CHIEFTAIN METALS CORP.

ANNUAL INFORMATION FORM

For the financial year ended September 30, 2013

Dated as of December 27, 2013

Contents

GENERAL MATTERS

The information in this Annual Information Form ("**AIF**") is presented as at September 30, 2013 unless otherwise indicated.

Certain totals, subtotals and percentages throughout this AIF may not reconcile due to rounding.

Words importing the singular number include the plural, and vice versa, and words importing any gender include all genders.

Certain terms and phrases defined in this AIF are reproduced in the ''Select Glossary'' beginning on page 47.

Conversion Table and Technical Abbreviations

Amounts in this AIF are expressed in both imperial measure and metric units. Conversion rates from imperial measure to metric and from metric to imperial measure are provided below.

Metric Measure = Imperial Measure		Imperial Measure = Metric Measure	
1 metre	3.28 feet	1 foot	0.3048 metres
1 kilometre	0.62 miles	1 mile	1.609 kilometres
1 hectare	2.471 acres	1 acre	0.405 hectares
1 gram	0.032 troy ounces	1 troy ounce	31.103 grams
1 tonne	1.102 short tons	1 short ton	0.907 tonnes

All ounces are troy ounces; 14.58 troy ounces equal one pound (containing 16 imperial ounces).

NOTE REGARDING FORWARD-LOOKING INFORMATION

This AIF contains "forward-looking statements" within the meaning of Canadian securities legislation, concerning the business, operations and financial performance and condition of the Corporation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved". Forward-looking statements in this AIF include but are not limited to: statements concerning the Corporation's anticipated plans, costs, timing and capital for future development of the Tulsequah Project; the Corporation's ability to carry out anticipated exploration on its property interests; and costs and potential impact of complying with existing and proposed laws and regulations.

Forward-looking statements used in this AIF are based on the reasonable assumptions of management as of the date such statements are made, including without limitation assumptions that: financing will be available for future development of the Corporation's Tulsequah Project; the actual results of the Corporation's development activities will be favourable; operating and development costs will not exceed the Corporation's expectations; the Corporation will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for development projects and other operations will be received on a timely basis upon terms acceptable to the Corporation; applicable political and economic conditions are favourable to the Corporation; the price of gold and/or other applicable metals and applicable interest and exchange rates will be favourable to the Corporation; no material title disputes will exist with respect to

the Corporation's properties; debt and equity markets, exchange and interest rates and other applicable economic conditions will be favourable to the Corporation; and financing will be available for the Corporation's exploration and development activities and the results thereof will be favourable.

Forward-looking statements are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward looking statements, including but not limited to the following factors described in greater detail in the section of this AIF entitled "Certain Risk Factors", being: financing risks, exploration and mining risks, uncertainty of mineral resource and mineralization estimates, estimates of deposit size, feasibility studies and production risks, metal prices, environmental requirements, permitting and other regulatory requirements, title matters, First Nation rights and title, industry competition in the acquisition of industrial mineral properties and the recruitment and retention of qualified personnel, currency fluctuations, insurance risk, stage of development and limited operating history, limited property portfolio, infrastructure, dependence on key management, conflicts of interest, current and future potential litigation and volatile markets.

Forward-looking statements are based on a number of assumptions, including assumptions regarding general market conditions, the availability of financing for proposed transactions and programs on reasonable terms and the availability of outside service providers to deliver services in a satisfactory and timely manner. These factors and assumptions are not intended to represent a complete list of the factors and assumptions that could affect Chieftain; however, these factors and assumptions should be considered carefully. Although management of the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers of this AIF should not place undue reliance on forward-looking statements. The Corporation does not undertake to update any forward-looking statements that are contained herein, except in accordance with applicable securities laws.

MARKET DATA AND FORECASTS

Market data and certain forecasts used throughout this AIF were obtained from internal surveys, market research, publicly available information and independent industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and the completeness of such information is not guaranteed and neither Chieftain nor any other person make any representation as to the accuracy of such information. Similarly, internal surveys, forecasts, market research and publicly available information while believed to be reliable, have not been independently verified from third party sources and neither Chieftain nor any other person make any representation as to the accuracy of such information.

CORPORATE STRUCTURE

Name, Address and Incorporation

Chieftain Metals Corp. ("**Chieftain Holdco**") was incorporated on April 10, 2013 under the *Business Corporations Act* (Ontario) (the "**OBCA**") as a wholly-owned subsidiary of Chieftain Metals Inc. ("**Chieftain Subco**") for the sole purpose of participating in an internal reorganization of Chieftain Subco by way of a plan of arrangement under section 182 of the OBCA, which became effective on May 22, 2013 (the "**Arrangement**"). Pursuant to the Arrangement, among other things, the sole common share issued to Chieftain Subco by Chieftain Holdco was cancelled and all of the outstanding securities of Chieftain Subco were exchanged for equivalent securities of Chieftain Holdco, resulting in Chieftain Subco becoming the sole and wholly-owned subsidiary of Chieftain Holdco.

Concurrently with the completion of the Arrangement Chieftain Holdco became a reporting issuer in the jurisdictions in which Chieftain Subco was a reporting issuer and, on May 24, 2013, the common shares

of Chieftain Holdco were listed on the TSX in substitution for the common shares of Chieftain Subco. Following the Arrangement, Chieftain Subco ceased being a reporting issuer and was deemed to have ceased to be offering its securities to the public under the OBCA.

Chieftain Subco was incorporated under the OBCA on November 16, 2009 as 2224004 Ontario Inc. which name was subsequently changed to "Chieftain Metals Inc." pursuant to articles of amendment dated April 7, 2010. On November 15, 2010, Chieftain Subco filed articles of amendment to remove private company restrictions. Chieftain Subco has no subsidiaries.

The head and registered offices of Chieftain Holdco and Chieftain Subco are located at 2 Bloor Street West, Suite 2000, Toronto, Ontario, M4W 3E2.

References in this AIF to "**Chieftain**" or the "**Corporation**" refer to Chieftain Subco prior to the effective date of the Arrangement, and to Chieftain Holdco following the effective date of the Arrangement.

GENERAL DEVELOPMENT OF THE BUSINESS

The Corporation's principal business is the acquisition, exploration and, if warranted, development of mineral properties. Since incorporation, the Corporation's business has focused entirely on the acquisition, development and exploration of the Tulsequah Project which consists of 55 mineral claims and Crown grants covering approximately 30,581 hectares in northwestern British Columbia, Canada (the "**Tulsequah Project**"). The Tulsequah Project is at an advanced development stage and covers two previously producing mines, the Tulsequah Chief deposit (the "**Tulsequah Chief Deposit**") and the Big Bull deposit (the "**Big Bull Deposit**").

Three Year History

On September 9, 2010, the Corporation completed a private placement of subscription receipts for total proceeds of approximately $12.6 million (the "**Subscription Receipt Private Placement**"). Also on September 9, 2010, the Corporation entered into a credit facility with Ionic Capital Corp. ("**Ionic**") in the amount of $7.25 million (the "**Ionic Credit Facility**"). The Corporation used the proceeds of the Subscription Receipt Private Placement, together with the funds from the Ionic Credit Facility (fully repaid as of March 25, 2011 – see below), to complete the acquisition of the Tulsequah Project, which it purchased out of receivership from Redfern Resources Ltd. ("**Redfern**"), a wholly-owned subsidiary of Redcorp Ventures Ltd. ("**Redcorp**"), pursuant to an amended and reinstated asset purchase agreement dated September 1, 2010 (the "**Tulsequah Purchase Agreement**").

The Corporation also moved forward in addressing environmental remediation obligations assumed through the acquisition of the Tulsequah Project. To improve existing water quality on site, an interim water treatment plant (the "**IWTP**") was constructed and, in connection therewith, the Corporation secured up to $5 million in financing from Teck Resources Limited ("**Teck**") for the construction and operation of the IWTP (the "**Teck Loan**") which was secured by the IWTP. The IWTP is currently in a temporary suspension of operations. See the section entitled "Description of the Business – Environmental Matters" for a further description of the Teck Loan and the IWTP.

On September 30, 2010, the Corporation completed a private placement of 395,400 flow-through common shares for gross proceeds of approximately $1.23 million.

On November 16, 2010, the Corporation filed a report entitled "Tulsequah Chief Deposit, Tulsequah Chief Property, Northern British Columbia" dated November 8, 2010 (the "**Tulsequah Technical Report**") and a report entitled "Big Bull Project, Tulsequah Chief Property, Technical Report, Northern British Columbia" dated November 8, 2010 (the "**Big Bull Technical Report**"). Both reports were prepared by Dr. Gilles Arseneau, P.Geo. (the "**Big Bull Qualified Person**") of SRK Consulting North America ("**SRK**") in compliance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators ("**NI 43-101**") and are available under the Corporation's profile on

SEDAR at www.sedar.com. As more fully described further below, on January 25, 2013, the Tulsequah Technical Report was subsequently replaced with the 2012 Feasibility Study (as defined below), with an effective date of December 12, 2012.

