Gibraltar Law Group

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John M. Drayton *
Bruce Swanson

Our File No.: 92406

February 23, 2017

Ministry of Energy and Mines
Mineral Titles Branch
300 – 865 Hornby Street
Vancouver, British Columbia
V6Z 2G3

VIA EMAIL (Mark.Messmer@gov.bc.ca)
AND MTS LOGISTICS

Attention: Mark Messmer

Dear Sir:

Re: Expropriated Zugg 1 Mineral Claim

Pursuant to the settlement that we have reached in this matter, I **enclose** herewith one original of the release in the form that you drafted, duly executed by both of my clients. I confirm that you have not yet sent to me the s.17; s.22 settlement sum, but this release is sent to you in the expectation that you will. I confirm, as well, that you will be making the cheque payable to Gibraltar Law Group In Trust.

I ask that you proceed promptly with that.

I want to thank you for your cooperation in this matter.

Yours truly,

GIBRALTAR LAW GROUP

JOHN M. DRAYTON

JMD/blc
Enclosure

Page 02 of 21

Withheld pursuant to/removed as

s.17 ; s.22

Page 03 of 21

Withheld pursuant to/removed as

s.22

BRITISH COLUMBIA

PROVINCE OF BRITISH COLUMBIA GENERAL ACCOUNT

16441173

s.17

20170220
DATE YYYYMMDD

PAY THREE HUNDRED NINETY-SIX THOUSAND SIX HUNDRED FORTY-SIX DOLLARS 16CENTS

$*****396,646.16

TO OPTIMA MINERALS INC.
1101 FAULKNER CRES
WEST KELOWNA BC V1Z 3N8

00001

⑈16441173⑈ ⑆75010⑉809⑆ s.17

BRITISH COLUMBIA
GENERAL ACCOUNT

REMITTANCE STATEMENT - Detach before presenting cheque for cashing

Province of British Columbia
(EN)

CHEQUE NUMBER
16441173

CHEQUE DATE
Y 2017 M Feb D 20

Vendor Number: s.17 001

INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	DESCRIPTION
AWARD 20DEC16	Feb 16 2017	396,646.16	NRS payment inquiries call 250-387-1482 MINING RIGHTS ARBITRATION AWARD FOR 20DEC16 DECISION RE:TAKU RIVER CONSERVANCY

12345947

Internal Use:
Code: D

Effective April 1, 2013 all government entities will pay GST and PST

For Payment Inquiries please contact ENQUIRY BC
Victoria: 250 387-6121 Vancouver: 604 660-2421 Elsewhere in BC: 1-800-663-7867

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000001

IN THE MATTER OF AN ARBITRATION PURSUANT TO SECTION 17.1 OF THE *MINERAL TENURE ACT* [R.S.B.C. 1996] C. 292 as am AND THE *MINING RIGHTS COMPENSATION REGULATION* B.C. Reg. 161/2010

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA

(The "Province")

AND:

OPTIMA MINERALS INC.

(The "Holder")

Arbitrator: Louis J. Zivot

For the Province: Stephen King and Barbara Carmichael

For the Holder: Brian E. Abraham Q.C.

Hearing Dates: October 17-19, December 12, 2016

Date of Decision: December 20, 2016

AWARD

The purpose of this arbitration is to fix the compensation to be paid by the Province to the Holder as the result of the expropriation of three mineral claims owned by the Holder: Mineral Claims "516543" (the "Ericksen-Ashby"), "532185" and "532186" (together the "Yellow Bluff") located in the Atlin Mining District of British Columbia (collectively the "Optima Property"). The expropriation of the Optima Property was the result of the Province establishing the Taku River/T'aku Téix' Conservancy and was effective July 6, 2012.

The parties pursuant to section 9(1) of the *Mining Rights Compensation Regulation* (the "Regulation") provided notice that they required the amount of compensation payable to the Holder under section 17.1 of the *Mineral Tenure Act* (the "Act") be settled by a single arbitrator.

