facts. Furthermore, no undisclosed material information is to be communicated in the course of such a review and comment. If factual correction would result in the disclosure of undisclosed material information, the Company Spokesperson must take the necessary steps to ensure that such information is communicated to the public generally before it is communicated to the particular analyst or other person making the inquiry.

Employees, officers or directors of the Company may be asked to forward or recommend analysts' reports or may consider forwarding analysts' reports or media stories about the Company. The forwarding or recommending of such reports or stories may be regarded as verifying or validating the information contained in the reports or stories. If any of the information in the report or story is not accurate, the act of forwarding or recommending the report or story may constitute the dissemination of false or misleading information in violation of securities laws. In addition, if any of the information in the report or story is accurate but has not been generally disseminated by the Company, the forwarding or recommending of the report or story may constitute selective disclosure in violation of securities laws. Finally, copying and dissemination of analysts' reports and media stories may violate copyright laws or the proprietary rights of the authors of the reports or stories. For these reasons, no employee, officer or director should reproduce and distribute or otherwise disseminate such reports and stories unless specifically approved by the CEO. Persons requesting such materials should be referred to the author or organization that published the material. In addition, employees, officers and directors should not recommend particular analysts' reports on the Company to any person.

(e) Comments on Rumours and Correction of Selective Disclosure. Employees, officers and directors must not comment, whether positively or negatively, on rumours about the Company's business. Information about such rumours should be reported to the Company Spokespersons. In general, the Company's policy is not to comment on rumours. If a stock exchange or securities regulatory authority requests the Company to make a definitive statement in response to rumours, a Company Spokesperson will consider the matter in consultation with legal counsel.

If any employee, officer or director makes an unauthorized or premature disclosure of undisclosed material information (inadvertently or otherwise), the person responsible for the disclosure, and any other employee, officer or director learning of it, must contact the CEO or other Company Spokesperson as soon as possible, and the CEO and other Company Spokespersons will consider the Company's responsibilities under applicable law.

13. Securities Transactions

(a) Restrictions on Trading. In general, employees, officers and directors, and their family members, may trade in Company securities unless:

- A Blackout Period (see below) is in place, or
- The person has knowledge of undisclosed material information.

If a Blackout Period exists, or if you have knowledge of undisclosed material information, neither you nor your family members may trade in Company securities. For purposes of this policy, "family member" means your spouse, your minor children, any person substantially dependent on you for support, and other persons who share a residence with you. There are two exceptions to this policy: (i) you may exercise any fixed price option or warrant issued by the Company, BUT you may not sell the security acquired on exercise of the option or warrant so long as either condition exists; and (ii) you may sell securities pursuant to a previously existing Trading Plan entered into with a qualifying broker under Section 161 of the rules to the Securities Act of British Columbia and pursuant to SEC Rule 10b5-1, provided that you were not in possession of undisclosed material information (unless it has since been disclosed) at the time you established the Trading Plan.

In addition, while you are in possession of undisclosed material information, you and your family members must not trade in the securities of companies that have a significant legal or financial business relationship, direct or indirect, with the Company (generally joint venture partners) if the undisclosed material information relates to the subject matter of that business relationship.

(b) Blackout Period. From time to time, the CEO or other Company Spokesperson may institute a Blackout Period because of the existence of undisclosed material information. If a Blackout Period is instituted, you will be notified, generally by e-mail. Once notified of the existence of a Blackout Period, except as noted above, you and your family members may not trade in the Company's securities until you have been notified that the Blackout Period has been terminated. The existence of a Blackout Period is itself an item of confidential information that is not to be disclosed to persons outside of the Company.

(c) Special Considerations in Investing in Company Securities. You and your family members are urged not to purchase securities of the Company using borrowed funds in an amount or on terms and conditions which are not prudent in light of your financial condition. In addition, careful consideration should be given before pledging Company securities for a loan because of the potential insider trading liability that could arise if the lender should seek to sell the securities at a time when there is undisclosed material information about the Company.

(d) Certain Additional Policies. These additional policies apply to officers and directors and in regards to short sales, employees, of the Company.