On December 22, 2010, the Corporation closed an initial public offering of 2,500,000 common shares of the Corporation ("**Common Shares**") at a price of $5.00 per Common Share and 910,000 flow-through common shares ("**Flow-Through Shares**") at a price of $5.50 per Flow-Through Share, resulting in gross proceeds to the Corporation of approximately $17.5 million (the "**IPO**"). Following the closing of the IPO, the Common Shares of the Corporation were listed on the Toronto Stock Exchange ("**TSX**") under the trading symbol "CFB". Concurrent with the IPO, the Corporation closed a private placement of an additional 411,290 Flow-Through Shares for additional gross proceeds to the Corporation of approximately $1.3 million.

An over-allotment option was exercised in full by the agents in connection with the IPO, resulting in the issue on January 5, 2010 of an additional 511,500 Common Shares at a price of $5.00 per Common Share for additional gross proceeds to the Corporation of $2,557,500.

On January 25, 2011, the Corporation announced the appointments of Mr. Keith Boyle, P.Eng. as Chief Operating Officer ("**COO**") and Mr. Clive Creaney as Vice President, Project Management, effective January 1, 2011.

On January 31, 2011, the British Columbia Ministry of Energy, Mines and Petroleum Resources (now the British Columbia Ministry of Energy, Mines and Natural Gas) (the "**Ministry**") transferred two key permits to the Corporation. The first, the M-232 Mines Act Permit, covers the construction and operation of all project site roads, airstrip, temporary barge landing, laydown areas, initial underground development preparations and the future construction of the potentially acid-generating ("**PAG**") waste storage site, the neutral non acid-generating ("**NAG**") waste storage site and the preparation of the plant site for new plant construction including removal of historic mine waste rock to the appropriate storage areas. The second, the MX-1-355 Mineral Exploration Permit, covers past and planned exploration work and surface work on the property.

Also on January, 31, 2011, the Corporation announced a 30,000 metre surface and underground drilling program at the Tulsequah Project, undertaken to update the Tulsequah Project mineral reserve estimate (the "**2011 Drilling Program**"). The Corporation entered into a contract with Hy-Tech Drilling Ltd. to complete the 2011 Drilling Program. Drilling began on March 22, 2011 and was completed on October 6, 2011 with a total of 31,181 metres in 82 drillholes. See the sections entitled "Mineral Properties – Tulsequah Chief Deposit" and "Mineral Properties – Big Bull Deposit" for a further description of the 2011 Drilling Program.

On February 21, 2011, Fisheries and Oceans Canada issued the required fisheries authorization to the Corporation which covers the prior fisheries authorizations issued for past construction works on the property as well as new equipment mobilization for planned work relating to the 2011 Drilling Program.

On March 25, 2011, the Corporation paid the outstanding balance of the Ionic Credit Facility, repaying the loan in full and ahead of schedule.

On May 4, 2011, the Corporation signed a Letter of Understanding (the "**LOU**") with the Taku River Tlingit First Nation ("**TRTFN**") in relation to the Corporation's work on the Tulsequah Project which is located in the TRTFN territory in northern British Columbia. The LOU covers the Corporation's work on the property during 2011, including advanced exploration work and the construction and operation of the IWTP designed to deal with a legacy environmental issue involving acid mine drainage. The LOU, among other things, provides a wide range of employment and contract opportunities for TRTFN citizens and business entities, outlines a cooperative process for dialogue on industrial access to the site and confirms the Corporation's commitment to maximizing economic benefits to the TRTFN and other local residents.

On June 14, 2011, the Corporation filed a report entitled "Preliminary Economic Assessment Technical Report, Tulsequah Chief Project, Northern British Columbia" (the "**PEA**"). The PEA was completed by SRK in compliance with NI 43-101 with an effective date of June 14, 2011. The PEA was prepared by Iouri Iakovlev, P.Eng., Bruce Murphy, FSAIMM, M.Sc. Eng., Dr. Gilles Arseneau, P.Geo., Gordon Doerksen, P.Eng. and Rob Marsland, P.Eng. of SRK, who are all Qualified Persons under NI 43-101. The full text of the PEA is available under Chieftain's SEDAR profile at www.sedar.com. As more fully described below, the PEA was subsequently replaced with an updated technical report on January 25, 2013.

On September 19, 2011, the Corporation announced that it had engaged Wardrop Engineering Inc. ("**Wardrop**") (now Tetra Tech Engineering Inc. ("**Tetra Tech**")) to complete the 2012 Feasibility Study (defined below) on the Tulsequah Project in compliance with NI 43-101.

On September 30, 2011, the Corporation announced improved metallurgical results indicating increased lead recoveries and cleaner copper concentrates. The test results, conducted through ALS Ammtec Ltd. laboratories, showed an improvement in separation of lead from copper bearing minerals.

On October 5, 2011 and December 5, 2011, the Corporation announced results of compiled drilling assays and composited intersection information from the 2011 Drilling Program discussed above. Assay and geological results from the 2011 Drilling Program were used to update the Tulsequah Project mineral resource estimate by Dr. Gilles Arseneau, P.Geo. and for metallurgical review by Ken Sangster, C.Eng.

On December 22, 2011, the Corporation announced it had entered into a gold and silver purchase transaction with a subsidiary of Royal Gold, Inc. ("**Royal Gold**") to sell a portion of the precious metals stream expected to be produced at the Tulsequah Chief Deposit mine. The Corporation received an initial, up-front advance payment from Royal Gold for US$10-million following closing, with additional advance payments of up to US$50-million for the project build (upon certain conditions being met) that will be pro-rated during the development of the project. A copy of the purchase and sale agreement between the Corporation and Royal Gold (the "**Streaming Agreement**") is available on the Corporation's SEDAR profile at www.sedar.com. See the section entitled "Mineral Properties – Tulsequah Project – Project Description and Location" for a further description of the Streaming Agreement.

On February 2, 2012 the Corporation announced it had submitted a project description to the British Columbia Environmental Assessment Office and the Canadian Environmental Assessment Agency defining a proposed access road alignment amendment thereby initiating a formal review process. The application seeks an alignment change to the approved 162 kilometre all-weather access road (the "**Access Road**") from the Tulsequah Project to connect to the public road system near Atlin, British Columbia.

On April 2, 2012 the Corporation announced that the special use permit S23154 for the construction and operation of the Access Road to connect the Tulsequah Project to the public road system (the "**Special Use Permit**") was transferred to the Corporation from Redfern. The transfer of this permit was the final major permit requirement for the Tulsequah Project.

On April 12, 2012 the Corporation announced that it had obtained the discharge permit for the newly built IWTP. As more fully described below under the section entitled "Description of the Business – Environmental Matters", the IWTP was operating below designed levels of efficiency with higher than budgeted operating costs and was temporarily suspended by the Corporation while it implements mitigation measures and reviews its plans for operational efficiencies.

On September 24, 2012, the Corporation announced that it had entered into a non-binding Memorandum of Understanding (the "**MOU**") with China CAMC Engineering Co., Ltd. ("**CAMCE**") and its majority-owned subsidiary Procon Holdings (Alberta) Inc. ("**Procon**"), for a comprehensive collaboration to build and operate the Tulsequah Project. The announcement outlined the terms of a proposed collaboration between the Corporation, Procon and CAMCE regarding the development of the Tulsequah Project, including the provision of one or more loan facilities to fund not less than 70% of the projected capital

costs required to bring the Tulsequah Project into commercial production, with a lender or lenders introduced to the Corporation by Procon or its affiliate (the "**Proposed Senior Debt Loan**").

In connection with the announcement of the MOU, the Corporation also announced that it had entered into a subscription agreement (the "**Procon Subscription Agreement**") with Procon (the "**Procon Private Placement**") for aggregate gross proceeds to the Corporation of $9,900,000, providing for the issuance and sale of an aggregate of 2,475,000 Common Shares, issued to Procon in two tranches, at a price of $4.00 per Common Share, and a warrant (the "**Procon Warrant**") to acquire that number of Common Shares (at an exercise price of $5.00 per Common Share) which, together with the Common Shares then owned by Procon, would equal 30% of the total number of Common Shares then issued and outstanding (calculated on a fully-diluted basis), exercisable within 90 days of the closing of the Proposed Senior Debt Loan and subject to the prior receipt by the Corporation of any required approvals from the TSX and the Corporation's shareholders. At Procon's option, one-half of the Common Shares issuable pursuant to the Procon Warrant could be issued on a "flow-through" basis.

The first tranche of the Procon Private Placement closed concurrently with the execution of the Procon Subscription Agreement, resulting in the issuance of 899,434 Common Shares by the Corporation to Procon. Pursuant to the Procon Subscription Agreement, Procon is required to observe certain standstill and resale limitations with respect to its shareholdings in the Corporation until December 31, 2013 or the closing of the Proposed Senior Debt Loan, if earlier, in the case of the standstill. Procon also obtained the right to nominate a director to the Corporation's board of directors (the "**Board of Directors**") (being Ed Yurkowski) and, provided the Senior Project Loan is completed, Procon would obtain the right to nominate a second director to the Board of Directors. The Corporation announced the closing of the second tranche of the Procon Private Placement on October 19, 2012, following receipt of TSX approval, which resulted in the Corporation issuing to Procon the Procon Warrant and the remaining 1,575,566 Common Shares issuable pursuant to the Procon Subscription Agreement. Subsequently, on May 15, 2013, the Corporation announced that the arrangements contemplated by the MOU would not proceed and, accordingly, since the conditions to the exercise of the Procon Warrant would therefore never be met, the Procon Warrant had been effectively cancelled.