I have been appointed single arbitrator to determine that compensation under section 10 of the Regulation which provides that: "The arbitrator must decide by selecting either the minister's final offer or the title holder's final offer". This final offer arbitration only permits me to select either the Holder's or the Province's final offer. I am not permitted to make an award of compensation that I might view as the appropriate value of the expropriated claims. I must select one of the offers proffered by the parties. As arbitrator I am to make a timely selection of either the Province's or the Holder's offer, **based on their merits** (section 16 (3) of the Act).

The merits of an offer is further guided by section 5 of the Regulation:

Determination of Value

> 5 (1) The value of an expropriated mineral title must be determined by estimating the value that would have been paid to the holder of the expropriated mineral title if the title had been sold *on the date of expropriation*, in an open and unrestricted market between informed and prudent parties acting at arm's length. (emphasis added)

Evaluators of value (who must have the qualifications specified in the Regulation) must estimate the value of the expropriated mineral titles using information specified in the Regulation. In this case the reference valuation date is July 6, 2012. I have the opinions of two experienced Evaluators, one on behalf of each of the Holder and the Province, both of whom have expressed that they have determined the value of the Optima Property in accordance with this statutory mandate, yet their valuations are significantly disparate as are the party's offers.

The Final Offers

The Province's final offer of compensation for the taking of the Optima Property is $440,000, which is the top end of the Province's Evaluator's range of values. The Holder's final offer is s.21 , which is at the top end of the Holder's Evaluator's range of values. The prospect of a final offer arbitration has not moved the parties from the parameters of their respective evaluator's opinions.

Final offer arbitration does not in many of its common uses require the provision of reasons as the arbitrator is not necessarily selecting an outcome that he or she would have necessarily determined and supported with reasons. The arbitrator can inform the parties in general terms why he or she was more or less attracted to one party's offer than the other's. I believe it is useful to review some of the evidence.

Optima Claims Information

The information I have before me consists of the affidavit of the Holder, in this case Mr. Ernest Bergvinson on behalf of Optima, the Province's Evaluator's Preliminary Report and Final Report, the Holder's Evaluator's Valuation Report and various other documents introduced into evidence or identified in the course of the arbitration hearing. Mr. Bergvinson and Optima's Evaluator, Dr. William E. Roscoe, Ph.D, P.Geo of Roscoe Postle Associates Inc ("RPA") gave evidence on behalf of Optima and Dr. Roscoe explained the conclusions in his valuation report. The Province's Evaluator Mr. Patrick Stephenson, P. Geo, Director and Principal Geologist of AMC Mining Consultants (Canada) Ltd. ("AMC") gave evidence on behalf of the Province and explained the conclusions in his valuation report. The parties also provided an agreed statement of facts which sets out some of the history of the Optima Party (Appendix A to these reasons).

Eriksen-Ashby

The Ericksen-Ashby claim is 202.07 hectares in size. It was originally staked in 1929 and has had a number of interested parties own, option and explore it and surrounding mineral titles. Without setting out all of the exploration activity, in the 1950s and 60s, there was surface exploration and in 1964 an adit was driven and 8-9 holes drilled within that adit. In the 1980s there was some further drilling, and other exploration activities on this claim. Assays from some of the samples and drill cores demonstrated high levels of mineralization. It is common ground that it is a property with significant exploration potential.

Yellow Bluff

The Yellow Bluff claims are 824.3 ha in size. As described by Dr. Roscoe, they have seen limited exploration activity. A 1982 Electromagnetic survey identified a probable massive sulfide zone but the cause of the anomaly has not yet been explained. In 2006 an Induced polarization survey identified some potential sulfide mineralization and in 2008 a limited amount of Mobile Metal Ion soil sampling was conducted. There is some apparent overlap in the identified anomalies, which the Holder describes as coincident.

Current Ownership History

Mr. Bergvinson, Optima's President and CEO, has had a long association with the Eriksen-Ashby claim. A company in which he was involved in the 1980s optioned this property. Poor market conditions played a role in losing the property but in 1997 when the claim (and others) lapsed Mr. Bergvinson re-staked a package of claims that included the Eriksen-Ashby.

The claims were transferred to Xplorer Gold Corp ("XCG"), a private company controlled by Mr. Bergvinson and were then transferred back to him. There was no evidence led about the consideration involved in those transactions or indeed in any of the historical transactions involving these claims.

