



Northcliff Resources Ltd.

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Vancouver, British Columbia
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ANNUAL INFORMATION FORM

For the year ended October 31, 2016

Dated January 26, 2017

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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 subject to known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. The assumptions used by Northcliff to develop forward-looking statements include the following: the Sisson Project will obtain all interim and construction financing to build and operate the mine, the Sisson Project will receive all required environmental and other permits for construction of the mine, the Sisson Project will achieve targeted production levels; study and development of the Sisson Project will continue to be positive; contracted parties provide goods and/or services on the agreed timeframes; equipment necessary for construction and development is available and does not incur unforeseen breakdowns; no material labour slowdowns or strikes are incurred; plant and equipment functions as specified; geological or financial parameters do not necessitate future mine plan changes; and no geological or technical problems occur. These factors include but are not limited to:

- uncertainties and costs related to the Company’s exploration and development activities, such as those associated with determining whether mineral resources or reserves exist on a property;
- uncertainties related to feasibility studies that provide estimates of expected or anticipated costs, expenditures and economic returns from a mining project; uncertainties related to expected production rates, timing of production and the cash and total costs of production and milling;
- uncertainties related to the ability to obtain necessary licenses, permits, electricity, surface rights and title for development projects;
- uncertainties related to development of properties located within Aboriginal treaty and asserted territories may affect or be perceived to affect treaty and asserted aboriginal rights and title, which may cause permitting delays or opposition by Aboriginal communities;
- operating and technical difficulties in connection with mining development activities;
- uncertainties related to the accuracy of our mineral reserve and mineral resource estimates and our estimates of future production and future cash and total costs of production, and the geotechnical or hydrogeological nature of ore deposits, and diminishing quantities or grades of mineral reserves;
- uncertainties related to unexpected judicial or regulatory proceedings;
- changes in, and the effects of, the laws, regulations and government policies affecting our mining operations, particularly laws, regulations and policies relating to
 - o mine expansions, environmental protection and associated compliance costs arising from exploration, mine development, mine operations and mine closures;
 - o expected effective future tax rates in jurisdictions in which our operations are located;
 - o the protection of the health and safety of mine workers; and
 - o mineral rights ownership in countries where our mineral deposits are located;
- changes in general economic conditions, the financial markets and in the demand and market price for tungsten and other minerals and commodities, such as diesel fuel, coal, petroleum coke,

steel, concrete, electricity and other forms of energy, mining equipment, and fluctuations in exchange rates, particularly with respect to the value of the U.S. dollar and Canadian dollar;

- unusual or unexpected formation, cave-ins, flooding, pressures, and metals losses, or other similar events (and the risk of inadequate insurance or inability to obtain insurance to cover these risks);
- changes in accounting policies and methods we use to report our financial condition, including uncertainties associated with critical accounting assumptions and estimates;
- environmental issues and liabilities associated with mining including processing and stockpiling ore;
- geopolitical uncertainty and political and economic instability in countries which we operate; and
- labour strikes, work stoppages, or other interruptions to, or difficulties in, the employment of labour in markets in which we operate mineral projects or mines, or environmental hazards, industrial accidents or other events or occurrences, including third party interference that interrupt the production of minerals in our mines.

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, 2016 but is current as of January 26, 2017 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, 2016 and 2015 together with the auditor's report thereon. Also incorporated by reference is the technical report entitled "Canadian National Instrument 43-101 Technical Report on the Sisson Project, New Brunswick, Canada, Effective Date January 22, 2013."

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:

<u>Metric Units</u>	<u>Multiply By</u>	<u>Imperial Units</u>
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, molybdenum, nickel, lead, antimony, sulphur, tungsten, zinc
GEMS	geology and mine planning software by Gemcom International
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 10 ¹² (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
National Instrument 43-101	means the Canadian securities rule which establishes disclosure standards for mineral projects by Canadian resource companies;

Resource Category (Classification) Definitions

The discussion of mineral deposit definitions and classifications in this AIF adheres to the criteria developed by the Canadian Institute of Mining and Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Reserves adopted by the CIM Council, as amended. 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. Mineral Resources are sub-divided, in order of increasing geological

confidence, into Inferred, Indicated and Measured categories. These classifications can be more particularly described as follows:

A “**Mineral Resource**” is a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

An “**Inferred Mineral Resource**” is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

An “**Indicated Mineral Resource**” is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

A “**Measured Mineral Resource**” is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

Modifying Factors are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

A “**Mineral Reserve**” is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study.

A “**Probable Mineral Reserve**” is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.

A “**Proven Mineral Reserve**” A Proven Mineral Reserve is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

Cautionary Note to U.S. Investors

The Company is not subject to the reporting requirements of section 13(a) of section 15(d) of the *United States Securities Exchange Act* of 1934, as amended (the "Exchange Act"). However, the Company's U.S. investors are cautioned that The United States Securities and Exchange Commission (the "SEC") permits mining companies, in their filings with the SEC to disclose only those mineral deposits that a company can economically and legally extract or produce. The use of certain terms included in this Annual Information Form such as "resources" and "reserves" is strictly regulated by SEC guidelines. In this regard, U.S. investors are urged to exercise caution in their consideration of the disclosure in this document. This document may also contain information about adjacent properties on which we have no right to explore or mine. We advise U.S. investors that the SEC's mining guidelines strictly prohibit information of this type in documents filed with the SEC. U.S. investors are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on our properties.

Information Concerning Estimates of Resources

This document may use the terms "measured resources", "indicated resources" and "inferred resources". The Company advises investors that although those terms are recognized and required by Canadian regulations (under National Instrument 43-101 Standards of Disclosure for Mineral Projects), the SEC does not recognize them. The Company is not subject to the reporting requirements of section 13(a) of section 15(d) of the Exchange Act. However, the Company's U.S. investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves.

Cautionary Note to U.S. Investors Concerning Reserve Estimates

The mineral reserves disclosed in this annual report have been estimated in accordance with Canadian National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"), as required by Canadian securities regulatory authorities. The Company is not subject to the reporting requirements of section 13(a) of section 15(d) of the Exchange Act. However, the Company's U.S. investors are cautioned that SEC Industry Guide 7 under the Exchange Act, as interpreted by Staff of the SEC, applies different standards in order to classify mineralization as a reserve. As a result, the definitions of proven and probable reserves used in NI 43-101 differ from the definitions in the SEC Industry Guide 7. Under SEC standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Among other things, all necessary permits would be required to be in hand or issuance imminent in order to classify mineralized material as reserves under the SEC standards. Accordingly, mineral reserve estimates contained in this document may not qualify as "reserves" under SEC standards. In addition, disclosure of "contained ounces" is permitted disclosure under Canadian regulations; however, the SEC only permits Exchange Act reporting companies to report reserves in ounces, and requires reporting of mineralization that does not qualify as reserves as in place tonnage and grade without reference to unit measures.

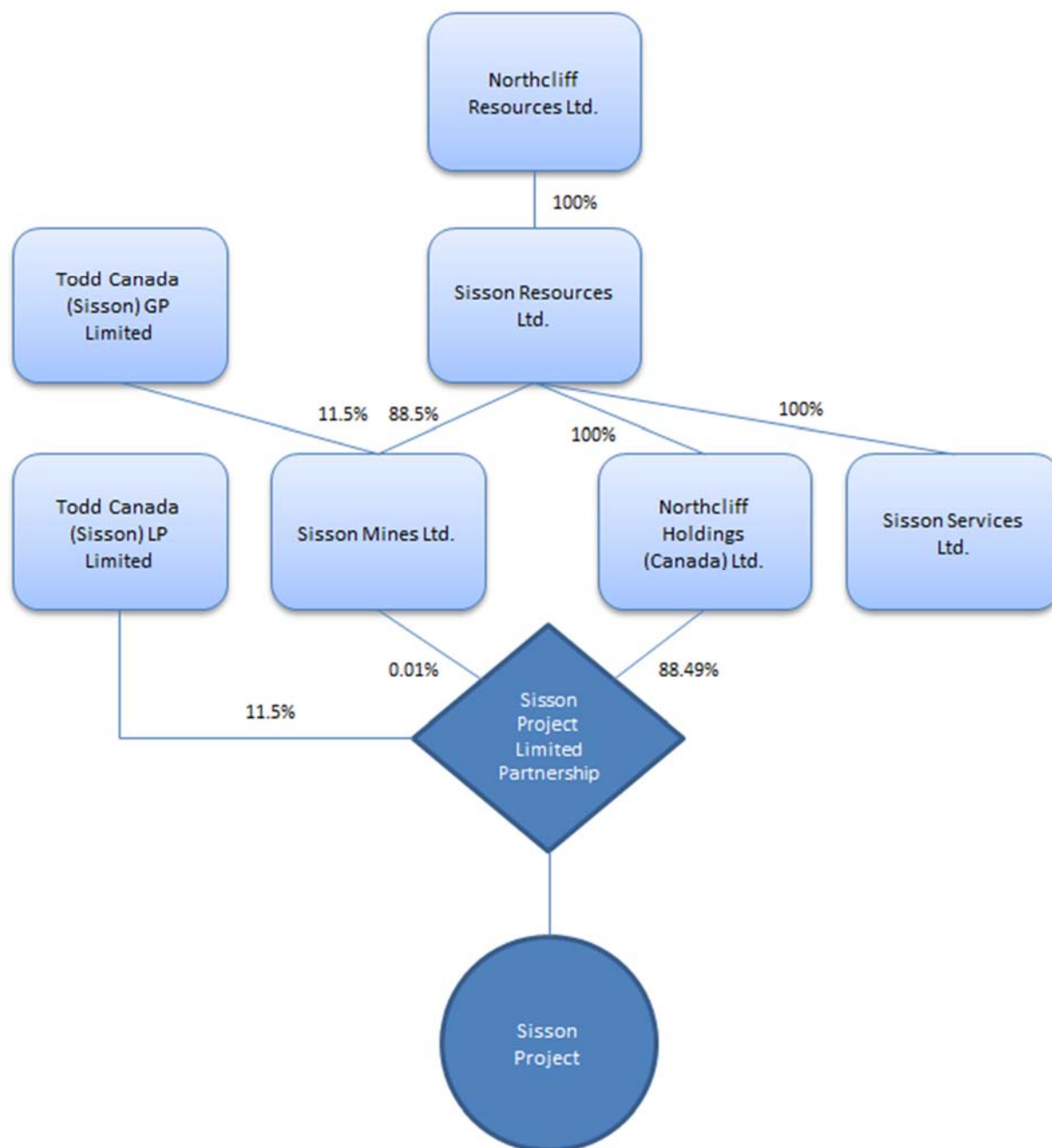
CORPORATE STRUCTURE

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 4H1. The registered office is located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

Intercompany 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.