On October 16, 2012, the Corporation announced that it had appointed a feasibility optimization team for the Tulsequah Project (the "**Optimization Team**"), with a plan to complete the previously-announced feasibility study by the end of 2012. The Optimization Team was led by JDS Energy and Mining Inc. ("**JDS**"), who were responsible for infrastructure, capex, opex and financial analysis, and also included Tetra Tech for process engineering, SRK for the resource estimate, Klohn Crippen Berger for tailings, Kenneth Sangster, C.Eng. for metallurgy, David West, P.Eng. for geotechnical work, and Marsland Consulting for environmental studies.

On October 22, 2012, the Corporation announced that the British Columbia Minister of the Environment and the Minister of Energy, Mines and Natural Gas approved the amendment to the existing environmental assessment certificate, including the alternate route for the Access Road connecting the Tulsequah Project to the provincial road network, which amendment was obtained in parallel to the Corporation's actions in seeking an amendment to the Special Use Permit.

On December 12, 2012 and December 21, 2012, the Corporation filed press releases announcing the results of a technical report entitled "Technical Report for the Tulsequah Chief Project of Northern British Columbia, Canada" with an effective date of December 12, 2012 (the "**2012 Feasibility Study**" and, together with the Big Bull Technical Report, the "**Technical Reports**"). The 2012 Feasibility Study was filed on the Corporation's SEDAR profile on January 25, 2013 The 2012 Feasibility Study incorporates previous work from a prior feasibility study prepared by Wardrop in 2007 on behalf of Redcorp in respect of the Tulsequah Project (the "**Historical Feasibility Study**") and includes the results of the 2011 Drilling Program, reserve estimation, principal mine design, project execution plan, mill and infrastructure design and financial modelling. The 2012 Feasibility Study was prepared in compliance with NI 43-101 by Gordon E. Doerksen, P.Eng. of JDS, Michael E. Makarenko, P.Eng. of JDS, Robert L. Matter, P.E. of JDS, Gilles Arseneau, Ph.D., P.Geo. of SRK, Kenneth J. Sangster, C. Eng., Robert Marsland, P.Eng.,

Harvey N. McLeod, P. Eng., David West, P.Eng. and Frank Palkovits, P. Eng. (the "**2012 Feasibility Study Qualified Persons**"), who are all "qualified persons" as such term is defined under NI 43-101.

On February 13, 2013 the Corporation reported that it had received the final permits required to start construction at the Tulsequah Project, consisting of the Parks Use Permit, Occupant Licenses to Cut, Ministry of Transportation and Infrastructure Works Permits and the amendment to the Special Use Permit permitting an alternate route for the Access Road to the provincial road network.

On April 2, 2013 the Corporation announced it had completed a geological, geophysical and geochemical re-interpretation of the Tulsequah volcanogenic massive sulphide ("**VMS**") property and its adjacent region resulting in the identification of a number of significant, key volcanic features that appear to control the distribution of the VMS mineralization. The Corporation also announced that it has added additional claims to the existing Tulsequah Project land package amounting to over 16,000 hectares for a total holding of over 30,000 hectares. As a result, the strike length of the Corporation's Tulsequah Project was extended from 20 kilometres to over 43 kilometres with 11 new mineral claims (17,789Ha) to include prospective, under-explored areas that may be associated with historic high-grade precious and base metal mineral showings. The enlarged camp is identified as the Tulsequah Shazah Camp.

On April 16, 2013, the Corporation announced that the Board of Directors had approved the submission of an internal corporate reorganization to shareholders for approval at the annual and special meeting of shareholders of the Corporation held May 15, 2013. At the meeting, shareholders approved, among other things, the Arrangement which was completed in order to, among other things, allow the Corporation greater flexibility with project financing and potential partnerships as well as to better position the assets of the Corporation for future development by separating the operating assets from the public corporation without requiring a costly and time-consuming transfer of permits and approvals. The Arrangement was completed on May 22, 2013 resulting in former securityholders of Chieftain Subco becoming equivalent securityholders in Chieftain Holdco and Chieftain Subco becoming the sole wholly-owned subsidiary of Chieftain Holdco. In addition, the directors and officers of Chieftain Subco became the directors and officers of Chieftain Holdco.

On May 29, 2013 the Corporation announced that it had completed the first phase of an extensive five-month geological, geochemical and geophysical re-interpretation of the exploration potential associated with its Tulsequah Project. In excess of five decades of exploration data were compiled and analyzed from both the original Tulsequah Project property and its adjacent region, resulting in the generation of significant, potential mine-size exploration targets on both the original claims and the expanded claim package. In addition, a re-interpretation of the Big Bull Deposit revealed that it likely occupies a relatively flat-plunging rhyolite-filled syncline that may not have been fully appreciated during historic drill campaigns. The Corporation also announced intentions to advance exploration activities in the area of its property known as "Banker-Sparling", in which no appreciable exploration work has been conducted since 1994.

On August 6, 2013 the Corporation announced that it had issued 1,250,000 Flow-Through Shares at a price of $0.80 per Flow-Through Share for gross proceeds to the Corporation of $1,000,000 in an initial tranche of a non-brokered private placement transaction in order to finance Chieftain's 2013 exploration campaign.

On August 15, 2013 the Corporation announced it had closed an initial tranche of a non-brokered private placement of 900,000 Common Shares, 54,000 Common Share purchase warrants and $500,000 principal amount of 8% unsecured convertible debentures due August 31, 2016 (the "**2016 Debentures**") with a fund managed by West Face Capital Inc. ("**West Face**") for gross proceeds to Chieftain of $1,220,000 to be used for Chieftain's 2013 exploration campaign and for general corporate purposes.

On September 24, 2013, the Corporation announced it had closed the remaining tranche of the non-brokered private placement with West Face and a director of the Corporation, after obtaining shareholder approval by written consent of approximately 58.8% of the disinterested shareholders of the Corporation per the requirements of the TSX. The Corporation issued $1,000,000 principal amount of

2016 Debentures to West Face as well as 31,250 additional Flow-Through Shares to a director of Chieftain, at a price of $0.80 per Flow-Through Share for additional gross proceeds to the Corporation of $1,025,000 to be used for Chieftain's 2013 exploration campaign and for general corporate purposes.

Selected Recent Developments

On November 20, 2013 the Corporation announced the results of the first phase of its 2013 drilling program at the Tulsequah Project (the "**2013 Drilling Program**"), which was focused on re-interpreted geological, geophysical and geochemical targets along with newly modelled 3D induced polarization ("**IP**") geophysical inversion anomalies identified in the Tulsequah Chief Deposit, Big Bull Deposit and "Sparling-Banker" areas between May and September of 2013. A total of 3,540 meters was drilled in 9 surface NQ holes for a total program cost of $1.25 million. The objectives of the program were to: (i) increase the size of the Tulsequah Chief Deposit; and (ii) identify new zones of mineralization proximal to the Tulsequah Chief Deposit reserves.

DESCRIPTION OF THE BUSINESS

Environmental Matters

Mining operations in the early 1950s by a prior owner of the Tulsequah Project have left a residual acid mine drainage problem resulting from oxidation of in-mine sulphides and acidic waters carrying dissolved metals draining into the Tulsequah River. Previous remediation efforts by Redfern moderated the discharge but did not achieve the levels required by applicable provincial and federal environmental protection statutes. In May 2004, Environment Canada issued a directive to Redcorp requiring Redcorp to mitigate acidic mine waters from historic operations. The insolvency of Redfern and Redcorp in 2009 resulted in the removal of assets from the site which were part of the planned remediation works and the degradation of some of the remaining infrastructure.

The Corporation assumed the reclamation responsibilities associated with the Tulsequah Project through the Tulsequah Purchase Agreement. To improve existing water quality on site, management has installed an IWTP on the Tulsequah Chief Deposit site. As part of the LOU with the TRTFN, the Corporation engaged the Atlin Tlingit Development Corporation and Arctic Construction Joint Venture to complete the construction of the IWTP, which was completed on budget and on schedule.