On December 25, 2005, Mr. Bergvinson sold a number of claims including the Ericksen-Ashby claim to XCG for consideration expressed as s.21
s.21 On that same date XGC sold 100% interest in those same claims to Optima, another private company of which Mr. Bergvinson was a shareholder and director, for consideration expressed as s.21
s.21 . The claims listed in those two agreements did not include the Yellow Bluff claims but the agreements defined "claims" as including an area of interest of 5 kilometres within the perimeter of each claim. In April 2006, by virtue of this provision, the Yellow Bluff claims became part of the Optima Property.

Under the December 2005 sale agreement, Optima agreed to pay XGC s.21 on each anniversary date as an advance royalty the aggregate of which was to be deducted from any NSR payable. Other than the mineral claims that were the subject of these transactions I am not aware of any other assets of either XGC or Optima that would have given value to the shares of Optima at the time of these transactions. It appears as though the Optima shares were not issued until June 2006 and were issued at a deemed aggregate price of s.21 which price Mr. Bergvinson explained was for minimizing tax exposure.

Mr. Garry Payie, a professional geologist, prepared a technical report for Optima dated December 12, 2006. The report covered claims in the areas referred to as the Taku Star, Taku Gold and Moly Taku blocks which at the time included over 100 mineral claims. Mr. Payie's report discusses the historical exploration of the property including the reference in the MINFILE for the Ericksen-Ashby claim that in 1964 indicated reserves at the Ericksen-Ashby were reported to be 907,100 tonnes grading 214.9 grams per tonne silver, 2.23 percent lead and 3.79 per cent zinc. The year of this reserve is in question. As stated by Mr. Payie, and it was accepted by both evaluators, the resource estimate was calculated prior to the implementation of National Instrument 43-101 and is not compliant with those standards. The MINFILE information on Yellow Bluff is minimal although subsequent work identified several anomalies.

Mr. Payie believed that there was the potential for an economic deposit but that further work was required to demonstrate economic viability. Mr. Payie recommended s.21 of work only some of which was designated for the subject Optima Property.

Optima raised approximately s.21 in private funding. In the fall of 2006 there were discussions with a brokerage firm about financing for Optima. A draft preliminary prospectus that contemplated the issuance of up to s.21 (shares and warrant) and s.21 flow-through common shares (subscribed to by the broker) was prepared in May of 2007 to primarily fund the exploration program recommended by Mr. Payie. It was never completed. This proposal contemplated a share price of s.21 per share. There are a number of other share prices referenced in the draft preliminary prospectus that post-date December 2005 ranging from s.21 (for flow through Special Warrants).

Notwithstanding that funds were not raised through a public offering, an exploration program was initiated on the area of the Taku Star (where the Optima Property is located) and the Moly Taku. According to Mr. Bergvinson work was halted in July 2007 on account of information obtained that claims in the Taku River area were going to be in an area to be designated as a park or other protected area. This additional work did not include any further drilling. There was a mobile metal ion geochemical survey carried out in 2008 to keep the property in good standing. A letter was received by Optima on May 28, 2010 and this apparently foreshadowed an expropriation, which did not formally occur until 2012. This letter was not put into evidence.

Mr. Bergvinson testified that approximately s.21 was spent by Optima on claims that include the Ericksen-Ashby and Yellow Bluff claims (Mr. Bergvinson estimated 10-20% of this amount was spent on properties other than the Optima Property). Only a portion of this work was recorded as assessment work in the records of the Ministry of Mines as Mr. Bergvinson explained that Optima sought to avoid the costs associated with filing the work and there was a concern with respect to confidentiality over the technical reports that would have been filed. I am not sure what reports were not filed on account of this concern. The dearth of filed assessment work is another variable that plays a role in the different valuation opinions.

Exhibit A to Mr. Bergvinson's affidavit is titled "Cost Analysis for Appraised Value of Erickson (sic)-Ashby Property Yellow Bluff Property". This lists a number of items under the heading "Work Description" and includes such matters as the s.21 issued by Optima, the advances on the NSR, geological work, helicopter and travel, overhead and the s.21 work recommendation of Mr. Payie.