The Company changed its name from Cabre Capital Corp. to Northcliff Resources Ltd. (as of June 6, 2011) and began trading on the TSX-V under the symbol “NCF” on June 8, 2011.

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.

On October 21, 2010, the Company 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.

In January 2013, Northcliff announced the results of a positive feasibility study (the “Feasibility Study”) for the Sisson Project. In July 2013, Northcliff submitted an Environmental Impact Assessment (“EIA”) report for the Sisson Project to the Canadian Environmental Assessment Agency (“CEAA”) to initiate its project assessment process. The EIA process is harmonized between the governments of Canada and New Brunswick, but approvals are required from both governments. A project financing strategy was advanced and engineering and technical work was ongoing at that time. This financing strategy has encompassed discussions with potential financing partners (including off-take smelter groups) and banking institutions.

In October 2013, Northcliff entered into an agreement with Todd Minerals Ltd., a subsidiary of the Todd Corporation (together referred herein as the “Todd Group”), whereby the Todd Group completed a private placement of \$5 million and acquired 13,888,889 common shares of Northcliff, becoming the largest shareholder of the Company with an approximate 15% interest in Northcliff.

Northcliff and the Todd Group also entered into the Sisson Project Limited Partnership (“Sisson Partnership”) agreement whereby the Todd Group acquired an initial 11.5% interest in the Sisson Partnership for an initial contribution of \$14 million in the Sisson Project on a staged basis. An initial payment of \$5 million was made on the closing date (October 16, 2013) and in order to retain its ownership interest, the Todd Group was required to contribute the remaining amounts upon achievement of certain agreed upon project milestones. On April 15, 2014, the Sisson Partnership achieved certain agreed-upon project milestone conditions and subsequently the Todd Group made its second payment of \$5 million. In October 2014, the \$4 million third and final tranche was received. Moving forward, the Sisson Project development cost will be funded by the partners in proportion to their respective ownership interest in the Sisson Partnership.

On May 28, 2015, Northcliff closed a non-brokered private placement financing of common shares with certain accredited investors, insiders and management for gross proceeds of \$2.57 million at \$0.17 per share. The 15,117,647 common shares issued under the private placement represented 14.2% of the outstanding share capital of the Company. As a result of the financing, the Todd Group acquired an additional 7,380,000 common shares, and subsequently holds 21,268,889 common shares representing 19.99% of Northcliff's issued common shares.

The Todd Group has the option to earn an additional 10% interest in the Sisson Partnership by investing \$20 million in the Sisson Partnership upon a final investment decision to commence construction.

The Sisson Project has continued to progress through the EIA process. On December 3, 2015, a positive Certificate of Determination was received from the Government of New Brunswick. A federal decision from CEAA is still pending.

On January 14, 2016, the Company entered into a \$500,000 Loan Agreement (the “Loan”) with a director of the Company (the “Lender”). The Loan was unsecured, bearing interest at a rate of 10% per annum and is repayable at the end of twelve months. In connection with the Loan, the Company agreed to issue to the Lender 2,000,000 warrants, each entitling the Lender to acquire one common share of the Company at a price of \$0.095 per share for a two year term. On March 14, 2016, the Company issued 2,000,000 share purchase warrants to the Lender pursuant to the Loan agreement and 399,769 share purchase warrants to the Todd Group, pursuant to their pre-emptive right to maintain their shareholding at 19.9%. The warrants to the Todd Group were issued under the same terms as the Loan, and are only exercisable to the extent shares are issued to the Lender. In August 2016, the Loan was increased by \$100,000. In December 2016, the Company repaid the Loan and the Additional Loan, along with accrued interest thereon.

On December 15, 2016, Northcliff closed a private placement financing of common shares with the Todd Group for gross proceeds to the Company of \$3 million at a price of \$0.11 per common share. The 27.2 million common shares issued under the private placement increased the Todd Group's shareholding to 48,541,616 common shares or 36.3% of the Company. The private placement required shareholder approval, which was received at a special meeting of shareholders on December 13, 2016. The common shares issued with the financing are subject to applicable hold restrictions, including a four month hold period under Canadian securities rules.

At the December 13, 2016 special meeting, shareholders also approved the subsequent issuance of up to an additional \$4 million in new equity financing for a 90-day period at price equal to or greater than the \$3 million private placement with the Todd Group. If successful, this follow-on equity financing would result in the issue of up to an additional 36,363,636 common shares of the Company of which the Todd Group would be entitled to participate to the extent of 36.3%.

The Company continues to seek additional interim and project financing, while continuing work to support completion of the EIA process.

Northcliff has maintained an active program of engagement with representatives of Federal and Provincial 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.

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. In addition, Northcliff currently has three employees.

DESCRIPTION OF OUR BUSINESS

General

The Company is engaged in the business of exploration and development of mineral projects. 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 on the feasibility study of the Sisson Project, entitled "Canadian National Instrument 43-101 Technical Report on the Sisson Project, New Brunswick, Canada, Effective Date January 22, 2013" prepared by Samuel Engineering, Inc. ("Samuel"), which has been filed on www.sedar.com. Qualified persons are David W. Rennie, P. Eng., RPA Inc. ("RPA"), Daniel Friedman, P. Eng., Knight Piésold Ltd. ("KP"), Jim Gray, P. Eng., Moose Mountain Technical Services ("MMTS"), Matt Bolu, M.Sc., P. Eng., Bolu Consulting Engineering, Inc. ("Bolu"), Steven Pozder, PE, Samuel Engineering, Inc. ("SE"), and Gene Greskovich, PE (the "Feasibility Study"). Disclosure on work completed since the technical report was filed has been summarized from Company files.

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 controlling interest in five contiguous claim groups comprising a total of 850 units, as listed in Table 1 and covering an area of 18,880 ha.

Table 1 – SISSON PROJECT MINERAL CLAIMS

Right Number	Claim Name	Issue Date	Expiry Date	Units
3270	Sisson Brook	04/09/1997	04/09/2017	40
5141	Turnbull Mountain	14/06/2007	14/06/2017	66
5309	Napadogan Brook	28/11/2007	28/11/2017	77
5838	West Branch Napadogan	17/08/2010	17/08/2017	106
5839	Barker Brook	17/08/2010	17/08/2017	561
				850

A total annual expenditure of \$117,213 is required to retain the claims.

Additional detail on ownership of the Sisson Project is provided above under *Development of Our Business*.

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 Provincial permitting process.

There are no mine workings or other mine infrastructure on the project site. There are no known environmental liabilities. On July 31, 2013, the Company submitted an EIA report for the Sisson Project in preparation for permitting, entering a harmonized federal-provincial process. A positive Certificate of Determination was received from the Government of New Brunswick in December 2015. An EIA decision from the Government of Canada is pending.

The next step after EIA approvals would be applications for permits. A comprehensive permitting plan has been developed, subject to funding, so that the individual permits and authorizations required for the Sisson Project can be obtained in a timely fashion to allow the start of construction after positive EIA decisions, when all financing and offtake arrangements have been made and once the Board has approved the project to proceed.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access to the Sisson property is gained via paved highway and good quality gravel Forestry Service Roads. The nearest large population center is Fredericton, which is the provincial capital of New Brunswick. From Fredericton, the property is accessible by travelling west for approximately 60 km along Highway 1 (Trans-Canada Highway) to the town of Nackawic, and then north via approximately 45 km of secondary highway and Valley Forest Products forestry roads. Access via Highways 8 and 107 (through the villages of Stanley and Napadogan) is an alternative route to the Sisson property from Fredericton.

The mean annual temperature for the Sisson Project area is estimated to be 3.3°C, with minimum and maximum monthly temperatures of -16.6°C and 20.0°C occurring in January and July, respectively. The Mean Annual Precipitation for the Sisson Project area is estimated to be 1350 mm, with 1013 mm falling as rain and 337 mm falling as snow. The estimated mean annual lake evaporation is 500 mm at the proposed tailings storage facility. Snow can generally be expected from November to March, with accumulations remaining on the ground from December to February. In spite of these conditions, exploration and mining activities can be carried out year round.