The IWTP was placed into commissioning test mode during December 2011 and achieved continuous treatment in early January 2012. Refinements to the operations during the period from April 1 to June 30, 2012 included upgrades to the piping system, software for control processes and new programming, installation of replacement pumps and additional pumping capacity and addition of increased re-agent supply. During this period the effluent discharge was continuously monitored and was found to be operating within the forecast metal loading and pH requirements with minor fluctuations. The plant was inspected and sampled by Environment Canada in early February 2012 without any concerns being raised. Final input additions and amendments to the draft Water Discharge Permit were completed at the end of March and the Water Discharge Permit was issued to the Corporation on April 3, 2012. The IWTP was operated in full compliance through to June 22, 2012 when it was temporarily suspended. Although the effluent has been meeting guidelines, the plant has been operating below designed levels of efficiency, with higher than budgeted operating costs. The Corporation advised Environment Canada and British Columbia Ministry of Environment of its plan to temporarily suspend operations at the IWTP while the Corporation implements mitigation measures and reviews its plans for operational efficiencies. The Corporation anticipates a period of limited operations while plant testing and optimization activities are underway, with an increase to a higher operating level when project financing for the Tulsequah Project is secured and the Tulsequah Project proceeds as contemplated in the project plan.

Chieftain has implemented a site water management strategy to minimize potential impacts and includes conducting water quality sampling to assess the effectiveness of the mitigation measures. This is compiled into a monthly report and submitted to the British Columbia Ministry of Environment.

Under the direction of the British Columbia Ministry of Environment via a letter dated August 12th 2013, Chieftain has engaged a qualified specialist group with experience in aquatic impact assessments and with particular specialty on fisheries impact assessments. This specialty group will provide the ministry an aquatic environment risk assessment ("**AERA**") of the current mine effluent discharge. The goal of the AERA is to provide the Ministry of Environment with an evaluation of the success of the current water management strategies and to gather information regarding the extent of aquatic environmental risk to the Tulsequah River as a result of not operating the IWTP prior to construction of the mine project. The AERA report is presently being compiled and will be presented to the Ministry of Environment in December 2013.

Management anticipates that the IWTP is sufficient to meet the outstanding environmental protection requirements until such time as it may be replaced by operational treatment systems. The construction of the IWTP in compliance with the Environment Canada requirements cost approximately $5.05 million. The Corporation secured the Teck Loan from Teck to assist in the initial costs to construct the IWTP to meet the regulatory specifications. The Teck Loan is secured by the IWTP. At September 30, 2012, the Corporation had drawn down the entire $5 million of the Teck Loan and had accrued $293,780 in interest towards the Teck Loan. On November 23, 2012, the Teck Loan was amended to defer the repayment commencement date and maturity date by one year (subsequent to the year ended September 30, 2013, the Teck Loan was amended a second time to defer the repayment commencement date and maturity date for two years for a repayment commencement date of January 1, 2016).

In addition to constructing the IWTP, the Corporation assumed the obligation to decommission the Tulsequah Project and related assets after its expected closure. Management estimates that the total undiscounted costs associated with decommissioning the Tulsequah Project after its expected closure in 2025 (based on the Corporation's estimate) are approximately $13.8 million or $2.0 million at its current stage of development. See "Certain Risk Factors – Environmental Requirements".

Permits

The Ministry permits exploration activities in British Columbia and requires a notice of work to be filed in advance of planned activities. The Corporation acquired the notices of work in effect in respect of the Tulsequah Project under the Tulsequah Purchase Agreement. A work program is subject to inspection by personnel of the Ministry who may recommend adjustments in procedures or activities to improve workplace safety, regulatory compliance and environmental protection.

In November 2010, several key permits and approvals were transferred to the Corporation including:

(i) the provincial Environmental Approval Certificate ("**EAC**");

(ii) the previously granted federal screening approvals and amendments under the *Canadian Environmental Assessment Act*; and

(iii) approval from the British Columbia Environmental Assessment Office to amend the existing Project Approval Certificate to use an air cushion barge to and from Juneau, Alaska via the Taku River with a landing site just above the confluence of the Tulsequah River on Tulsequah Project mineral claims and to construct roads and other infrastructure to connect the barge access with the mine site.

Approval from the Canadian Environment Assessment Agency ("**CEAA**") with respect to the proposed barge use was also underway. However, the Corporation has since informed the CEAA that year-round barge transportation is impracticable and the Corporation is no longer pursuing this approval.

As an alternative to barge access, the Corporation intends to use the Access Road, when constructed. Approval had been previously granted, pursuant to the Special Use Permit, for the construction of the

Access Road from the British Columbia Ministry of Forests, Lands and Natural Resource Operations (the "**Ministry of Forests**") which was transferred to the Corporation in April 2012.

In October 2012, the British Columbia Minister of the Environment and the Minister of Energy, Mines and Natural Gas approved an amendment to the Corporation's EAC. This amendment reflected the realignment of a section of the currently-permitted Access Road in response to consultation with the TRTFN. The new route reduces new road construction by 35 km, avoids sensitive caribou habitat and eliminates crossing of the TRTFN Nakina Heritage Trail.

In connection with the purchase of the Tulsequah Project and the transfer of the EAC, all the permits required in connection with the Tulsequah Project which were granted to the previous owner and remained valid and in force have been transferred to the Corporation pursuant to a transfer consultation process. The Corporation has agreed to assume all obligations incumbent on the holder of the various permits, which include a Mineral Exploration Code Permit from the Ministry to construct Phase 1 and Phase 2 site roads as well as an airstrip at the Tulsequah Project, an Occupancy License to Cut Permit from the British Columbia Ministry of Forests, a permit issued pursuant to the *Mines Act* (British Columbia) to construct site roads, airstrips, waste pads and plant site foundation preparations from the Ministry, various stream crossing and causeway authorizations from Fisheries and Oceans Canada and various authorizations pursuant to the *Navigable Waters Protection Act* (Canada) from Transport Canada.

In addition, on April 3, 2012, the British Columbia Ministry of Environment issued a Waste Discharge Permit for the treatment of mine site waters and discharge of treated effluent from the IWTP. That issuance was reported in a news release dated April 12, 2012. The Corporation has been working with the British Columbia Ministry of Environment regarding compliance with the Waste Discharge Permit in connection with the temporary suspension of activities at the IWTP.

On June 7, 2012, the Corporation received an amendment to its permit pursuant to the *Mines Act* (British Columbia) which includes upgraded mine access roads and bridges, an updated site configuration and permanent camps layout (the "**Mines Act Amendment**"). In addition, management has submitted an application for an amendment to its occupant license to cut to allow additional clearing in areas corresponding to the Mines Act Amendment.

On February 13, 2013, the Corporation announced that it received the Parks Use Permit, Occupant Licenses to Cut, Ministry of Transportation and Infrastructure Works Permits and an amendment to the Special Use Permit, permitting an alternate Access Road route connecting the Tulsequah Project in British Columbia to the provincial road network. These are the permits required to start construction at the Tulsequah Project.

First Nations

In August 2011, the Corporation and TRTFN began negotiations with respect to an Impact Mitigation and Mutual Benefits Agreement ("**IMMBA**") in connection with the Tulsequah Project. The Corporation expects the IMMBA to provide for measures to manage environmental and cultural impacts, employment opportunities for First Nations, business opportunities and capacity building to allow the development of sustainable businesses as well as direct economic benefits sharing. The Corporation will continue to build community relations and conclude an IMMBA with the TRTFN on terms that are comparable to relevant industry precedents. See "Certain Risk Factors – First Nation Rights and Title".

MINERAL PROPERTIES

The Tulsequah Project is at an advanced development stage and covers two previously producing mines, the Tulsequah Chief Deposit and the Big Bull Deposit, which were last operated by a predecessor of Teck from 1951 to 1957. The two mines were underground operations with conventional mining processing methods with well understood coarse-grained metallurgy. More recently, exploration work was conducted by Redfern beginning in 1989 which culminated in the completion of the Historical Feasibility Study in

2007. Management expects that the Corporation's principal focus will continue being to develop an underground mine at the Tulsequah Chief Deposit while pursuing exploration at both the Tulsequah Chief Deposit and the Big Bull Deposit.

Unless otherwise indicated, the following disclosure relating to the Tulsequah Project is summarized from the Technical Reports, and readers should review the complete text of these documents. The following summary is not exhaustive. The Technical Reports are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Reports contain the expression of the professional opinions of the 2012 Feasibility Study Qualified Persons and the Big Bull Qualified Person based upon information available at the time of preparation of the Technical Reports. The following disclosure, which is derived from the Technical Reports, is subject to the assumptions and qualifications contained in the Technical Reports. The Technical Reports are available on Chieftain's SEDAR profile at www.sedar.com.

TULSEQUAH PROJECT

Project Description and Location

The Tulsequah Project is located in northwestern British Columbia on the Tulsequah River near its junction with the Taku River, approximately 100 kilometres south of the town of Atlin, British Columbia and 65 kilometres northeast of Juneau, Alaska. The Tulsequah Chief Deposit is located at an elevation of approximately 110 metres above sea level. The Tulsequah Project covers a total area of approximately 30,581 hectares and is comprised of 30 mineral claims and 25 Crown-granted claims. Twelve mineral claims are expected to be in good standing until December 2022, Two claims are expected to be in good standing until October 2015, fifteen mineral claims are expected to be in good standing until August 2014, and one mineral claim is expected to be in good standing until September 2014, The Crown-granted claims are maintained through annual tax payments of approximately $550 and are currently in good standing until July 3, 2014. The Crown-granted claims are expected to remain in good standing thereafter provided the annual tax payments are made.