Evaluators' Opinions

The parties' respective evaluators each applied two valuation methods (as recommended by the CIMVal[1] guidelines) to arrive at a market value for the Optima Property. Neither expert visited the subject property. It is common ground that the Optima Property is at an early stage of exploration, the Ericksen-Ashby claim having been more extensively explored than the Yellow Bluff. It is also common ground that there are no true comparables when it comes to mineral exploration properties. Transactions often involve earn in or property options and combinations of cash, shares and work making it difficult to compare one transaction to the next. The CIMVal Standards and Guidelines clearly recognize that the market for mineral properties and the availability of financing for exploration work also varies over time. This may also reflect on the value attributable to a transaction. It appears that two expert valuators using the same comparables may well arrive at different conclusions as to the value attributable to a transaction.

[1] Canadian Institute of Mining Special Committee on Valuation of Mineral Properties

RPA – Dr. William Roscoe

The Holder's evaluator is Dr. William Roscoe of RPA. He prepared his report based on the information provided by Optima and that which exists in the public domain. Dr. Roscoe carried out his valuation using: (1) the Market Approach using the Comparable Transactions Method and Metal Transaction Ratio ("MTR"), which uses the market transaction price of comparable mineral properties to establish a value; and (2) the Cost Approach (Appraised Value Method), which uses a combination of retained past expenditures and warranted future expenditures.

Comparable Transaction Method

RPA identified 10 transactions for comparables to the Ericksen-Ashby and 12 for the Yellow Bluff. The comparisons are made based on analysing and interpreting the value of the transactions involving these comparables. From this process values per hectare are derived and then applied to the areas of the Optima Property. The transactions identified must not only be similar to the subject property but occurring within a reasonable time of the valuation date (in this case July 6, 2012). RPA reports that its comparables fall within the period June 2010 to July 2012.

The MTR (ratio of the transaction value to the metal dollar content of the resources transacted) requires the identification of a measurable "resource" of some type (the term "resource" is used generically). The reliability of that measurement may or may not be a factor in comparing properties. There is a degree of uncertainty with respect to the "historic" resource identified for the Ericksen-Ashby claim that was the subject of much testimony and argument. There is no specific information on how the resource was calculated. It would appear that the Ericksen-Ashby 1964 historical resource estimate is an extrapolation on the drilling results (and perhaps surface trenching and sampling) derived from the adit that was driven and the 8-9 holes drilled within that adit. The Holder submits that the further drilling results from the partial 1981 program bolster the reliability of the 1964 resource estimate.

Table 11-1 of the RPA report uses a stated "in situ metal content" value and the "transaction value" as the two inputs for determining the MTR. The metal content values are based in some cases on historical resources and in some cases on values that fit within categories identified in NI 43-101. The transaction values are also a product of interpretation as they involve combinations of cash, shares and work. After eliminating outliers RPA recommended an s.21 . This figure is then applied to the 1964 Ericksen-Ashby resource estimate of 907,100 tonnes using the grades referenced in the MINFILE information for that resource (for example 214.0 g/t for silver). This calculation resulted in a range of values between s.21 s.21 in the Ericksen-Ashby Property.

The Yellow Bluff, not having any resource estimate, was not amenable to the MTR valuation approach but 12 other comparable transactions were used for the Yellow Bluff claims. Those are compared on a transaction value and size of the property basis to yield a $/ha value. The values generated ranged between s.21 Eliminating outliers RPA recommended a range of s.21 . resulting in values between s.21 (table 11-5).

Appraised Value

An important aspect of the Appraised Value Method as stated by Dr. Roscoe (and concurred in by Mr. Stephenson) is that: "only those past expenditures which are considered meaningful and productive are retained as value." Dr. Roscoe also indicated that warranted future costs may also be taken into account.

RPA's analysis using this method was based largely on the information provided in Exhibit A to Mr. Bergvinson's affidavit. These and the other expenditures are set out in table 11-6 in the RPA report.