- No employee, officer or director shall engage in short sales of securities of the Company or sales of borrowed securities of the Company. For purposes hereof, the short sale of Company shares as a method of facilitating the exercise of a valid option granted by the Company shall be deemed not to be a short sale for purposes of the aforementioned restriction notwithstanding any such sale-against-an-option may be treated as a short sale under Canadian securities legislation. Before selling short against an option, the holder of the option should bring the proposed transaction to the attention of the Company's CEO or CFO so as to ensure the transaction is treated properly, unless the transaction is through the use of an option exercise and sale facility established by the Company.
- No officer or director shall acquire financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchanged funds, that are

designed to hedge or offset a decrease in market value of options or equity securities granted as compensation or held directly or indirectly by the officer or director.

- No officer or director shall place automatic buy or sell orders with brokers except for a Trading Plan entered into with a qualifying broker under Section 161 of the rules to the Securities Act of British Columbia and pursuant to SEC Rule 10b5-1, provided that you were not in possession of undisclosed material information (unless it has since been disclosed) at the time you established the Trading Plan.

- No officer or director of the Company shall buy or sell equity securities of the Company during the period that begins five trading days before and ends one trading day after the public release of quarterly and annual results of operation of the Company.

14. Administration and Distribution

The Company's Board of Directors, the Audit and Risk Committee, and the Nominating and Governance Committee have established the standards of business ethics and conduct contained in the Code, and it is their responsibility to oversee compliance with the Code. Any change in or waiver of any provision of the Code shall require approval of the Audit and Risk Committee or the Nominating and Governance Committee, as applicable, and shall be publicly disclosed in the time period and manner as required by law or regulation.

The Code is to be distributed to each employee, officer and director of the Company and to the employees, officers and directors of HDSI. It will also be made available via the Company's Internet site.

Strict adherence to the Code is vital. Directors will confirm on an annual basis in connection with the preparation of the Management Information Circular that they have read and understand the Code of Ethics. Management will adopt appropriate policies to ensure that officers and employees are provided with and have read the Code of Ethics. All managers are responsible for ensuring that employees under their supervision are aware of and understand the provisions of the Code For clarification or guidance on any point in the Code, please consult the CEO or CFO.

15. Reporting of Possible Violations or Other Questionable Practices

The following procedures govern the reporting and treatment of reports of possible violations of the Code. The Company's Audit and Risk Committee Charter provides that the Audit and Risk Committee is to establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. The Audit and Risk Committee has adopted these procedures as to complaints and submissions regarding accounting, internal accounting controls or auditing matters, and the Nominating and Governance Committee has adopted these procedures as to all other complaints and submissions regarding the Code.

(a) When to Make a Report. You should make a report if you believe that any employee, officer or director of the Company or HDSI, or any agent or representative of the Company, may have or is about to engage in any conduct which you believe may be:

- A violation of the Code or any internal policy or code of practice,

- A violation or otherwise involve questionable practices in connection with accounting, internal accounting controls or auditing matters,

- A violation of any law or regulation,
- Corruption, mismanagement or fraud, or
- A danger to the public or danger to worker health and safety or the environment.

If you are unsure about the matter but concerned about the possibility of a violation or questionable practice, you should nonetheless report the matter. Delays in bringing the information to the attention of senior management, the Audit and Risk Committee, or the Nominating and Governance Committee may cause damage, complications, and irreversible consequences for the Company. Following the steps outlined below will allow the Company to address the issues and ensure that timely remedial action is taken.

(b) Procedures to Submit a Report. You may make a report under this procedure in one of the following ways:

- Bring the matter to the attention of your immediate supervisor. Any supervisor receiving such a report is to immediately bring the matter to the attention of the CEO, the CFO, or other member of senior management.
- Bring the matter to the attention of the CEO, the CFO, or any other member of senior management.
- Bring the matter to the attention of an independent director of the Company. Matters relating to accounting, internal accounting controls or auditing matters should be reported to the Chairman of the Audit and Risk Committee. All other matters should be reported to the Chairman of the Nominating and Governance Committee. If you are uncertain as to whether the matter should go to the Audit and Risk Committee or the Nominating and Governance Committee, you may choose either one. You may make the report orally, in writing, or by e-mail. All reports will be treated as confidential to the extent possible, and only revealed on a need-to-know basis or as required by law or court order. Contact information for the Chairman of the Audit and Risk Committee and the Chairman of the Nominating and Governance Committee is as follows:

Chairman of the Audit Committee		**Chairman of the Nominating and Governance Committee**	
Name:	Peter Mitchell	Name:	Darcy Rezac
Address:	12th Floor – 1040 West Georgia Street, Vancouver, BC V6E 4H8	Address:	World Trade Centre Suite 404, 999 Canada Place, Vancouver, BC V6C 3E2
Telephone No.:	(778) 373-4550	Telephone No.:	(604) 762-4022
Fax No.:	(778) 373-4534		

E-mail address:	pmitchell@tasekomines.com	E-mail address:	drezac@gmail.com

- If you prefer to report on an anonymous basis, call on the Company's hotline at 1-877-874-8416. Any calls to this number will be forwarded to the Chairman of the Audit and Risk Committee for further handling.