The Corporation holds a 100% interest in the Tulsequah Project.

Pursuant to the Streaming Agreement, Royal Gold has agreed to purchase from the Corporation, upon production from the mine at the Tulsequah Chief Deposit, (i) 12.50% of payable gold at $450/ounce for the first 48,000 ounces delivered, decreasing to 7.50% thereafter at $500/ounce; and (ii) 22.50% of payable silver at $5.00/ounce up to 2,775,000 ounces, decreasing to 9.75% thereafter at $7.50/ounce. Subject to the terms of the Streaming Agreement, sales of payable gold and silver will be credited against advance amounts already forwarded to the Corporation pursuant to the Streaming Agreement for the project build.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Tulsequah Project is not currently road-accessible and access is instead supported by fixed-wing aircraft and helicopter. A 1,050 metre airstrip constructed in 2008 provides direct fixed-wing air access on the Corporation's claims, approximately two kilometres northwest of the Tulsequah Chief Deposit. The Tulsequah Project is also accessible by helicopter, which may be intermittently based in the Tulsequah Valley but otherwise must be chartered from Atlin, British Columbia or Juneau, Alaska. Conventional barges can bring supplies to a barge landing located on the Taku River at the south end of the Tulsequah Project. Conventional barges operate during periods of sufficient water depth, usually from June through September.

The climate at the Tulsequah Project is characterized by high precipitation and relatively moderate winter temperatures due to the influence of the Pacific Ocean. At the river-level of the property, snow cover typically lasts from mid-November to early May.

Topographic elevations on the property range from approximately 18 metres above sea level at the Big Bull Deposit to over 1,800 metres at the top of Mount Eaton at the Tulsequah Chief Deposit. Vegetation at the Tulsequah Project ranges from dense coastal forest at the lowest elevations to bare rock and ice at the highest elevations. Forest covers approximately 60% of the property, with large areas of permanent ice, valley-fill sediments and swamp collectively covering a further 30% of the area. Approximately 15% of the present property area is concealed by two major ice fields: Mount Eaton and Manville. Fieldwork is generally hampered by steep topography, snow and ice cover and poor weather.

Management believes that the Corporation holds surface rights sufficient for mining operations at the Tulsequah Project. The Corporation is anticipating the expansion of the existing camp site and establishment of new camps to support exploration and re-development activities at the Tulsequah Project. The Corporation expects that personnel can be flown in by charter aircraft from Atlin, British Columbia or Whitehorse, Yukon Territory or more distant centres and housed at the permitted campsites situated on the airstrip located north of the Tulsequah Chief Deposit or at the temporary barge landing on the Taku River. As grid electric power is not available at or near the Tulsequah Project, the Corporation anticipates that LNG/diesel generators will provide electric power to any such camps established. Water is available from streams adjacent to the mine site, from the Tulsequah River and from the Tulsequah River bed via sandwells. At the Tulsequah Chief Deposit, waste rock disposal areas have been identified on the east side of the Tulsequah River and a potential area suitable for tailings storage has been identified in the Shazah Creek valley which is situated three kilometres upstream of its confluence with the Tulsequah River. A potential site for the processing plant is in the area immediately adjacent to the 5200 level portal and the 5400 level portal from past mining operations.

Select History

The official record of mining and prospecting in the district begins in 1923, when George A. Clothier, resident engineer for the northwest district of British Columbia, first visited the area. In that year, the Tulsequah Chief Deposit, staked earlier by W. Kirkham of Juneau, was optioned by the Alaska Juneau Gold Mining Company, which drove an adit in an unsuccessful search for ore and then abandoned its operations. Five years later, in 1928, a syndicate represented by W.A. Eaton and Dan J. Williams found impressive widths of mixed sulphides at the Tulsequah Chief Deposit. In May of 1929, V. Manville of Juneau, Alaska discovered the Big Bull Deposit mineralized zone, on which the Alaska Juneau Gold Mining Company then acquired a working option. In 1929, the United Eastern Mining Company optioned the Tulsequah Project and initially carried on aggressive development although a considerable lessening of activity occurred in 1929 and 1930 as a result of the advent of government officials and customs duties.

Sporadic drilling and underground work were carried out by various parties on the property until 1946, when Cominco (now Teck) acquired the Tulsequah Chief Deposit and the Big Bull Deposit. Beginning in 1947, exploration and pre-production work were carried out by Cominco.

Beginning in 1951, the Big Bull Deposit and Tulsequah Chief Deposit were mined by Cominco at an average production rate of approximately 480 tonnes per day. Low metal prices in late 1955, combined with more favourable production economics at Tulsequah Chief Deposit, led to the suspension of mining activity at the Big Bull Deposit. In 1957, as a result of persistent low metal prices, Cominco closed the Tulsequah Chief Deposit mine as well. The mines were never re-opened by Cominco and caretakers lived on the property until the mill equipment was dismantled and sold in the late 1970s. The total production during Cominco's operation was 935,536 tonnes, comprised of 575,463 tonnes from the Tulsequah Chief Deposit and 360,073 tonnes from the Big Bull Deposit.

In the early 1980s, Redfern, together with a joint venture partner, commenced reconnaissance exploration activities in northwestern British Columbia. As a result of geological mapping (1:2500) and airborne input electromagnetic surveys flown over the property in 1981 and 1982, Redfern recognized that the deposits had the geological characteristics of a volcanogenic massive sulphide deposit, rather than hydrothermal replacement bodies of shear hosted affinity as originally described.

Pursuant to an option agreement, Cominco, together with Redfern, began renewed exploration work on the Tulsequah Chief Deposit and, to a lesser extent, the Big Bull Deposit, in 1987. By 1989, Redfern had earned its interest in the Tulsequah Project until 1991 and subsequent extensive exploration programs were jointly funded. In 1992, Redfern negotiated and exercised an option to acquire Cominco's interest in the Tulsequah Project. Redfern, as sole owner, then proceeded with a comprehensive work program in 1993 which included an initial evaluation of the stratigraphy between the Tulsequah Chief Deposit and the Big Bull Deposit, as well as diamond drilling at the Big Bull Deposit.

Technical work conducted by Redfern in 2003 focused on detecting new deposits at the same stratigraphic level and within the same hydrothermal system as the Tulsequah Chief Deposit. In 2006, Redcorp commissioned Wardrop to carry out the Historical Feasibility Study for the Tulsequah Chief Deposit the results of which were announced by Redcorp on January 29, 2007, highlighting key mining parameters.

In 2007, Redfern undertook a mine permitting and development program at the Tulsequah Project. This work was suspended by Redcorp beginning in December 2008 and was followed by Redfern and Redcorp's filing for creditor protection under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") in March of 2009. In September of 2010, the Corporation acquired the Tulsequah Project pursuant to the Tulsequah Purchase Agreement. See "General Development of the Business –Three Year History".

Geological Setting

The orebodies comprising the Tulsequah Chief Deposit and Big Bull Deposit are VMS deposits located within the Paleozoic-aged Mount Eaton group. The Tulsequah ores are found in the hinge zone and limbs of a steeply-plunging syncline. The mineralization consists of sphalerite, chalcopyrite, galena, tennantite-tetrahedrite and native gold. Gangue minerals include pyrite, quartz, sericite, barite and/or gypsum and lithic fragments.

Regional Geology

The regional geology is characterized by fault juxtaposition and deformation of several Paleozoic to Mesozoic-aged tectono-stratigraphic terranes. Subsequent intrusions by Jurassic to Cretaceous-aged Coast igneous rock along with a thrusted, overlying sequence of Tertiary-aged Sloko volcanics and intrusions further contribute a significant amount of deformation and complexity to the region.

Both the Tulsequah Chief Deposit and Big Bull Deposit are hosted by rocks of the Devono-Mississipian to Permian-aged Mount Eaton group, which is a volcanic arc assemblage belonging to the Stikine Terrane. The Stikine Terrane is believed to represent volcanic arc and back-arc trough remnants of a north-south trending subduction geosyncline. The northeast- trending Llewellyn fault (known locally as the "Chief Fault") separates the Stikine assemblage rocks from the older and higher grade metamorphic rocks northwest of the fault. The rocks dominating the area to the northwest of the fault have an undesignated tectonic affinity and are separated into three rock suites:

- the Whitewater suite is an amphibolitic metamorphic sequence of dominantly sedimentary origin;
- the Boundary Ranges suite consists of schists which have both a volcanic and sedimentary derivation; and
- the Mount Stapler suite that likely overlies the bulk of the Mount Eaton block shares some characteristics of both the Whitewater and Boundary Ranges suite and may be gradational to both.