RPA used an adjusted value of the Payie budget s.21 as a "warranted future expenditure" and retained 80% of past expenditures. Dr. Roscoe included acquisition costs and the advanced royalty payments as part of his valuation. The inclusion of those items was questioned in cross-examination. The value placed on the Optima shares as of 2006 is also adjusted s.21 to reflect the current size of the property. This value, as confirmed in re-examination of Dr. Roscoe, was based on the value discussed with Bolder Investment Partners in or about May 2007 concerning a potential financing. Dr. Roscoe further agreed that the proper time for valuing the shares would have been at the time of the transaction, in this case December 25, 2005. Three quarters of the value of the Optima Property was attributed to Eriksen-Ashby in that it is more advanced and had a historic resource estimate. This resulted in a valuation of the Eriksen-Ashby property of s.21 and for the Yellow Bluff s.21

RPA assigned a higher level of confidence in the comparable transaction method and weighted that method 60% to 40% for the Appraised value approach yielding a Market Value Range for the Ericksen- Ashby of s.21 and for Yellow Bluff s.21 to s.21 The total range for the Optima Property is s.21 with a preferred value of s.21

Even with the uncertainty surrounding the historic resource estimates and grades for Ericksen-Ashby, there is a stark difference between the results that derive from the two methods employed by RPA s.21 comparable transaction method). One would expect that the two methods of valuation employed by the Evaluator would generate values much closer to each other than were generated by RPA. Dr. Roscoe generally agreed with this proposition. The CIMVal Standards (para.18) indicate that the valuator should "provide a reconciliation of justification of any significant differences in the Valuation estimates." While these figures were discounted via weighting there was no justification offered with respect to the significant difference.

The larger values obtained in the appraised value method are primarily on account of the inclusion of a share valuation of the Optima shares and the inclusion of the Payie future work estimate. The valuation placed on the Optima shares by RPA at s.21 is not the value as of December 25, 2005, the date the claims were purchased by Optima.

AMC Mining – Patrick Stephenson

The AMC report provides a valuation and also reviews the RPA approach to valuation. Mr. Stephenson also reviews the historical exploration of the Optima Property and has approached valuation on the basis that the subject property is an Exploration Property according to CIMVal standards and guidelines. In view of this AMC based its valuation on two methods: (1) Comparable Transactions and (2) Multiple of Past Exploration Expenditure. As required by the Regulation AMC had provided a preliminary valuation report. A final report was provided after review of the RPA report and AMC's valuation was revised.

AMC's opinion of the Ericksen-Ashby historical resource was that in view of the fact that it could not determine the basis for the estimate, and it was not compliant with NI 43-101, that it was not to be relied on for the purpose of its valuation. Mr. Stephenson accepted that the Ericksen-Ashby claim had results that were sufficiently encouraging so as to warrant further exploration.

Mr. Stephenson attributed s.21

s.21

Comparable Transactions

AMC originally used two comparables but in its final report it accepted some of the comparables used by RPA in its report. AMC's comparable transaction approach, while documenting the presence of a "resource", does not directly use the resource estimate as a factor in its analysis (unlike the RPA MTR approach). AMC did in its final report segregate the comparables into those applicable to "advanced exploration" (for Ericksen-Ashby) and "exploration" (for Yellow Bluff). AMC arrived at a range of s.21 per square kilometre for the Ericksen-Ashby and s.21 per square kilometre for the Yellow Bluff claims .

The derived dollar per square kilometre values recognize the more advanced stage Ericksen-Ashby claims however, when these values are multiplied by the area of the respective claims, the value of the Yellow Bluff claims (8.24 kilometre v 2.02 kilometre for EA) exceeds that of the Ericksen-Ashby claims. AMC's value for Ericksen-Ashby is a range of s.21

s.21

s.21

Multiple of Past Exploration Expenditure

This approach is similar to the Appraised Value method used by RPA although it weighs the value of expenses based on a "prospectivity enhancement multiplier" ("PEM") from 0.5 to 3.0. Only expenditures that directly affect property prospectivity are considered. AMC's cost approach does not include future expenditures although it did review the Payie report and ascribed a value to the work applicable to the Optima Property. AMC did not take into account acquisition costs or advance royalties as legitimate expenses as it had little confidence in the values expressed in the December 2005 non arms-length agreements.