Fredericton is the closest major population center. It is the third largest city in New Brunswick, and the capital city of the province with a population in 2011 of just over 56,000. The city is able to supply all necessary supplies and commercial services for exploration, mining and general construction consumables. 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 Sisson 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 also a likely source of skilled labor and heavy industrial services.

A high voltage power line from the provincial grid crosses the property and a large electrical terminal for interconnection is located with 45 km from the site. The CN rail line is located 15 km east of the deposit and connects to deep-sea ports at Saint John and Belledune. Road access to these ports is also readily available. There are currently no existing structures, other than the power line, at the Sisson Project site.

Sufficient water exists from precipitation and runoff collected within the Sisson Project footprint to support the mine operations. The Feasibility Study includes an allowance in the capital cost estimate to drill 5 to 10 groundwater wells and to install pumping systems and pipelines for fresh water supply to the processing facility and truck maintenance shop. However, the principal water requirements

for the Sisson Project will be supplied by recycling and reusing water captured within the tailings storage facility.

The Sisson Project is located in the Miramichi Highlands (also known as the Central or New Brunswick Highlands), which are characterized by rolling topography and broad valley features. Hilltops are strongly glaciated and rounded, and drainage valleys tend to be broad and open. The surface elevation in the Sisson Project area typically ranges from approximately 290 m to 400 m above sea level. The Sisson Project is within the Nashwaak River watershed, which is a tributary of the Saint John River to the south, but is not within the Miramichi River Watershed.

The Feasibility Study has identified areas for tailings storage, barren rock storage, topsoil and organic stockpiles, sewage leach fields, ore processing facilities, quarry, the open pit mine and other ancillary facilities on the Sisson property. RPA, in their June 29, 2012 Technical Report, expressed the view that the area and physiography do not present any impediment to exploration or the development of an open pit mining operation and its site infrastructure.

History

The first significant work in the Sisson area was carried out in the late 1950s by Nashwaak Pulp and Paper Co. Twelve drill 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 and Mineralization

The Sisson deposit can be defined as an intrusion related, structurally controlled, bulk tonnage tungsten-molybdenum deposit. Deposits of this type have general hydrothermal similarities to porphyry copper deposits. The geology is shown in Figure 2.

The Sisson deposit is centered on a north-trending contact between Acadian intrusions 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 that 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.

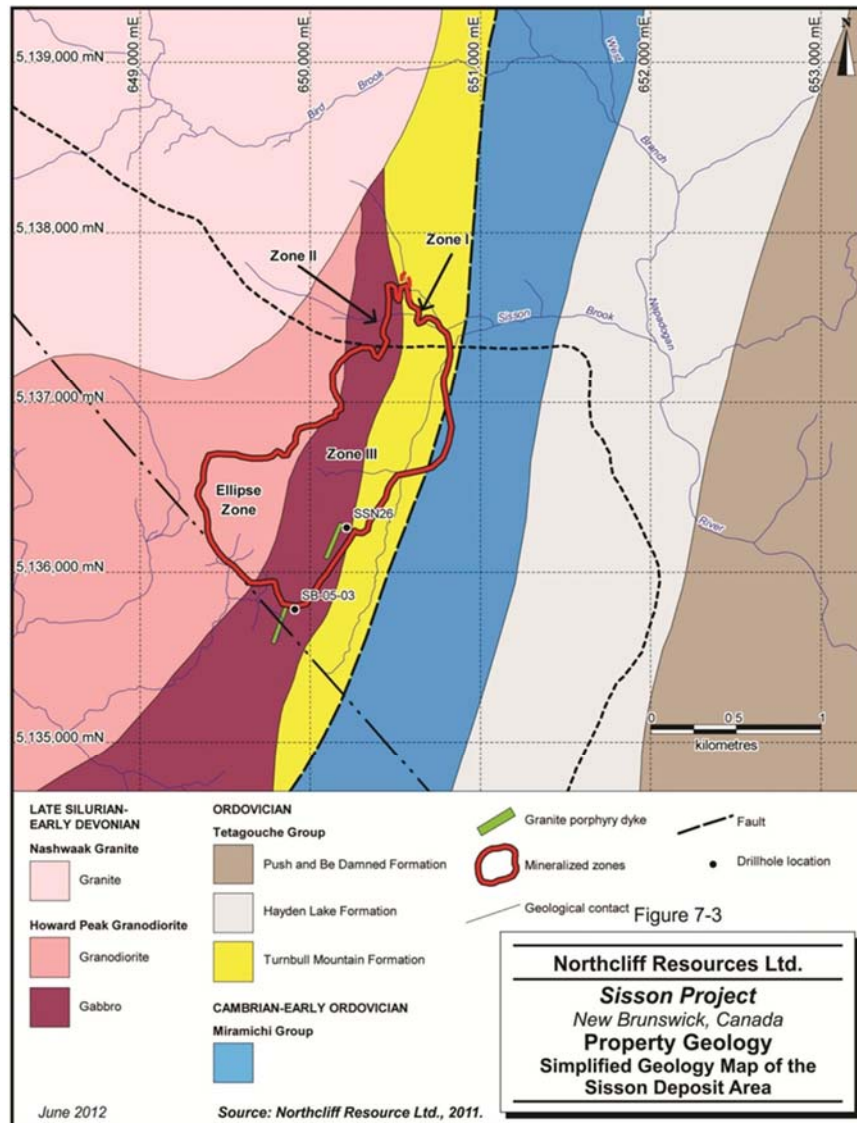


Figure 2 – GEOLOGY AND DEPOSIT LOCATION

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 tuff in the eastern part of the Turnbull Mountain Formation
- Volumetrically minor granite dykes and very rare mafic dykes.

Mineralization 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 2010 and in 2011, 2013 and 2014 (described under Drilling below), a survey in 2011 to plan test pitting, followed up with test pitting programs in 2012, 2013 and 2014, and a Soil Gas Hydrocarbon orientation survey in 2012. Company geologists utilized information from drilling programs in 2010 and 2011 and from relogging core from previous programs to develop the geological model that was used for the Feasibility Study completed in 2013.

During 2012, Northcliff collected 176 soil samples over and in the area surrounding the Sisson resource. These samples were analyzed by the proprietary Soil Gas Hydrocarbon (SGH) method provided by ActLabs in Ancaster, Ontario which, under certain circumstances, can be a useful tool for inferring the possible presence of zones of sulphide mineralization under cover. The objective of the survey was to assess the SGH signature of the Sisson resource and, if a distinct signature was present, to assess potential for additional mineralization in the area immediately surrounding the resource. The Sisson deposit indeed expressed a distinct SGH signature but the survey did not identify any additional exploration potential proximal to the defined resource.

In 2013 and 2014, Northcliff dug 427 pits with excavators and backhoes for its exploration test pitting program. The program was designed to assess exploration potential and obtain descriptive and physical data on the thin blanket of glacial tills in the area of potential infrastructure. A total of 510 till samples and 342 bedrock samples were collected from the pits for geochemical analysis. In addition, 147 till and 44 bedrock samples collected by Geodex in 2008 were submitted for analysis. These sites were located between the regularly-spaced sample locations noted above 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.

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. A suite of either 58 or 61 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 *Sampling and Analysis* below for drill core geochemical analysis.

Principal geological observations from the 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 (described under *Drilling* below).

- 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.

Subsequently, heavy mineral indicator analyses on glacial till samples collected from the 2013 and 2014 exploration programs were performed in 2015 and 2016 to measure scheelite, cassiterite¹ and gold content at locations covering the various mineral claim blocks. In total, 218 samples were analysed and yielded some trace amounts of each mineral in several localized areas throughout the claim blocks. Additional test work is expected to resume in 2017. The analyses were performed by Overburden Drilling Management Limited from Nepean, Ontario.

Archaeological Exploration

Archeological exploration programs were undertaken by Northcliff from 2012 to 2014. The work primarily consisted of hand excavating shallow test pits in the soil at the proposed open pit and tailings storage areas to investigate and assess sites of potential archaeological significance. A total of 2,100 test pits were excavated over the three year period. In 2015, the Province of New Brunswick completed an additional 5,050 test pits at Sisson, bringing the total on the Project site to about 7,150. All test pitting work on the site has been completed, and the program determined that only two small areas require mitigation (controlled excavation) prior to start of construction in the open pit and tailings storage facility areas.

Drilling

Since 1979, a total of 66,758 m of drilling has been completed on the property in 342 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			

¹Scheelite (CaWO₄) is an ore mineral of tungsten; cassiterite (SnO₂) is an ore mineral of tin.

SB-11-MW-001S to SB-11-MW-006S					
SB-11-MWG-001 to SB-11-MWG-018					
Northcliff	2013	SB-13- MWG-018 to SB-11-MWG-046	29	HQ3	1,520
Northcliff	2014	SB-14-038M to SB-14-039M	2	PQ	325
SB-14-MWG-049 to SB-14-MWG-055			7	HQ3	145
Total			342		66,758

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 198 additional holes totaling 46,087 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. Drilling programs completed by Northcliff include 5 holes in 2010, 61 holes in 2011, 29 holes in 2013 and 9 holes in 2014. All Geodex and Northcliff surveying was carried out by suitably certified technical staff employed by an independent, third party surveying firm.

Further details, such as drill hole orientation and length, and core recovery for holes drilled prior to 2013 can be found in the 2013 Technical Report.