Three stratigraphic blocks have been defined to the southeast of the Chief Fault (from Mihalynuk et al, 1993):

- the Mount Eaton block hosts the Tulsequah Chief Deposit and Big Bull Deposit sulphide deposits. It is composed of relatively low-grade metamorphic rocks of volcanic island arc affinity and is bounded to the east by Tertiary quartz monzonite intrusions (Shazah Creek pluton);

- the Sittakanay block lies south of the Taku River and is lithologically similar to the Mount Eaton block but has a higher degree of deformation; and

- the Mount Strong block, located west of the Tulsequah River, appears to be more sediment-dominated and is thought to be slightly higher in the stratigraphic succession than the other two blocks, and is often considered to represent a distal equivalent of the Mount Eaton and Sittakanay volcanics.

Metamorphic grade generally decreases from west to east. The metamorphic grade ranges from high grade gneisses of the Boundary Ranges suite to lower greenschist grade volcanics of the Mount Eaton block.

Property Geology

Both the Tulsequah Chief Deposit and the Big Bull Deposit are contained entirely within the Mount Eaton block. The stratigraphy within the Mount Eaton block can be separated into three divisions. All three divisions contain undifferentiated basalt flows, tuffs, flow breccias and hyaloclastites. All divisions are cut by late mafic and rhyolitic dykes. The distinctive stratigraphic features of each unit are outlined below:

- lower division is composed of Devonian to early Mississippian volcanic-derived sediments, basalt flows, and felsic flows which host the Tulsequah Chief and Big Bull sulphide deposits;

- middle division is composed of Mississippian to Pennsylvanian pyroxene bearing mafic breccias and agglomerates with local accumulations of mafic tuffs. The top of the unit is marked by a coarse volcanic derived agglomerate; and

- upper division is composed of Pennsylvanian to Permian-aged volcanoclastic sediments and lesser mafic flows. The top of the division is marked by fossil-rich carbonates, chert, shale and occasional sulphidic exhalites.

The structure in the Mount Eaton block is dominated by the northtrending Mount Eaton regional anticline (domal feature). The anticline plunges moderately to the north and verges to the east. A series of parasitic folds (F1) have formed on the west limb of the Mount Eaton anticline. The F1 folds have varied forms and orientation ranging from open to nearly isoclinal. However, they generally plunge steeply to the north in the north portion of the Mount Eaton block and at a much gentler angle to the south in the southern portion of the block. A second phase of folding (F2) occurs sporadically across the property. The F2 folds trend to the east and are generally upright and open.

TULSEQUAH CHIEF DEPOSIT

Local (Mine) Geology

The Tulsequah Chief Deposit consists of numerous stacked sulphide lenses developed within the basal stratigraphy of a rhyolite-dominated sequence of massive volcanic flows, hyaloclastites and debris flow units. These felsic volcanics rest above a thick assemblage of mafic volcanics (primarily basalt and basaltic andesite). Above the assemblage of rhyolitic volcanics, a mafic dominated sequence of basalt flows, breccias and sills, overlays and intermittently dilates the unit. Within the mine area, a thick diorite/gabbro sill, which is geochemically identical to the overlying, upper mafic volcanic units, intrudes the rhyolite above the sulphide deposits. Basaltic dykes recognized to be feeders to the thick sill, cut through the entire sequence. Late stage Sloko dykes of Tertiary age intermittently cut through all of the mine sequence rocks and often occupy northeast-trending faults..

A synclinal structure, termed the “H syncline”, is the host to the thickest section (approximately 30 metres) of the sulphide deposit. The thinner areas of the deposit extend into the limbs of this structure and into an anticline to the west (F anticline). Two prominent faults are sub-parallel to the axial plane of the fold within the H syncline. These faults, 4400E and 5300E, may represent focal points of renewed movement on older basin-bounding growth faults at the time of sulphide deposit deposition. Within the fold limb east of the 5300E fault, the G lens is interpreted to be a fault offset of the main H lens within the main H syncline structure.

Exploration

The 2011 Drilling Program was completed in early October 2011 with a total of 22,654 metres in 60 drillholes sampled from the Tulsequah Chief Deposit. Of the 60 drillholes completed in the vicinity of the Tulsequah Chief Deposit, 50 (totalling 18,651 metres) were drilled from underground on the 5400 level and 10 (totalling 4002 metres) were drilled from surface. Overall, the 2011 Drilling Program was successful in upgrading some of the inferred resources to the indicated category.

Prior to the 2011 Drilling Program, the last exploration drilling at the Tulsequah Chief Deposit was carried out by Redfern in 2007. Redfern’s exploration program consisted of drilling six holes and a total of 2,231 metres to collect metallurgical samples and to provide additional data in areas of the deposit where inferred mineral resources have previously been identified. The exploration program focused on three areas: the Big Bull Deposit area, the Tulsequah Chief Deposit area and the South East Grid, located between the two deposits.

As the result of a recent multi-month effort during the first to third quarter of 2013 to compile and interpret over five decades of historic data (including historic drilling, soil samples, trenching and IP data), a new geologic model has been developed which suggests that there are appreciable untested extensions to the known Tulsequah Chief and Big Bull VMS zones occurring within tightly folded paleofault-controlled paleotroughs that parallel the margins of two, newly identified and regularly spaced half grabens. Of particular interest within the 20 km long historic Tulsequah property are a number of precious and base metal-bearing mineral occurrences that are acutely underexplored and that also occur within local, appropriately spaced felsic volcanic settings that bear many remarkable similarities with the known Tulsequah Chief and Big Bull VMS deposits. Gemcom 3D modelling, inversions of the existing geophysical surveys and ongoing geological compilations and reviews were used to firm up these newly identified targets prior to the drill program that was started in September 2013.

In addition, Chieftain has recently added mineral claims covering over 16,000 hectares for a total holding of over 30,000 hectares in the Tulsequah Project. The strike length of Chieftain’s Tulsequah camp has now been extended from 20 km to over 43 km to include prospective and underexplored areas that may be associated with historic high-grade precious and base metal mineral showings. The enlarged camp will be identified as the Tulsequah Shazah Camp.

Mineralization

Mineralization consists of massive lenses of pyrite and chalcopyrite, and semi-massive sphalerite, galena and pyrite. Accessory ore minerals include tetrahedrite-tennantite and rare native gold. Gangue consists of barite (averaging approximately 6%), chert, gypsum, anhydrite and carbonate near the top of the lens, and carbonate quartz, chlorite and sericite with silica altered volcaniclastic rocks near the base of the lens. Visually, the sulphides can be divided into three distinct sulphide facies: copper facies ("**CUF**"), zinc facies ("**ZNF**"), and pyrite facies ("**PYF**"). CUF mineralization is characterized by massive to banded pyrite and chalcopyrite with minor sphalerite and galena. ZNF mineralization consists primarily of sphalerite and galena in baritic gangue, with much less pyrite and chalcopyrite. PYF mineralization consists of massive pyrite with little to no base metal sulphides. These ore types may occur within a single lens, typically with sharp boundaries between them.

Drilling

The first diamond drill campaign carried out at the Tulsequah Chief Deposit was in the early 1940s. Drilling programs were ongoing from then until the mine closed in 1957. The property remained inactive until 1987 when a small drilling program, five holes totalling 3,500 metres, was carried out. During the period from 1987 to 2005, a total of 80,843 metres was drilled in 167 holes. These holes generally range in length from 134 metres to 1,000 metres. There are 807 holes in the Tulsequah Chief Deposit database, of which 665 were used to generate the resource estimate. The other 142 holes were exploration drill holes drilled along strike from the resource area, but not within the deposit area.

Collar locations for all the surface holes and all underground holes drilled since 1987 were surveyed in Universal Transverse Mercator (UTM) coordinates relative to established mine survey stations with a total station electronic distance measuring (EDM) system. Down hole surveys were done using the MaxiBor system for holes drilled after 1994. Light Log system was used for the 1990 to 1994 holes, while the Sperry Sun instrument was used on the holes drilled between 1987 and 1989. Holes surveyed with the MaxiBor and Light Log were also surveyed by Sperry Sun or EZ Shot as a backup. Drill core was moved by diesel locomotive for the underground holes and by helicopter for surface holes, to the Tulsequah Chief Deposit camp where it was logged. RQD was measured, and geological logging captured lithological, alteration and structural information for all of the core. Data was entered into GEMS, which utilizes a Microsoft Access database and allows for 3D visualization of drill holes. All drill core drilled since 1993 has been photographed prior to splitting. All of the core is either cross-piled or placed into core racks at the Tulsequah Chief site.

Core logging procedures were reviewed at the site in 2003 and 2004 by a number of independent qualified persons. Dr. Gilles Arseneau, P.Geo., one of the 2012 Feasibility Qualified Persons, also observed the core logging procedures for the 2006 and 2011 drilling programs, during field visits in May 2006, September 2006 and October 2011. The drill core was found to be very well handled and maintained. Data collection was capably done with the logging information recorded on logging sheets and transferred in electronic format every night. Core recovery in the mineralized units was excellent and was usually noted to be between 95% and 100%. Overall, the 2012 Feasibility Study Qualified Persons determined that the Redfern and Chieftain drill programs and data capture were performed in a competent manner.

As the initial assay results of the 2013 Drilling Program were announced by the Corporation subsequent to the year ended September 30, 2013 this section is based on information contained in the 2012 Feasibility Study and has not been updated to include results from the 2013 Drilling Program.

