

Why KSM Makes Sense

Recently, several large gold and gold/copper projects have run into problems that KSM doesn't have...problems with foreign jurisdictions, permitting and uneconomic grades. Following are six key points you should know about KSM.

Location



- Near major infrastructure – all-weather highways, power lines, and an ocean-going port.
- Not near any settlements which would be disturbed by mining.
- Skilled Canadian labor pool to draw on.

Jurisdiction

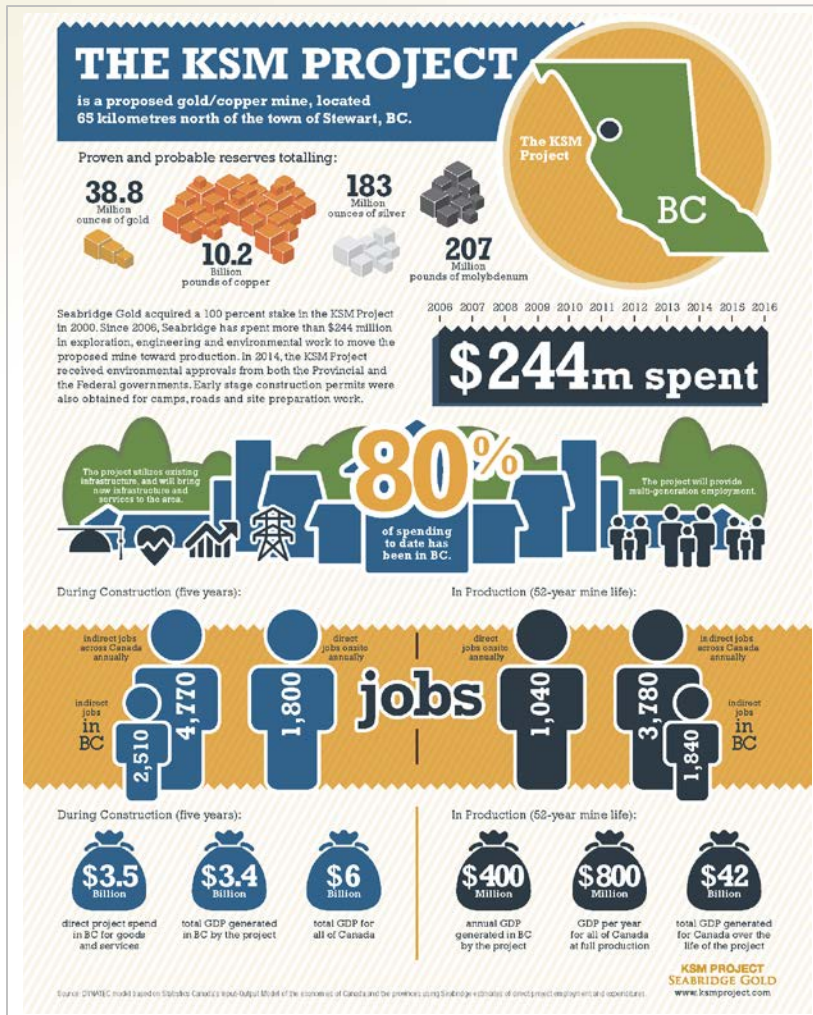
- A stable and proven land tenure, taxation and regulatory environment in British Columbia, Canada reduces important risks.
- Established, reliable procedures for obtaining permits include deadlines for government agencies.

Community Support



- KSM Benefits Agreement signed with Nisga'a Nation.
- KSM has public expressions of support from two other First Nations.
- We have close working relationships with local business, educational institutions and community organizations.

Project Economics



- Reserve grades are similar to mines operated profitably by major producers at today's metal prices.
- Available, inexpensive hydro power provides immense economic advantage including lessened dependence on expensive and volatile oil.
- New Preliminary Feasibility Study estimates Total Costs (initial capital, sustaining capital, operating costs and closure costs net of Cu and Ag credits) at \$673 per ounce of gold produced.
- New high-grade discoveries are likely to increase grades and further improve economics.

New Discoveries at Grades Higher than Reserves

- Deep Kerr core zone found in 2013 now contains 1.08 billion tonne resource grading 0.53% copper and 0.35 g/T gold.
- Initial resource at Lower Iron Cap zone estimated at 164 million tonnes at 0.59 g/T gold and 0.27% copper.
- Additions to resources since 2013 total 14.5 million ounces of gold and 12.7 billion pounds of copper at grades 50+% higher than existing reserves.
- Deep Kerr's grades and size compare favorably with some of the world's largest, most profitable, operating copper/gold mines.
- New PEA demonstrates significant economic improvements to KSM from these new higher-grade resources.

New Discoveries Improve KSM Economics, Reduce Footprint

- New Preliminary Economic Assessment includes higher grade Deep Kerr and Lower Iron Cap Zone into KSM mine plan. More underground mining reduces open pits.
- Base Case Life of Mine Operating Costs (net of Cu and Ag credits) estimated at negative US\$179 per ounce of gold produced.
- Total Costs (initial capital, sustaining capital, operating and closure costs, net of Cu and Ag credits) estimated at US\$358 per ounce of gold produced.
- Smaller footprint: 2.4 billion tonnes (or 81%) less waste rock generated compared to 2016 PFS.

KSM EA Fully Approved

- KSM has received final approval of its Environmental Assessment Application by both the Provincial and Federal governments.
- KSM is only the third large-scale mining project in Canada to receive federal approval in the past five years.