In late 2013 and late 2014, 36 diamond drill holes for a total of 1,665 m were drilled within the proposed tailings facility and plant site locations as part of a second phase geotechnical investigation program for these facilities. The holes ranged from 29 to 96 m in length and all were drilled vertically. These drill holes did not encounter any indications of exploration potential in the area of infrastructure, which is fully consistent with results from previous drilling, test pitting and geochemical surveys in this area. In 2014, Northcliff also completed two PQ diameter drill holes, totalling 325 m in length, within the resource-area. The holes were drilled to obtain material for potential metallurgical testwork.

Sampling and Analysis

Sampling and sample preparation, and analytical methods utilized since 1979 are summarized in Table 3 and Table 4, respectively.

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 or 20% Sliver Cut Diamond Saw	0.7 – 5.0 m Continuous Intervals	3.0 m Continuous Intervals	Actlabs Fredericton, NB
2013	29	Northcliff	Half Split Diamond Saw	0.7 – 5.0 m Continuous Intervals	4.0 m Continuous Intervals	Actlabs Fredericton, NB
2014	9	Northcliff	Half Split or 20% Sliver Cut Diamond Saw	1.2-4.6 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	Bondar-Clegg Ottawa, ON	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 ₂ O 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
2013	29	Actlabs Fredericton, 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
2014	9	Actlabs Fredericton, 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; Total Digest ICP-AES	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. 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 adopted a QA/QC program that included systematic insertion of certified standards and barren rock blanks and analysis of duplicate samples.

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 in 2010/2011 for Northcliff's drilling.

The 2010, 2011, 2013 and 2014 drill hole geological and sample data were collected and digitally entered by site geological and technical personnel and sent to the Vancouver office 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 Na_2O_2 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 and 2014 programs. 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 – 2014). 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 rice bags and secured with cable ties 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 and Mineral Reserve Estimates

Mineral Resource

In June 2012, RPA conducted an audit of an updated mineral resource estimate for the Sisson Project prepared by Northcliff personnel. The independent qualified person for the estimate is David Rennie, PEng., with an effective date of February 29, 2012.

Mineral Resources were estimated using a block model constrained with wireframe models of the principal geological domains. Values for bulk density, WO_3 , and Mo were interpolated into the blocks using Inverse Distance Squared (ID^2) weighting.

The Mineral Resource estimate for the Sisson Project is based primarily on information from surface drilling, supplemented in part by historical surface mapping and geophysical data to assist in the interpretations. The database contained collar records for 304 holes.

Samples were capped at 1.1% WO_3 and 0.65% Mo prior to compositing. Samples were composited in down-hole intervals of four meters, starting at the wireframe pierce-point for each zone and continuing to the point at which the hole exited the zone.

The Mineral Resources were reported at a Net Smelter Return ("NSR") cut-off value of US\$9/t. The estimate was constrained by a Lerchs-Grossmann (LG) pit shell.

For the purpose of the 2013 Technical Report, RPA was requested to revise the NSR calculation of the February 29, 2012 resource estimate to reflect the processing parameters derived during the Feasibility Study. This most recently revised estimate is considered to be current at December 31, 2012 and is summarized in Table 5.

Table 5 - MINERAL RESOURCE ESTIMATE DECEMBER 31, 2012

Category	Tonnage (Mt)	WO ₃ (%)	Mo (%)	WO ₃ (M mtu)	Mo (M lb)	WO ₃ Eq (%)	Avg NSR (\$/t)
Measured	108	0.072	0.023	7.70	55.3	0.096	26.67
Indicated	279	0.065	0.020	18.0	122	0.086	23.42
Measured + Indicated	387	0.067	0.021	25.7	178	0.089	24.33
Inferred	187	0.050	0.020	9.41	82.6	0.074	18.63
Notes: 1. CIM definitions were followed for Mineral Resources. 2. Mineral Resources are estimated at a net smelter return (NSR) cut-off grade of US\$9.00/t. 3. Mineral Resources are estimated using a long-term metal prices of US\$350 per mtu WO ₃ and US\$15/lb Mo, and a US\$/C\$ exchange rate of 0.9:1. 4. Metallurgical recoveries for the NSR calculation were 82% for Mo and averaged 77% for WO ₃ over the life of mine. WO ₃ recovery is a function of mill head grade. 5. Numbers may not add due to rounding.							

Mineral Reserve

The mineral reserves for the Sisson deposit have been estimated by MMTS. The independent qualified person for the estimate is Jim Gray, PEng. This estimate is based on several series of pit designs, beginning with conceptual LG pit optimization and culminating with detailed phased pit designs.

All mine planning work was carried out on a 3D block model, and unsmoothed pit limits were developed using a MineSight® software LG algorithm. Prices, recoveries and operating costs were then used to estimate the value of each block in the model and only blocks which contained measured or indicated resources were considered as revenue generating. A series of nested pit limits were developed using varying revenue factors between the base price for each metal and 10% incremental change in price. The nested pit shells were used to determine ultimate pit shell limits and to guide phase design for the detailed pit phase designs.

The mineral reserves, contained within the detailed ultimate pit, are expressed in terms of NSR cut-off grade ("CoG"), where the NSR is calculated and stored in the 3D block model. The CoG for the detailed ultimate reserve calculations is the incremental break even CoG which is the sum of Processing, Ammonium Paratungstate ("APT") Plant and Tailings Storage Facility costs. The reserves for the detailed ultimate pit design economic pit limit are presented in Table 6.

Table 6 - MINERAL RESERVES FOR SERIES 2 DETAILED ULTIMATE PIT DESIGN ECONOMIC PIT LIMIT

Category	Cut-off Grade	Ore Above CoG	Average Grade Above CoG			Contained Metal Above CoG	
	NSR (\$/t)	ROM kt	NSR	WO ₃ %	Mo%	Tungsten (M mtu)	Molybdenum (M lb)
Proven	8.83	105,415	25.48	0.069	0.023	7.3	53.1
Probable	8.83	228,948	23.54	0.065	0.020	14.9	101.7
Total	8.83	334,363	24.15	0.066	0.021	22.2	154.8

A mining loss and dilution factor, based on the waste contact edges was estimated for each pit phase. This factor has been applied to the data in the table above.

Mining Operations

Proposed mining operations for the Sisson Project are typical of open pit, truck-and-shovel mining methods for year round operations in Canadian climates. The proposed mining fleet would consist of 136-t trucks, 16.5 m³ hydraulic shovels and support equipment. The mining fleet will excavate, on average, approximately 23.7 million tonnes per year (Mt/a) over the life of the Sisson Project, including 10.5 Mt/a of mill feed, nominal 30,000 tonnes per day (tpd), 10.6 Mt/a of barren open pit rock and mid-grade stockpile and 2.6 Mt/a of quarry material for construction of the tailings facility embankments. The mine life is estimated to be 27 years.

Pit Design

A 3D block model, originating from RPA, was used as the basis for conceptual pit optimization using MineSight® software LG algorithm. This software, in conjunction with economic, metallurgical and geotechnical criteria, was used to develop a series of economic pit-shells which formed the basis for the detailed pit phased design and production schedule. The detailed pit design of the ultimate pit is presented in Figure 3.