Sampling and Analysis

The Tulsequah Chief Deposit is a massive sulphide deposit. Drill core samples were collected in areas of mineralization or alteration as determined by the geologist logging the core. The core was marked with grease markers and sample numbers were inserted in the box and recorded on the logging sheet. Altered zones containing low levels of lead-zinc mineralization or pyritic mineralization were also sampled, as

weak mineralization can be important to the overall geological interpretation and precious metals values can be significant in areas with little base-metal mineralization. Sample lengths were typically 1 metre to 1.5 metres, with all samples honouring lithological boundaries. All drill cores were geologically logged prior to the collection of samples. The majority of samples were cut with a diamond saw, although some of the 1987 and 1988 core was split with a manual core splitter. Half of the core was placed in labelled polyethylene sample bags for analysis with the other half returned to the core box. Core recoveries were generally good and the samples collected were representative of the mineralization present in drill core.

The 2012 Feasibility Study Qualified Persons have reviewed the sampling procedures and sample intervals for the Tulsequah Chief Deposit drilling and concluded that the sampling quality and methodologies utilized were appropriate for this type of deposit. The samples collected are representative of the mineralization and no apparent biases were observed in the sampling protocols or the samples collected.

Sample Preparation and Analysis

Management of the Corporation understands that Redfern (the previous owner) had established a quality control program consisting of sample blanks, standards, and duplicates to ensure the quality of the assay data. Control samples accounted for approximately 10% of all samples collected and assayed. All samples were collected by Redfern employees, sample preparation and analyses were carried out by independent laboratories. The same procedures were followed by the Corporation with respect to the 2011 Drilling Program.

The control samples were inserted into the sample sequence by selecting ten arbitrary numbers between one and 100. Three of the arbitrary numbers correspond to sample blanks, three to duplicate samples, and four to sample standards (including two high-grade and two low-grade standards). For every 100 samples, the last two digits in the sample number correspond to the type of control sample inserted.

International Metallurgical and Environmental Inc., of Kelowna, British Columbia, supplied two base metal standards; one high grade and one low grade. These were made from material left over from a bulk sample collected from the Tulsequah Chief Deposit in 1996. No variance data was provided for the base metal standards. Early in the 2004 program, the standard material left over from the 2003 drilling program was used. When that was exhausted, a new 2004 standard was obtained. Gold standards were supplied by WCM Mineral Ltd. of Burnaby, British Columbia. A “standard sample” was made up of one packet of the base metal standard and one packet of the gold standard. Blanks consisted of sawn sections of drill core from a barren quartz-feldspar porphyry dyke that is commonly cut by drill holes. In the case of duplicates, one-half of the original core was submitted for analysis; the remaining half was split in half again and submitted as a duplicate.

No systematic quality control was carried out prior to the 2003 drill campaign other than the standard procedures offered by the assay laboratory carrying out the assays.

SRK concluded that the sampling preparation, security and analytical procedures used by Redfern and the Corporation were consistent with generally accepted industry best practices and were therefore adequate.

Metallic Screen Assays

Three entire massive sulphide intervals were metallic screened as part of the 2004 program: TCU04104, TCU04106, and TCU04109, plus one selected sample from hole TCU04113, for a total of 84 samples (approximately 4.8% of the samples cut in the 2004 program). All of these holes were in the H zone. The holes were selected to be a high-grade hole (TCU04109), a low-grade hole (TCU04104) and an average hole (TCU04106). The single sample from TCU04113 had visible gold. A simple average of metallics/fire assay gives an increase of 13% on the gold grade using metallic screen assay. Percentile plots were made to establish how the change in gold grade manifested itself in the population.

The plot shows that for assays <6 g/t Au, screened metallics consistently returned a higher value than Fire Assay, and above 6 g/t Au Fire Assay returns a higher value than screened metallics. This is likely due to the size of the subsample used in the different assay techniques. The screened metallics assay uses a larger subsample and is likely more representative of the true grade.

Check Assays

A random 5% of the 2004 sample population was submitted to Acme Analytical Laboratories ("**Acme**") in Vancouver, British Columbia for check assaying. Acme is currently an ISO certified laboratory, however, SRK is unaware of the certification that Acme held in 2004. The assay techniques differ slightly in that Acme uses a 29.2 gram subsample and fire assays for Au and Ag, while Ecotech Laboratory Ltd. ("**Ecotech**") uses a 30 gram subsample and fire assays for Au only. Fire Assay Au (+Ag) and Induced Coupled Plasma (ICP) were completed first, with any sample that returned values of >1 g/t Au, >30 g/t Ag or >10,000 ppm for Cu, Pb, or Zinc being wet assayed and also subjected to a specific gravity determination. For the entire population (n=80), Acme's gold assays were 21% higher than assays performed by Ecotech. For higher-grade gold samples (>1 g/t Au), Acme Fire Assay Au values were 29% higher (n=28). The reason for the higher gold grades obtained in the check samples is unclear; however, the presence of coarse gold may be part of the explanation or possibly Acme results are bias on the high side. Given that the standards were not included in the batch of samples sent to Acme, it is not possible to determine the cause of the discrepancy between the two laboratories.

The results of the 2011 Acme tests are better. Only one gold sample displays poor correlation, sample 4458 (original: 2.36 Au g/t; Acme: 13.9 Au g/t); the three subsequent Au assays in this hole are 12.9; 8.7; and 57.5 Au g/t, this discrepancy can be clearly be identified as an expression of the gold nugget effect. Because the vast majority of the samples have good correlation, the Ecotech and ALS labs are considered to be performing at a satisfactory standard.

Security of Samples

Sample bags from the Tulsequah Chief Deposit were sealed with flagging tape, placed into rice bags which were sealed with tie straps, and transported by helicopter or fixed-wing aircraft to Atlin, British Columbia and shipped by bonded carrier to Whitehorse, Yukon and then via surface transport to the Ecotech laboratory in Kamloops, British Columbia. SRK was unaware of the certification that Ecotech held at the time the assays were carried out but noted that the laboratory was well known and believed to be well used by other mining industry participants at the time.

A total of 1,750 samples were collected during the 2004 drilling and 278 samples were collected from the 2006 drilling program. In addition to the samples collected for assaying for the 2004-2006 drilling programs, 56 blank samples, 61 duplicates samples and 79 standard samples were inserted in the shipments sent to the lab for analysis.

The 2011 Drilling Program quality assurance/quality control program conducted by the Corporation involved the insertion of 10% standards, blanks and duplicates into the sample shipment stream. At the conclusion of the program, 5% of the sample pulps were submitted to Acme for third-party checks. These results were monitored in real time with the lab requested to reanalyze and explain discrepancies.

SRK analyzed the assay results of the duplicates, blanks and standards and concluded that the quality assurance/quality control programs implemented by Redfern and the Corporation were adequate and that the assay database is sufficiently accurate and precise for resource estimation of the Tulsequah Chief Deposit.

Mineral Resource Estimate

The mineral resource estimate was developed using industry-accepted methods, and was classified using logic consistent with the Canadian Institute of Mining and Metallurgy ("**CIM**") definitions referred to in NI 43-101 into Measured, Indicated, and Inferred Mineral Resources.

The mineral resource model prepared by SRK considers 665 core boreholes drilled by Cominco, Redfern and Chieftain during the period of 1940 to 2011. The resource estimation work was completed by Dr. Gilles Arseneau, P.Geo., who is an "independent qualified person" as defined in NI 43-101. The effective date of the resource statement is March 15, 2012.

Tulsequah Chief Deposit Mineral Resource Statement

Location	Category	Tonnes	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)
Old Mine (above 5200)	Indicated	403,000	1.28	0.97	6.02	1.52	71
	Inferred						
New Mine (below 5200)	Indicated	6,113,000	1.19	1.13	6.00	2.50	88
	Inferred	204,000	0.67	0.76	4.02	1.81	62
A Extension	Indicated	247,000	0.86	0.59	2.91	1.34	44
	Inferred						
Total Indicated		**6,762,000**	**1.19**	**1.1**	**5.89**	**2.4**	**85**
Total Inferred		**204,000**	**0.67**	**0.76**	**4.02**	**1.18**	**62**

Underground mineral resources are reported at a cut-off grade of US$100. Cut-off grades are based on a price of US$1,275/oz of gold, US$21/oz for silver, US$1.10/lb for zinc and lead and US$3.25 for copper and recoveries of 81.8% for gold, 79.5 for silver, 87.8 for copper, 44.5% for lead and 88% for zinc.

The mineral resource estimate was developed using industry-accepted methods with GEMS software in blocks sized 5 metres x 5 metres x 4 metres. For the purpose of resource estimation, all assay intervals within the mineralized units were composited to two metres and grades were capped prior to estimation. Zinc was capped at 30%, lead and copper at 10%, gold at 25 g/t and silver at 600 g/t for the resource estimate.