AMC noted the difference in the expenditures reported in Mr. Bergvinson's affidavit s.21 and that recorded on statements of work filed with the Ministry of Energy and Mines s.17; s.21 AMC made its own calculations of the expenditures and determined that there was s.21 in expenditures that qualified for this method of evaluation. It then applied a PEM range of 1.1 to 1.3 to the expenditures yielding a valuation of s.21 AMC notes that this valuation likely underestimates the value of the Optima Property because the expenditures used were those primarily associated with the Yellow Bluff claims between 2005 and 2012 and (AMC states) little work had been done on Ericksen-Ashby since 1998[2]. There was in fact some further diamond drilling work done on the Ericksen-Ashby in 1981that was the subject of the February 12, 1982 report by Brent Hemingway and which is referenced in Mr. Bergvinson's affidavit and the Agreed Statement of Facts. The value of this work was not referenced or included by RPA or AMC in their reports .

AMC also examined the RPA MTR and Appraisal approaches and made adjustment AMC thought appropriate. This generated a market value range for the Optima Property of between s.21

Similar to RPA, AMC has less confidence in the past expenditures approach and weights its valuation 80% to its comparable transactions value leading to a final valuation of s.21 to s.21

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[2] AMC Report, 5.6, p. 17

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Summary of Valuations

	RPA/Holder	AMC/Province
Comparable Transaction Ranges	s.17; s.21	
Past Expenditure Ranges		
Total Valuation		
Final Offers		

It is noteworthy that the Evaluators in this case did not use exactly the same two methods for their valuations, except in the case of the comparable transaction method applied to the Yellow Bluff where the results were quite similar s.21

s.21 Both Evaluators had less confidence in the cost based methods and ascribed lesser weight to those results.

Dr. Roscoe agreed that having read the AMC report he would have lowered his appraised value although he did not state a revised value or to what extent he would have eliminated or modified two of the largest components, the acquisition costs and advanced royalties from his valuation. Dr. Roscoe did say that one of the areas that he would revisit in terms of valuation was the value he put on the Optima shares.

Mr. Stephenson appears to accept that the comparable transaction method AMC used that is based on the physical size of the claim can overrate a larger area or underrate a smaller area. This appears to have happened in this case in that the larger less developed Yellow Bluff claims have a higher value than the Ericksen-Ashby claim using this comparison method. One cannot tell if this method has over-estimated the value of the Yellow Bluff or under estimated the value of Ericksen-Ashby.

Mr. Stephenson also acknowledged that the past expenditure method he employed and, based on the allocation of expenditures between the subject claims, also likely underestimated the value of the Ericksen-Ashby claim. It was for that reason that AMC only gave that method a 20 percent weighting in the final calculation.

Notwithstanding Mr. Begvinson's statements to the effect that it was the Yellow Bluff that had the potential to be a "world class deposit" as being the reason why the brokerage firm was interested in a possible financing of Optima, there was a consensus amongst the expert valuators that Ericksen-Ashby was a more advanced exploration property and was the one described as having significant exploration potential.

Selection of the Final Offer

There is always going to be a significant degree of uncertainty when valuing exploration properties. The question for me is: which of the two final offers more closely represents the value that would have been paid to the Holder for the Optima Property if those titles had been sold on July 6, 2012, the date of expropriation, in an open and unrestricted market between informed and prudent parties acting at arm's length?

It appears that each of the methods used by the parties' respective valuators have their failings. Neither expert places that much confidence in the appraisal or past exploration expense method of valuation. RPA mitigated against this by weighting its appraisal method valuation 40% and AMC only accorded a 20% weighting to its appraisal method valuation. The fact is that RPA's appraised value for the Optima Property of s.21 is so much higher than its comparable transaction range s.21 that even at 40% it significantly skews RPA's overall valuation s.21 . If there is a lack of confidence in a particular method, particularly where there is such disparity in the results, I question why even a weighted average is appropriate and why the result would be taken into account by a prudent and informed buyer. It might have been of assistance if both parties used the same approach to comparing transactions as where they did, in the case of Yellow Bluff, their valuations were very close.

In my view the offer that is closest to the value as contemplated by section 5 of the Regulation is that of the Province. I therefore select the final offer of the Province being $440,000.