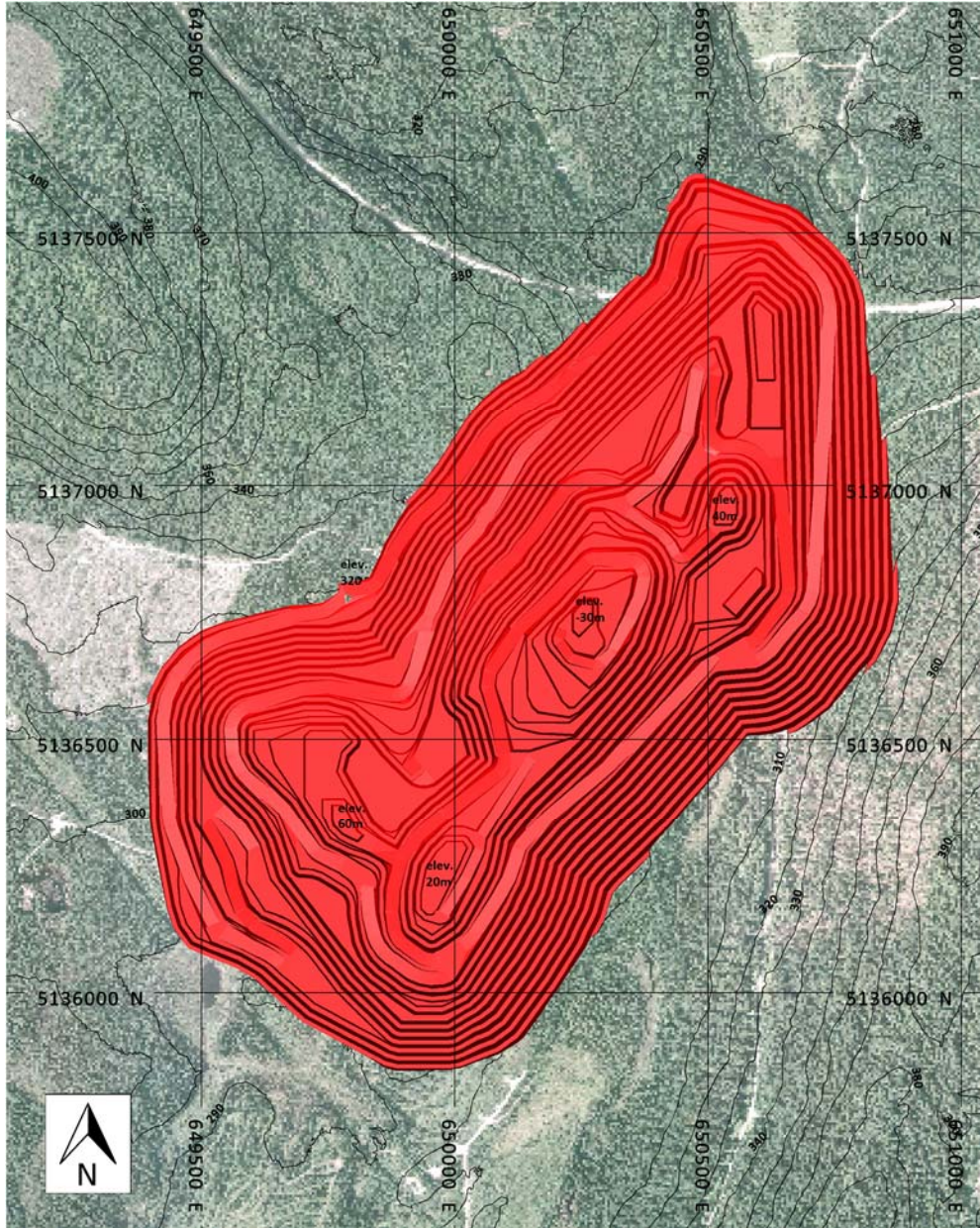


Figure 3 - FINAL DETAILED ULTIMATE PIT DESIGN

The open pit production schedule that forms the basis of the economic analysis is summarized in Figure 4:

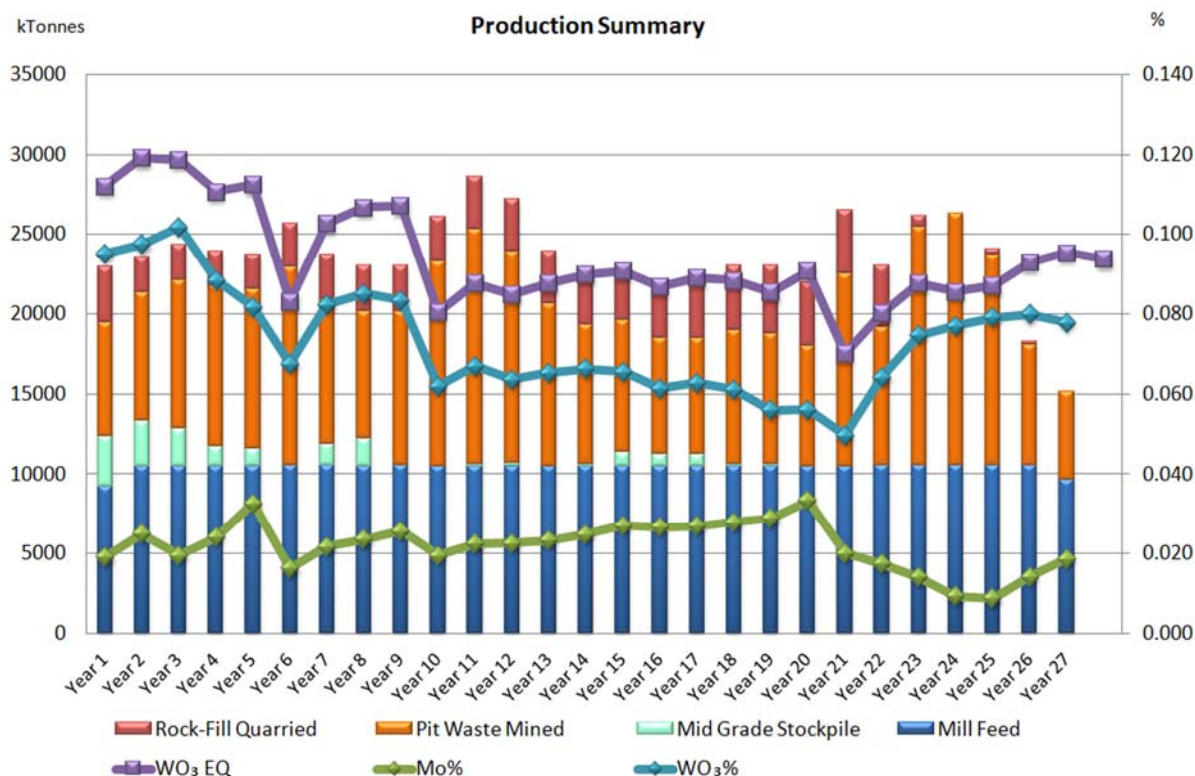


Figure 4 - SUMMARY OF PRODUCTION SCHEDULE

Mineral Process and Metallurgical Testing

Planned mineral processing operations for the Sisson Project include crushing, grinding and flotation to generate both molybdenum and tungsten concentrates. These unit operations for concentration of the minerals of interest are industry standard techniques. Northcliff engaged senior tungsten process engineers to assist with the testing and design of an APT plant which will be used to further treat tungsten concentrates. Under the Feasibility Study, APT will be directly marketed to the tungsten industry while molybdenum concentrates will be sold to third parties for further refining.

Both the concentrator and APT unit operations have been tested extensively at the SGS Lakefield laboratory using metallurgical samples collected from Sisson in 2011. This well respected laboratory, along with Northcliff's consulting engineers, provided the basis for both the concentrator and APT plant design and performance estimates. Recoveries for tungsten and molybdenum are predicted to be 77% (life-of-mine average) and 82%, respectively. Recovery of tungsten in the APT plant is estimated to be 97%.

Concentrator Design

Based upon the results of the Feasibility Study metallurgical test program, the process flowsheet for the Sisson Concentrator includes the following major processing steps:

- Three stage crushing

- Single stage, dual-line grinding and classification
- Molybdenum rougher-scavenger and bulk sulphide flotation
- Molybdenum regrind and four-stage cleaner flotation
- Molybdenum concentrate dewatering and packaging
- Tungsten rougher-scavenger flotation
- Tungsten three-stage cleaner flotation
- Reagent preparation and utilities

A general, simplified block flow diagram for the concentrator is provided in Figure 5 below.

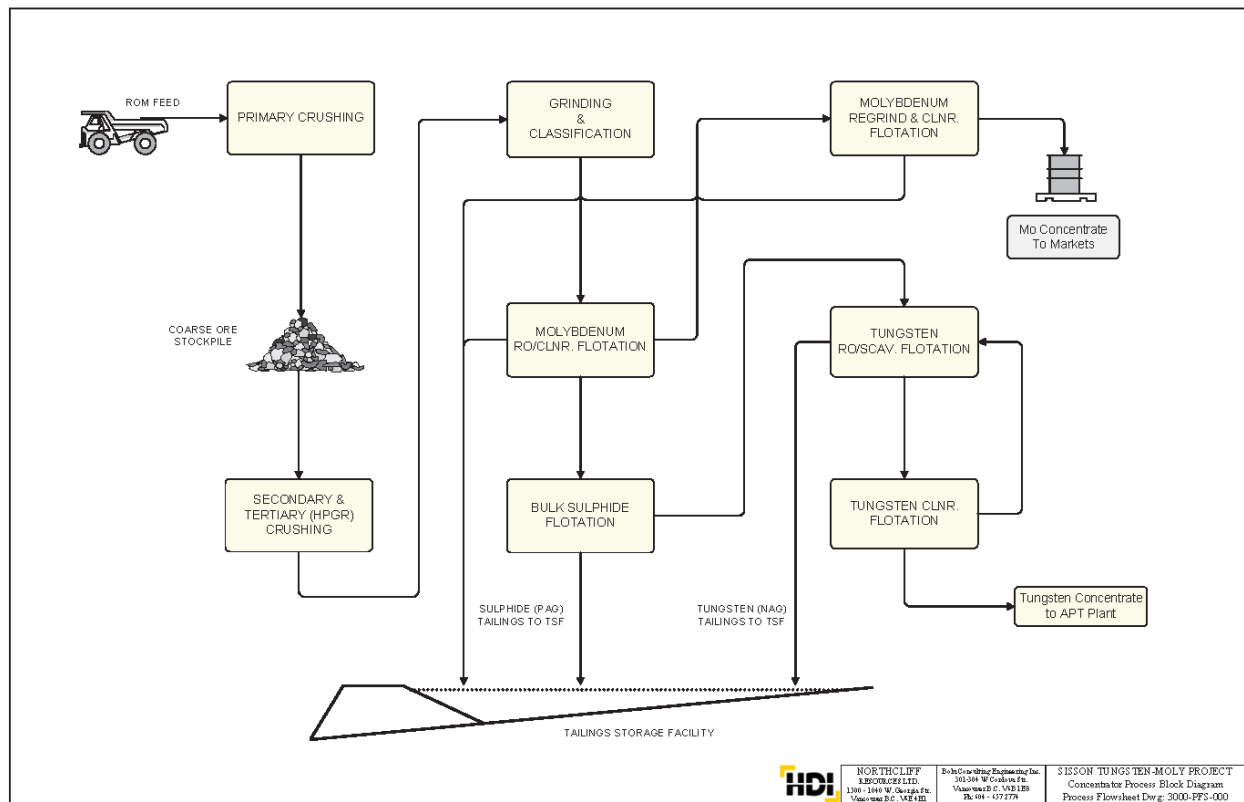


Figure 5 - CONCENTRATOR SIMPLE BLOCK FLOW DIAGRAM

APT Plant Design

The process flowsheet for Sisson Project APT plant will include the following major processing steps:

- Feed preparation
- Digestion and residue filtration
- Alkali recovery and solution purification
- Conversion to Ammonium Tungstate
- APT crystallization

- APT drying and packaging
- Reagent preparation and utilities

A simplified block flow diagram (Figure 6) shows the main process steps as designed.

