

The NG-3 Vein was discovered in 1970 in a deep vertical diamond drill hole by Northgate Explorations. This hole, the third hole of their program, was called the NG-3; thus the name of the vein. Some sporadic drilling was done on the vein in 1971 and the early 1980s but at that time its precise location and orientation were unclear, as was its relationship to the No. 3 Vein, which has been the focus of most of the work on the property. Through these efforts in the 1970s and 1980s the position of the NG-3 Vein was gradually established, and in 1987 the vein was intersected in underground drilling from workings on the 2600 Level. This work has established with a fair degree of certainty that the NG-3 Vein is in fact the eastern extension of the No. 3 Vein to the east of the Cole Creek Fault. Further drilling was done on the NG-3 as part of the 2010 drilling program.

For many years it had been postulated that there should be a porphyry deposit in the area, and that the many veins on the property were peripheral mineralization to such a deposit. This porphyry deposit was finally located by geophysical work, and its existence was confirmed by diamond drilling in 2011. Work on the property shifted to investigations of the porphyry deposit, with drill programs in 2011 and 2012. One of the holes of the 2012 porphyry program, DDH 12S-05, fortuitously intersected a substantial vein. When the intersection was plotted in 3-D it became apparent that the vein lined up very well with the NG-3 Vein and was almost certainly the eastern extension of the vein. This intersection is well over 300 metres east of what was previously the easternmost extension of this vein.

The NG-3 Vein as located in DDH 12S-05 is within the porphyry deposit. It strikes at 110° and dips 69° to the north. This is somewhat different than the No. 3 Vein which usually strikes about 135° and dips $50-65^{\circ}$ to the north, and likely indicates some rotation about the Cole Fault. The NG-3 in a number of drill holes is seen to have a footwall vein associated with it, and this holds true also in DDH 12S-05. The footwall vein in most cases is weaker than the main vein above it. The No. 3 Vein is also known to have an associated footwall vein, especially towards its eastern end, and this further supports the idea that the No. 3 and NG-3 are in fact the same vein.

During the 2012 drill program the sample intervals of the NG-3 Vein and its footwall vein in DDH 12S-05 were broken out separately from the porphyry deposit but were subjected to the same assay regimen, which was a fire assay for gold and multi-element ICP analysis. Provisions had been made as part of the porphyry drilling program to re-assay samples which produced results beyond the standard ICP capabilities for Cu and Mo, but not for other elements such as Ag, Pb and Zn which were not considered to be economic metals within the porphyry deposit. This left the silver assays within the veins reported simply as >10 ppm Ag. Recently in 2015 these samples were re-assayed using ore-grade procedures to produce more precise results. The resulting silver assays were considerably higher than expected and in fact were the highest ever recorded from the NG-3 Vein. (See Table 1 below.) The vein where intersected

in DDH 12S-05 exhibits not only the best grades encountered to date but also has a substantial width.

Standards and duplicate samples were not inserted for the DDH 12S-05 re-assays due to the limited number of samples (10) submitted, relying instead on the lab's internal quality control procedures.

The top of the porphyry deposit has been cut off by the Upper Bounding Fault, and it is considered likely (although not proven at this point) that this same fault also cuts off the NG-3 Vein. The NG-3 Vein is still open to the east of the 12S-05 intersection below the Upper Bounding Fault and is also open to depth.

Note that any data from diamond drilling before 2010 is not 43-101 compliant and can not be considered to be reliable.