With respect to matters involving the possible violation of laws or regulations, you also may choose to bring such concerns to an outside regulatory authority. However, the Company is committed to taking internal action in response to employee concerns, and would appreciate the opportunity to do so, if appropriate.

(c) Follow-up and Outcome.

(i) On receipt of a complaint, the complaint will be reported promptly to the Chairman of the Audit and Risk Committee if it relates to accounting, internal accounting controls or auditing matters, and to the Chairman of the Nominating and Governance Committee if it relates to other matters under the Code. In the case of an oral complaint, the party receiving the complaint is to report it orally and also to prepare a written summary for the Chairman of the Audit and Risk Committee or Nominating and Governance Committee, as applicable.

(ii) The appropriate Committee Chairman will promptly commission the conduct of an investigation. At the election of the Committee Chairman, the investigation may be conducted by Company personnel, or by outside counsel, accountants or other persons employed by the appropriate Committee.

(iii) The identity of a person filing a complaint will be treated as confidential to the extent possible, and only revealed on a need-to-know basis or as required by law or court order.

(iv) On completion of the investigation, an oral and/or written investigative report will be provided to management and the Audit and Risk Committee or Nominating and Governance Committee, as applicable. If any unlawful, violative or other questionable conduct is discovered, the appropriate Committee will cause to be taken such remedial action as the Committee deems appropriate under the circumstances to achieve compliance with the applicable law, regulation or policy and to otherwise remedy the unlawful, violative or other questionable conduct. The Chairman of the appropriate Committee will prepare, or cause to be prepared, a written summary of the remedial action taken.

(v) In each case, the written investigative report (or summary of any oral report), and a written summary of the remedial action taken in response to the investigative report will be retained along with the original complaint by or under the authority of the appropriate Committee Chairman for a period of four years after the resolution of the matter.

(d) Prohibition Against Retaliation. The Company welcomes the courage and honesty of an employee who voices concern over a particular course of action that he or she believes to be unlawful or harmful. Any attempts to intimidate, threaten, harass or retaliate against any employee based upon a good faith report made by an employee pursuant to the Code is strictly prohibited and will result in disciplinary action up to and including termination of the person responsible for any such intimidation, threat, harassment or retaliation.

However, groundless or unwarranted complaints - including those with vindictive intent – are not acceptable. Appropriate disciplinary measures will be taken if allegations are initiated for malicious reasons or in bad faith.

(e) Governmental or Company Inquiry. If you receive an inquiry from a governmental authority concerning suspected unlawful conduct, you should immediately direct the inquiry to your immediate superior, the CEO, the CFO or other member of senior management. In such circumstances, you should take measures to preserve documents and other items relevant to the investigation. To conceal an offence or to alter or destroy evidence is illegal and may result in criminal prosecution. It also violates the Company's commitment of conducting its business in a legal and ethical manner and is strictly prohibited.

If you receive an inquiry from the Company representative or a Board committee in connection with an investigation under the Code, you are equally obligated to take measures to preserve documents and other items relevant to the investigation.

(f) Failure to Comply or File a Report. The Company is committed to complying with all applicable laws, regulations and policies. Such compliance is only possible if all employees, officers and directors ensure that they follow all applicable laws, and Company policies and guidelines. When in doubt, ask the CEO, CFO or other members of senior management. Personnel who violate the law or the Company's compliance policies or knowingly fail to report a violation of law or compliance policy may be subject to disciplinary action, up to and including dismissal. The nature and extent of the action will be determined on a case-by-case basis. In reviewing the situation, the following is a partial list of considerations:

- The nature and severity of the offence.
- Whether the persons involved acted reasonably.
- The efforts by the persons involved to obtain guidance before the offence occurred.
- Whether the persons involved reported themselves.

Personnel are encouraged to report their own wrongdoing or possible wrongdoing. This action will be taken into account when assessing the appropriate discipline, if any. The Company will also recognize situations where a person has made an honest mistake and will take it into account in deciding the course of action to pursue.