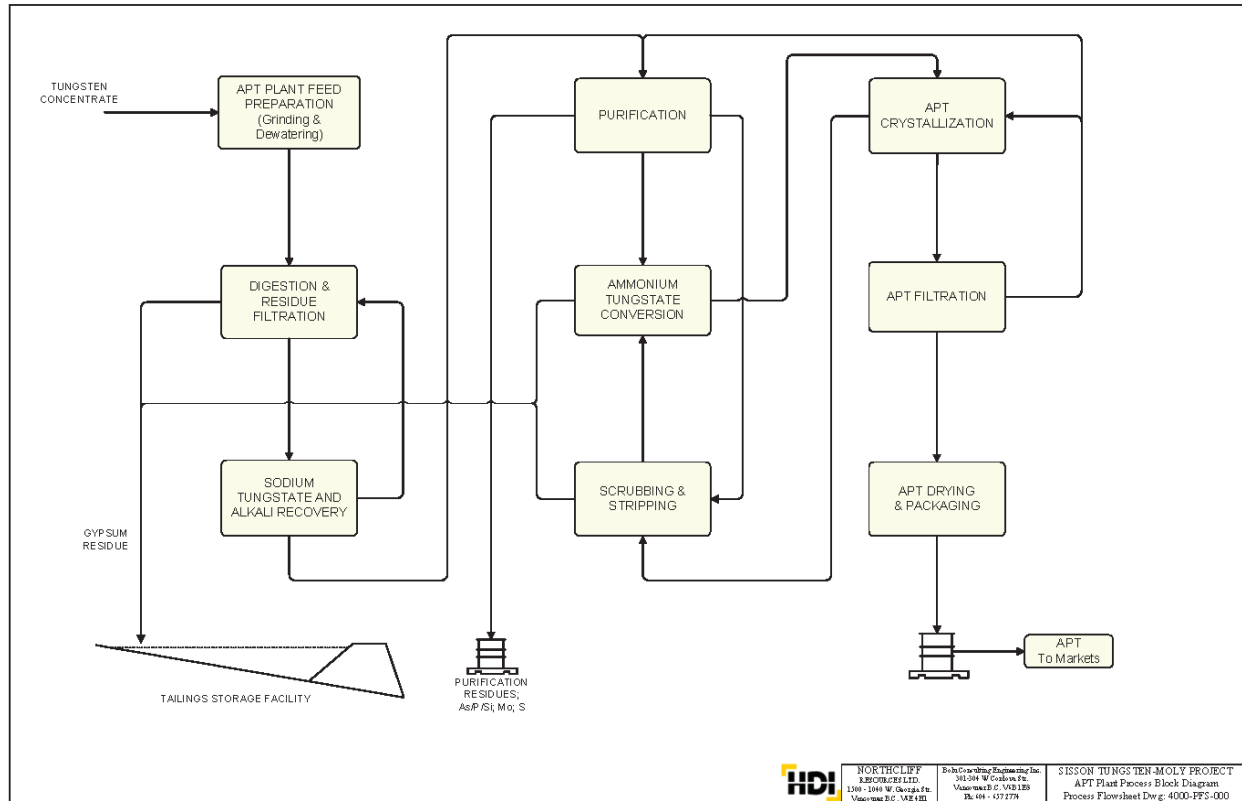


Figure 6 - APT SIMPLE BLOCK FLOW DIAGRAM

Tailings Storage Facility

A Tailings Storage Facility ("TSF") will be constructed to manage all tailings and barren rock deposition and long-term storage, including the subaqueous disposal of potentially acid generating materials to mitigate the onset of acidic conditions. Care was taken to minimize the footprint of the TSF and keep the facility in a single watershed. Material for TSF embankment construction will be sourced from a non-potentially acid generating rock quarry located within the footprint of the TSF. The primary aspects of the TSF design include:

- Zoned embankments constructed of earthfill and rockfill
- Upslope TSF diversion channels for surface water
- Access roads and haul roads for embankment construction
- Seepage and embankment runoff collection ditches and ponds
- Tailings transportation and deposition system
- Reclaim water system

- Tailings beaches
- Supernatant water pond, and
- Barren Rock Dump and Mid-Grade Ore stockpile.

Local Resources and Infrastructure

Further to the information in Accessibility, Climate, Local Resources, Infrastructure and Physiography above, the Sisson Project's power requirements will be satisfied by tying into the existing New Brunswick electrical grid. Although an existing 345 kV line crosses the Sisson claim block, a new 42 km long, 138 kV transmission line will be constructed by NB Power alongside the existing higher voltage line to provide power to the Sisson Project. NB Power will own the new, lower-voltage transmission line and switchgear at its Keswick terminal station, but Northcliff will own the mine site terminal station. Power costs are estimated at \$0.065 per kWh in the Feasibility Study.

Infrastructure and facilities at the Sisson Project mine site will include an open pit, crushing, conveying, ore stockpile, ore concentrator, APT plant, tailings storage facility, water clarification facility, process buildings, and ancillary buildings including offices, maintenance shops and warehouses.

Environmental and Permitting

In April 2011, a project description for the Sisson Project was accepted by the Canadian Environmental Assessment Agency to launch the federal Environmental Impact Assessment ("EIA") process. The Terms of Reference for the EIA were finalized in April 2012.

Since 2011, Northcliff has undertaken studies of air quality, acoustics, surface and groundwater resources, environmental geochemistry, terrestrial and aquatic habitats, fish and wildlife, wetlands, land and resource uses, heritage resources, socio-economics, and traditional Aboriginal land uses. The purpose of these studies was to provide information for use in project planning and design and in preparing the EIA Report, and as a baseline for monitoring during construction and operation.

Northcliff submitted an EIA Report for both federal and provincial government review in July 2013. Provincial and federal review and approval processes, although harmonized, differ somewhat but both provide opportunity for public input. Approval from the Province was received in December 2015. The Canadian Environmental Assessment Agency ("CEAA") posted the Comprehensive Study Report for the Sisson Project on the CEAA website in April 2016, following which the final 30-day public comment period was completed. Once comments have been considered and a recommendation made to the Minister of the Environment and Climate Change, the Federal Government will make a final decision on the Project.

A comprehensive permitting plan has been developed so that the individual permits and authorizations required for the Sisson Project can be obtained in a timely fashion, subject to funding, to allow the start of construction after positive EIA decisions, when all financing and offtake arrangements have been made and the Board has approved the project to proceed towards construction.

An approved reclamation and closure plan and a financial security held by the province for the associated costs are required before approval to construct the Sisson Project is granted. The reclamation and closure plan will be undertaken to establish self-sustaining physical, chemical and

biological stability of the site, and to meet desired end land uses, all as required under provincial and federal legislation and regulations.

Since early 2011, Northcliff has conducted numerous discussions, presentations, workshops and open houses with interested individuals, local communities, First Nations and stakeholder groups to disseminate project information and to learn about and help address specific concerns.

Operating and Capital Cost Estimates

The capital cost estimate for the Sisson Project was developed by SE and includes costs from Consultants, within their specialized scope of work, and from SE. The estimate has an accuracy of minus 5% plus 15% with a base date of Q3 2012. The total estimated cost to design, procure, construct and start-up the facilities described in this report is \$579 million in Canadian currency, as summarized in Table 8. The estimate has a contingency allowance of approximately 15%.

Table 8 - CAPITAL COST SUMMARY

Cost Area	\$M
Mine	34.1
Concentrator & APT Plant	247.9
Site Infrastructure & Ancillary	55.4
Owner's Costs & Indirects	168.4
Contingency (approximately 15%)	73.0
Total	578.8

For the Sisson Project Feasibility Study, the operating costs were estimated based on labor productivity, supervision and management for mine operations, equipment consumables, and equipment reliability, availability and productivity. The life-of-mine average operating costs, which include the cost of mining, processing, waste management and general and administrative (G&A) services for the Sisson Project, are summarized in Table 9.

Table 9 - LIFE OF MINE AVERAGE ANNUAL OPERATING COSTS

Average Annual Operating Costs	\$/t	\$/mtu
Mining (per tonne milled)	4.15*	77.7
Milling	7.11	133.2
Waste Management	0.59	11.1
G&A	0.47	8.8
Total Operating Cost to Concentration	12.32	230.8
Moly By-Product Credits	(5.76)	(107.8)
Total Operating Costs	6.56	123.0
APT Costs (including offsite costs)	1.62	30.3
Total APT Cash Costs	8.18	153.3

*Mining cost per tonne mined is \$2.09/t

Project Economics

A pro forma, un-levered cash flow model was prepared with technical and cost inputs for the economic model developed by SE in 2013 with specific inputs from Northcliff and other consultants. A summary of the results is provided in Table 10.