IT IS SO AWARDED

DATED: DECEMBER 20, 2016

____
Louis J Zivot
Arbitrator

Schedule A

IN THE MATTER OF THE EXPROPRIATION OF
MINERAL TENURES OF OPTIMA MINERALS INC. PURSUANT TO
THE *MINERALS TENURE ACT* OF BRITISH COLUMBIA

AGREED STATEMENT OF FACTS

TAKE NOTICE that the parties agree to admit, for the purpose of this proceeding only, the facts set out below and the authenticity of the documents referred to below, copies of which are attached.

The facts, the admission of which is agreed to, are:

1. Ernest Bergvinson is the President and Chief Executive Officer of Optima Minerals Inc. ("**Optima**").

2. Mineral claim 516543 consists of a single, 202.07 hectare claim (the "**Ericksen-Ashby Property**"). Mineral claims 532185 and 532186 are two contiguous claims covering an area of 824.3 hectares (the "**Yellow Bluff Property**"). The Ericksen-Ashby and Yellow Bluff Properties are located in the Atlin Mining District 100 kilometers south, southeast of the community of Atlin, and 65 kilometers northeast of Juneau, Alaska (together, the "**Properties**").

3. The Ericksen-Ashby property was originally staked in 1929 and a small adit was started.

4. In 1950, Cominco optioned the Ericksen-Ashby property, and in 1951 it completed geological mapping and drilled one hole.

5. From 1953 to 1962, several parties performed work and filed annual assessment work on the Ericksen-Ashby property.

6. From 1963 to 1965, the Ericksen-Ashby Mining Company explored the Ericksen-Ashby property. Surface exploration was conducted in 1963, and in 1964, an adit was driven into a skarn zone. Eight or nine underground drill holes were subsequently drilled.

7. In 1965, trenching was done by Ericksen-Ashby Mining Company on the northern portion of the Ericksen-Ashby property.

8. In 1979, Semco Mining Corporation (Anglo Canadian) mapped the Ericksen-Ashby deposit and suggested a volcanogenic genesis for the mineralization.

9. In 1980, Anglo Canadian unsuccessfully attempted to drill one hole on Zone 1 of the Ericksen-Ashby property.

10. In 1981, Mr. Bergvinson was President and Chief Executive Officer of Island Mining and Exploration Inc. ("**Island Mining**").

11. In 1981, Island Mining optioned the Ericksen-Ashby property from Anglo-Canadian and completed six drill holes on Zone 1 and five drill holes on Zones 3 and 8, totalling 3,000 feet of diamond drilling.

12. In 1982 an electromagnetic airborne survey identified a large probable massive sulfide anomaly on the Yellow Bluff property.

13. In 1987, Northwind Ventures Ltd. optioned the Ericksen-Ashby property, established two grids and completed a program consisting of soil sampling, geological mapping, and VLF electromagnetic surveying.

14. In 1990, KRL Resources Corp. completed a helicopter-borne electromagnetic survey over the Ericksen-Ashby property.

15. The Ericksen-Ashby property lapsed in 1997.

16. In 1997, Mr. Bergvinson had the Ericksen-Ashby property re-staked.

17. Optima Minerals Incorporated was incorporated December 23, 2005.

18. Ernest Bergvinson and James O'Brien were the only two directors of Optima at that time.

19. In 2006, Optima flew in a geophysical crew to conduct an induced polarization survey ("**IP Survey**") and perform limited prospecting on the Yellow Bluff Property. A chargeable high was found and was interpreted to be sulfide mineralization at 50m to 60m depth, confirming the results of the previous two airborne surveys.

20. December 19, 2006 Optima Minerals issued a Report of Exempt Distribution (Form 45-106F1), required under s. 6.1 of National Instrument 45106, indicating that a distribution of 9,000,000 shares were issued and the total deemed price raised from this distribution was $1.00 Canadian.

21. In 2008, Optima completed a Mobile Metal Ion (MMI) soil sampling across the Yellow Bluff property for assessment purposes in order to keep the property in good standing.

22. On June 26, 2012, Optima received a Notice of Expropriation of the claims comprising the Properties for the purpose of establishing the Taku River / T'aku Téix' Conservancy.

23. A total of three claims were expropriated. One known as the Ericksen-Ashby with tenure number 516543 and two known as the Yellow Bluff with tenure numbers 532185 and 532186.

24. On July 6, 2012, the expropriation became effective.

Date: October 14, 2016