Table 10 - ECONOMIC SUMMARY

Financial Results*	Pre-Tax	Post-Tax
Net Present Value (8%)	\$714 M	\$418 M
Internal Rate of Return (IRR)	20.4%	16.3%
Payback	4.1 years	4.5 years
Total Capital Costs	\$579 M	

*Financial results are as at commencement of construction. Exchange rate assumptions for US\$:C\$ are: Capital cost 1.0:1; Years 1-4 0.98-0.92:1; Years 5+ 0.90:1

The metal prices of \$350/mtu for WO₃ and \$15/lb for molybdenum used in the financial analysis are the average long-term prices as forecast at the time of the study.

Conclusions

The Feasibility Study confirmed the viability of the Sisson Project as a long-life mining operation. The Sisson Project hosts a Mineral Reserve of 334 Mt at average grades of \$24.14/t (NSR), 0.066% WO₃ and 0.021% Mo at an \$8.83 NSR/t cut-off grade. Financially speaking, the Sisson Project is robust with a post-tax NPV of \$418M and a 16.3% IRR. Technically, the Sisson Project presents no fatal flaws.

Recent Work

From 2013-2015, Northcliff and its consultants advanced basic engineering studies, including the plant site and associated infrastructure, tailings storage facility and water management systems, open pit mine and water treatment facilities. In addition, in 2015 NB Power completed a geotechnical program along the proposed route and refined the design for a 138 kV transmission line.

Engineering work carried out in 2016 was limited, and primarily focused on ongoing geochemical analyses relating to waste disposal and water treatment. Environmental and permitting work was principally related to management support of the ongoing federal EIA process, the continuation of environmental baseline studies at the project site, and the renewal of existing mineral claims. Stakeholder communication continued, principally to support ongoing negotiations with First Nations for cooperation agreements and community engagement via the local Fredericton office.

Plans for 2017

Plans in 2017 include supporting the EIA process, continuing engineering studies, preparing permit applications, pursuing project finance interest and advancing offtake interest in the products.

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:

Insurance and Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, ground or slope failures, fires, floods, earthquakes, cyclones and other environmental occurrences, as well as political and social instability that could result in damage to or destruction of mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining caused by industrial accidents or labour disputes or changes in regulatory environment, monetary losses and possible legal liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all potential risks associated with its operations, and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company.

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 and landslides, 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.

Mineral reserves have been established at the Sisson Project based on the positive results of the Feasibility Study, effective date January 2013. No assurance can be made that funds required for development can be obtained on a timely basis. Whether the mineral deposit will continue to be commercially viable depends on a number of factors, some of which are 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. 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. Delays in obtaining required licences or permits due to opposition by a third party, location within Aboriginal treaty and asserted territories that may affect or be perceived to affect treaty and asserted aboriginal rights and title or other opposition by Aboriginal communities could affect the ability of the Company to develop the Sisson Project or could negatively affect the Project economics.

Additional Funding Requirements

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.

If Prices For Tungsten and Molybdenum Decline or Remain at Current Levels, Northcliff May Not Be Able To Raise The Additional Financing Required To Fund Expenditures For The Sisson Project

The ability of Northcliff to raise interim and construction financing to fund its share of the Sisson Project's cost, will be significantly affected by changes in the market price of the metals for which it explores. The prices of tungsten and molybdenum are volatile, and are affected by numerous factors beyond Northcliff's control. The level of interest rates, the rate of inflation, the world supplies of and demands for tungsten and molybdenum and the stability of exchange rates can all cause fluctuations in these prices. Such external economic factors are influenced by changes in international investment patterns and monetary systems and political developments. The prices of tungsten and molybdenum have fluctuated significantly in recent years, and future significant price declines could cause investors to be unprepared to finance exploration and development of tungsten and molybdenum deposits, with the result that Northcliff may not have sufficient financing with which to fund its share of the costs of development activities for the Sisson Project.

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 or development advancement, 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.

General Economic Conditions

Market conditions and unexpected volatility or illiquidity in financial markets may adversely affect the prospects of the Company and the value of its shares.

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.

Risk of Litigations

The Company may become involved in disputes with third parties in the future that may result in litigation. The results of litigation cannot be predicted with certainty and defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. If the Company is unable to resolve these disputes favourably or if the cost of the resolution is substantial, such

events may have a material adverse impact on the ability of the Company to carry out its business plan.

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, 133,678,508 common shares are 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 are 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 for the months indicated.

<u>Month</u>	<u>TSX Price Range (\$)</u>		<u>Total Volume</u>
	<u>High</u>	<u>Low</u>	
November 2015	0.14	0.08	641,600
December 2015	0.14	0.07	960,000
January 2016	0.10	0.09	227,700
February 2016	0.10	0.08	219,400
March 2016	0.12	0.08	518,900
April 2016	0.15	0.09	1,687,800
May 2016	0.14	0.11	7,638,200
June 2016	0.13	0.10	867,000
July 2016	0.13	0.10	8,491,200
August 2016	0.14	0.11	1,008,300

TSX Price Range (\$)

<u>Month</u>	<u>High</u>	<u>Low</u>	<u>Total Volume</u>
September 2016	0.13	0.11	1,265,500
October 2016	0.13	0.10	818,600

ESCROWED SECURITIES

There are no shares of the Company held in escrow.

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.

<u>Name and Municipality of Residence</u>	<u>Positions with the Company</u>	<u>Date of Appointment</u>	<u>Securities Beneficially Owned or Controlled⁽⁴⁾</u>
Christopher Zahovskis Tsawwassen, BC	President, Chief Executive Officer and Director	June 7, 2011	189,500 Common Shares 1,135,000 Options
Bryce Hamming North Vancouver, BC	Chief Financial Officer	June 7, 2011	187,100 Common Shares 686,000 Options
Marchand Snyman West Vancouver, BC	Chairman and Director	January 31, 2013	347,100 Common Shares 374,800 Options
Robert A. Dickinson Lions Bay, BC	Director	June 7, 2011	2,488,350 Common Shares 234,900 Options 2,000,000 Warrants
T. Barry Coughlan ⁽¹⁾⁽²⁾⁽³⁾ Vancouver, BC	Director	June 7, 2011	100,000 Common Shares 234,900 Options
Scott D. Cousens Vancouver, BC	Director	May 30, 2012	2,318,040 Common Shares 234,900 Options
Peter Mitchell ⁽¹⁾⁽²⁾⁽³⁾ Chicago, USA	Director	June 7, 2011	83,800 Common Shares 234,900 Options

Name and Municipality of Residence	Positions with the Company	Date of Appointment	Securities Beneficially Owned or Controlled⁽⁴⁾
Darcy Rezac ⁽¹⁾⁽²⁾⁽³⁾ Langley, BC	Director	February 1, 2012	306,500 Common Shares 334,800 Options
Jacob Roorda Calgary, Alberta	Director	March 18, 2014	Nil Common Shares Nil Options
Trevor Thomas Vancouver, BC	Secretary	June 7, 2011	148,500 Common Shares 195,000 Options
Kelly Boychuk Vancouver, BC	Vice President, Engineering	November 14, 2013	58,800 Common Shares 350,000 Options

Notes:

- (1) Member of Audit and Risk Committee
- (2) Member of Compensation Committee
- (3) Member of Nominating and Governance Committee
- (4) As of the Effective Date of this AIF

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, 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 ("HDI 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.

Marchand Snyman, Chairman of the Board and Director

With over 17 years of progressive experience in the mining sector, Mr. Snyman was a director of Muratie Investments Pty Limited between 2003 and 2006, an Australian mining consultant providing advisory services to businesses in Australia, China, South Africa and the USA. Mr. Snyman was General Manager Corporate Finance and Development for Anglo Platinum Limited, the world's premier platinum producer from 1999 – 2002, responsible for managing diverse projects including joint venture negotiations, corporate tax structures and offshore corporate operations, having joined Anglo Platinum in 1996 as Corporate Finance Manager. Prior to that, he was a senior financial advisor for a multi-modal transportation company in South Africa. He is a director and Chief Operating Officer of HDI and a director of HDSI.

Mr. Snyman is a member of the Institute of Chartered Accountants in Australia and of the South African Institute of Chartered Accountants.

Robert A. Dickinson, 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, Director

Mr. Coughlan is a self-employed businessman and financier who has been involved in the financing of publicly traded companies for over 30 years. His principal occupation is President and Director of TBC Ventures Ltd., a private investment company.

Scott D. Cousens, Director

Mr. Cousens provides management and financial services to a number of publicly traded companies managed by HDI. His focus for the past 25 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, Director

Mr. Mitchell is currently the Senior Vice President and Chief Financial Officer of Coeur Mining, Inc. in Chicago, Illinois. 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 worked most recently as the Chief Financial Officer of Taseko Mines Limited. Prior to that he held senior roles in three private equity portfolio companies including President of Florida Career College based in Fort Lauderdale, Florida, President and CEO of Vatterott Education Centers in St Louis, Missouri and Vice Chairman and CFO of Von Hoffmann Corporation, also based in St Louis, Missouri.

Darcy Rezac, Director

Darcy Rezac is the Managing Director of Ana Pacific Consulting and has served on numerous boards including BC Bearing Engineers Ltd., Vancouver International Airport (YVR), Vancouver Board of Trade, and BC Trade Development Corporation. Mr. Rezac has served on a number of board

committees, including executive, governance, HR, strategic planning, investment and audit. Mr. Rezac also served as Director of Corporate Services for Alcan Canada between 1980 and 1984. He has a BSc in physical geography from McGill University and a MBA from the John Molson School of Business, Concordia University.

Jacob Roorda, Director

Jacob Roorda is a Professional Engineer with over 35 years of experience in the oil and gas industry. He is presently the Executive Vice President of Todd Energy International Limited, a private company focusing on developing an unconventional gas resource in northeastern British Columbia, Canada and developing a methanol production facility in southern Louisiana, United States. In addition to being a director for Northcliff Resources Ltd., Mr. Roorda is also a director for Petroshale Inc. and Epsilon Energy Ltd. Previously Mr. Roorda was the Vice Chairman of Canoe Financial Corp., the President and VP Corporate for Harvest Operations Corp., VP Corporate and Director for PrimeWest Energy, Inc., and Managing Director for Research Capital Corporation.

Bryce Hamming, Chief Financial Officer

Mr. Hamming is a Canadian Chartered Professional Accountant and a Chartered Financial Analyst and a graduate of Simon Fraser University with a Bachelor of Business Administration. He has more than 15 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 HDI 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 as a senior manager.

Kelly Boychuk, Vice President, Engineering

Mr. Boychuk is a Qualified Professional Engineer (geotechnical) and MBA (finance specialization) with over 20 years of experience in mining and hydroelectric projects in North and South America. His experience spans exploration, development, permitting, engineering, construction and operation phases of precious and base metal projects. With experience in Mexico, Chile, Argentina, Bolivia, Guyana, USA (Nevada) and Canada, Mr. Boychuk has a diverse knowledge base as an engineer, contractor and project developer.

Trevor R. Thomas, 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 6,227,690 common shares, representing approximately 4.66% of the issued common shares, or 12,242,890 common shares, representing 9.16% assuming the exercise of their stock options and warrants.

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

Marchand Snyman – Chairman of the Board and Director

Mr. Snyman 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	August 2008	February 2016
	Chief Financial Officer		August 2008	Present
Heatherdale Resources Ltd.	Chief Financial Officer	TSX-V	November 2009	April 2012

Robert A. Dickinson – 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
Amarc Resources Ltd.	Director	TSX-V, OTCBB	April 1993	Present
	Chairman		April 2004	Present
Curis Resources Ltd.	Director	TSX	November 2010	November 2012
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
Taseko Mines Limited	Director	TSX, NYSE-MKT	January 1991	Present

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
Great Basin Gold Ltd.	Director	TSX, NYSE-MKT	February 1998	June 2013
Rathdowney Resources Ltd.	Director	TSX-V	March 2011	Present
Taseko Mines Limited	Director	TSX, NYSE-MKT	February 2001	June 2015

Company	Positions Held	Name of Market	From	To
Quadro Resources Ltd. (formerly Tri-Gold Resources Corp.)	President, CEO, Director	TSX-V	June 1986	Present
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
Heatherdale Resources Ltd.	Chairman and Director	TSX-V	November 2009	Present
Northern Dynasty Minerals Ltd.	Director	TSX, NYSE-MKT	June 1996	February 2016
Quartz Mountain Resources Ltd.	Director and Chairman	TSX-V	November 2012	Present
Taseko Mines Limited	Director	TSX, NYSE-MKT	October 1992	July 2014

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	February 2016
Taseko Mines Limited	Chief Financial Officer	TSX, NYSE-MKT	September 2008	May 2013
Coeur Mining Inc.	Senior Vice President and Chief Financial Officer	TSX, NYSE	June 2013	Present

Darcy Rezac – Director

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

Jacob Roorda – Director

Mr. Roorda 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
Petroshale Inc.	Director	TSX-V, OTCQX	March 2012	Present
Epsilon Energy Ltd.	Director	TSX, OTCBB	March 2016	Present
Wolf Minerals Limited	Alternate Director	ASX, AIM	August 2016	Present
Angle Energy Inc.	Director	TSX	August 2010	November 2013
Argosy Energy Inc.	Director	TSX	September 2008	May 2013

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.

Kelly Boychuk – Vice President, Engineering

Mr. Boychuk 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.	Secretary	TSX-V, OTCBB	February 2008	Present
Curis Resources Ltd.	Secretary	TSX	June 2013	November 2014
Quartz Mountain Resources Ltd.	Secretary	TSX	June 2013	Present
Heatherdale Resources Ltd.	Secretary	TSX-V	June 2013	Present
Northern Dynasty Minerals Ltd.	Secretary	TSX, NYSE-MKT	February 2008	Present
Rathdowney Resources Ltd.	Secretary	TSX-V	March 2011	Present
Rockwell Diamonds Inc.	Secretary	TSX, OTCBB	February 2008	September 2012
Taseko Mines Limited	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.

As publicly disclosed at www.sedar.com, Great Basin Gold Ltd. ("GBG"), a company on whose board Mr. Coughlan served became insolvent and was liquidated commencing in 2012. GBG was developing two gold projects using substantial debt financing when gold prices began their precipitous fall. Mr. Coughlan resigned in June 2013.

As disclosed at www.sec.gov, Mr. Jacob Roorda was a director of TXCO Resources Ltd. ("TXCO"), a NASDAQ listed public company until February 11, 2010. On April 18, 2009, TXCO filed for creditor relief under the U.S. Bankruptcy Code. The board of directors of TXCO obtained approval of a plan of reorganization which paid all creditors in full and which projected a recovery for common shareholders. Mr. Roorda was also a director of Argosy Energy Inc. ("Argosy"), a TSX listed company which entered receivership pursuant to a Court order resulting from a creditor petition as disclosed at www.sedar.com. Concurrently with the receivership, Mr. Roorda resigned as a director of Argosy which was later also subject to a cease trade order for failing to file its required periodic financial statements.

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. As at October 31, 2016, the amount payable to HDSI for services rendered and the reimbursement of third-party costs was \$825,788 (October 31, 2015 – \$219,584). Costs for services rendered by HDSI to the Company and the reimbursement of third-party costs to HDSI during the year were as follows:

Transactions with related entities	Year ended October 31,	
	2016	2015
Services received from HDSI based on annually set rates:		
Accounting, legal and administration	\$ 248,000	\$ 563,000
Corporate communications	10,000	20,000
Corporate development	61,000	195,000
Engineering	26,000	81,000
Environmental and permitting	6,000	220,000
Geology	8,000	24,000
Information technology	–	38,000
Management and directors' fees	402,000	614,000
Site services	–	79,000
Stakeholder affairs	23,000	221,000
Total	\$ 784,000	\$ 2,055,000
Reimbursement of third party costs incurred by HDSI on behalf of the Group	\$ 141,000	\$ 376,000

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, 2016 or before such time that is still in effect:

1. the amended and restated Shareholder Rights Plan Arrangement effective December 13, 2016; and
2. the Todd Transaction Agreements dated October 16, 2013 including: (i) the Sisson Project Limited Partnership Agreement - Amended and Restated Limited Partnership Agreement between Sisson Mines Ltd., Northcliff Holdings (Canada) Ltd. and Todd Canada (Sisson) LP Limited; (ii) the Shareholder Agreement between Sisson Resources Ltd., and Todd Canada (Sisson) GP Limited; and (iii) the Subscription Agreements for the \$5 million private placement, as amended.

INTERESTS OF EXPERTS

David W. Rennie, P. Eng., Daniel Friedman, P. Eng., Jim Gray, P. Eng., Matt Bolu, M.Sc., P. Eng., Steven Pozder, PE, and Gene Greskovich, PE, are named as having co-authored a technical report, portions of which are included in the AIF either directly or incorporated by reference and whose professions or businesses gives authority to the report made by each of them.

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.

The Company's auditors, Deloitte LLP, have issued an auditor's report for the Company's financial statements for the year ended October 31, 2016. Deloitte LLP is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

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, 2016 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 was filed by the Company on SEDAR (www.sedar.com) on February 8, 2013, and is available for viewing. 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 and Risk Committee

The Audit and Risk Committee is currently composed of three directors: Peter Mitchell, the Chairman, T. Barry Coughlan, 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 with respect to 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 discloses 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, 2016	Year ended October 31, 2015
Audit Fees ⁽¹⁾	\$ 40,000	\$ 40,000
Audit-Related fees ⁽²⁾	\$0	\$0
Tax Fees ⁽³⁾	\$0	\$0
All Other Fees ⁽⁴⁾	\$0	\$0
TOTAL	\$ 40,000	\$ 40,000

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 chairperson may approve services to be performed by the independent auditors and the fees therefor 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) 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;

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

(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 Canadian 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 manage those risks.

(iv) At least annually and prior to the filing of the AIF, if required, the Committee shall 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 CEO and CFO annual certifications required to be included in the AIF.

(v) At least annually and prior to the filing of the AIF, the Committee shall review with management and the independent auditor management's internal control report and assessment of the internal controls and procedures, and the independent auditor's report on and assessment of the internal controls and procedures. In connection with its review of interim and annual financial statements and related management's discussion and analysis, the Committee shall confirm with management that the Company (with CEO and CFO participation) has taken all actions required in connection with the certifications required by National Instrument NI 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings*.

(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 all reports relating to the Committee 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 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 controls, is controlled by or is under common control with another person. "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 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) **Chairperson.** Unless the Board elects a chairperson of the Committee, the Committee shall elect a chairperson 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 chairperson 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, 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."