Mineral resources were estimated in multiple passes using inverse distance weighted to the second power interpolation method because variography did not yield sufficiently robust variograms. The first estimation pass required that at least two drill holes and three composites be available within the search ellipse to estimate a grade within a block. Where several composites were found within the search ellipse, a maximum of eight composites were used to interpolate a grade value. The second pass required that at least two composites be present within the search ellipse for grade interpolation with no restrictions on the number of drill holes. The maximum number of composites was set to 12.

Bulk density values were estimated into the resource model by inverse distance weighting to the second power. Search parameters used were the same as those used for grade interpolation.

Block model quantities and grade estimates for the Tulsequah Chief project were classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (December 2005) by Dr. Gilles Arseneau, P.Geo.

SRK was satisfied that the geological modelling honours the current geological information and knowledge. The location of the samples and the assay data were sufficiently reliable to support resource evaluation. The sampling information was acquired primarily by core drilling on sections spaced at 20 to 30 metres.

Mineral Reserve Estimate

The mineral reserves identified in this AIF comply with CIM definitions and standards for a NI 43-101 technical report. Detailed information on mining, processing, metallurgical, and other relevant factors are contained in the 2012 Feasibility Study and demonstrate, as of the effective date, that economic extraction is justified.

The economic viability of the project is presented in the 2012 Feasibility Study, and confirms that the probable reserve estimates meet and comply with CIM definitions and NI 43-101 standards, including the main assumptions used in the definition of the reserves (i.e., metal prices, dilution, operating costs and recoveries).

The reserve estimate is summarized in the table below. The probable reserve totals approximately 6.45 Mt of minable material.

Tulsequah Chief Deposit Mineral Reserve Estimate

Category	Tonnes	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)
Probable	6,447,098	1.13	1.04	5.59	2.30	81.39

Mineral reserves are reported based on underground mining above a US$125/tonne equivalent cut-off. Cut-off grades are based on a price of US$1,350 per ounce of gold, US$22 per ounce for silver, US$1.10 per pound for zinc and lead and US$3.10 for copper and recoveries of 81.8% for gold, 79.5% for silver, 87.8% for copper, 44.5% for lead and 88% for zinc.

Mining Operations

The Tulsequah Chief Deposit will be accessed via the 5400 (120 metre) and 5200 (60 metre) level portals. An additional portal will be driven at approximately 84 metre level that will act as the exit conveyor drift from the mine. The existing 5200 and 5400 levels will be slashed to 5.0 metres x 5.3 metres to accommodate the trackless equipment fleet. The main mine access will be via the 5200 level and connect to the main ramp that will access the mining levels. The main ramp is 5.0 metres x 5.3 metres in section and inclined to 17%. The main ramp will access sublevels 30 metres apart vertically.

The deposit generally dips at greater than 60 degrees and is variable in thickness from less than 3 metres to over 25 metres. Several mining blocks are planned to be opened simultaneously throughout the vertical extent of the deposit to give mining flexibility needed for sequencing and early access to higher grade material. The deposit is favourable to a mix of mining methods with the majority coming from longhole stoping and uppers retreat with minor contributions from cut and fill.

The deposit will support a sustainable 2,000 t/d production rate by the second year of full production. The mine development and production plan is shown in the table below.

Underground mine infrastructure will include a 2,000 tonne run-of-mine (ROM) surge bin that will feed a primary crusher. Crushed ore will exit the crusher and be conveyed along the 5400 level to a fine ore bin, from where it will exit the mine via the 84 masl level portal. The paste backfill plant will also be located underground to minimize pumping requirements and optimize cement content.

Backfill is an integral part of the underground mine plan and will incorporate process plant tailings as well as mine development waste. The primary purposes of the backfill are underground support and working platform in mining; and storage of PAG waste rock and process plant sulphide tailings.

Waste rock will be scheduled so that as much PAG material will remain underground as possible. As the stoping reaches a steady state underground, development rock will preferentially be used as backfill. The backfill plan calls for all waste rock generated after production Year 2 to be stored underground.

Mine Development and Production Plan

Parameter	Unit	Year -2 -Q4	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Totals
Total Mine Production	**Tonnes**	**-**	**50,401**	**556,697**	**730,000**	**730,000**	**730,000**	**730,000**	**730,000**	**730,000**	**730,000**	**730,000**	**6,447,098**
Daily Production Rate	tpd	-	548	1,521	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	**1,950**
Gold Grade	g/t	-	1.11	1.58	1.8	1.79	2.89	3.26	2.52	2.1	2.29	2.38	**2.3**
Silver Grade	g/t	-	44.68	65.61	70.46	80.71	101.27	105.9	85.73	74.91	69.58	77.09	**81.39**
Copper Grade	%	-	0.75	0.95	0.78	1.05	1.45	1.61	1.02	1.03	1.08	1.13	**1.13**
Lead Grade	%	-	1.00	0.96	0.92	0.98	1.13	1.14	1.22	1.00	1.01	0.98	**1.04**
Zinc grade	%	-	4.89	5.4	5.19	5.38	6.42	6.63	5.43	5.53	5.44	4.93	**5.59**
Net Smelter Return	$/t		200.89	248.88	248.03	269.95	365.11	394.42	305.24	281.52	288.15	289.02	**299.5**
Total Lateral Development	**m**	**902**	**4,339**	**4,380**	**4,266**	**4,285**	**1,100**	**112**	**-**	**644**	**293**	**-**	**20,321**
	m/d	**9.8**	**11.9**	**12**	**11.7**	**11.7**	**3**	**0.3**	**-**	**1.8**	**0.8**	**-**	**7.1**
Raise Development	m	-	324	532	427	364	190	-	-	-	-	-	**1,837**
Mined Underground Waste	t	63,263	285,955	268,489	261,152	234,477	68,640	5,564	-	28,248	13,716	-	**1,229,504**
Paste Backfill Placed	t	-	-	136,468	246,068	212,719	403,801	462,806	494,122	472,411	475,242	492,464	**3,396,101**

An insufficient volume of waste rock is available for the backfill requirement; hence, the use of pastefill has been incorporated into the mine plan. Pastefill consists of process tailings partially dewatered and mixed with cement. This material is of a consistency that can be directed to specific locations by positive displacement pumps and pipeline. The fill plant will be operated such that all tailings required for backfill will be converted to thickened slurry on surface, pumped to the underground paste plant for final dewatering using filters. Cement binder is added to produce cemented pastefill, and pumped to mined-out voids for use as fill. Tailings not required for backfill will be directed to a permanent surface tailings management facility ("**TMF**").

Recovery Methods

The plant will accept primary crushed ore from an underground storage silo. This will be fed to a semi-autogenous grinding mill followed by two stages of ball milling to a cyclone overflow product of P_{80} 45 µm.

The cyclone underflows of the primary and secondary ball mills will be equipped with Knelson concentrators to recover gravity gold (electrum). The gravity gold concentrates will be intensively leached, electrowinned and smelted to ultimately produce a doré on site. Cyclone overflow will be sent to a sequential flotation circuit starting with copper then lead, zinc and finally pyrite.

There is no regrinding planned in the flotation circuit as the mineralogical assessment showed that below 40-50 µm particle sizing further liberation would not occur until below 5-10 µm.

The sequential flotation system is very selective at P_{80} 45 µm and although multi-stage cleaning has been designed into the plant this is conservative.

A flotation scale-up factor of 3.0 has been used for the plant design. This was felt necessary to reflect the need for effective control of pulling rates commensurate with the high selectivity.

The copper, lead and zinc concentrates will be thickened and pressure filtered in discrete circuits before storage and transport. The filtered lead concentrate will be handled in containers.

A pyrite circuit is included to remove pyrite from the final tailings.

Tailings and pyrite will be separately dewatered in thickeners and pumped to the underground paste backfill plant as needed. When the paste backfill plant does not require feed material, the tailings will be pumped to the TMF and the pyrite will be pumped to the pyrite storage pond.

A limestone grinding circuit is included in the plant to accept crushed limestone and produce limestone slurry that will be added to the tailings stream to raise the pH and control the acid production potential of the tailings.

The plant will operate an on-stream analyzer integrated with a distributed digital control system.

Metallurgy

The Tulsequah ore body is typical of volcanogenic massive sulphide (VMS) deposits found worldwide. It contains recoverable copper, lead, zinc, gold and silver within a host that is predominantly pyrite/barite. Lead is present as galena; zinc is present as a very low iron sphalerite; and copper occurs as three main minerals: chalcopyrite (Cp) - $CuFeS_2$ (dominant); tennantite (Tn) – $(CuFeZnAg)_{12}As_4S_{13}$; and tetrahedrite (Th) – $(CuFeZnAg)_{12}Sb_4S_{13}$.

Tennantite and tetrahedrite are similar in terms of mineralogical appearance and flotation response. The relative proportions of all three species vary throughout the deposit. Additionally, the mineralogical work established consistency of assemblage characteristics from sample to sample, area to area, and at varying sulphide contents.

Due to the financial impact of gold revenue on project economics, there has been extensive investigation into its recovery to payable products. During previous operations, 25% to 30% of the gold was recovered by jigging prior to flotation. As part of the current testwork, a full gravity recovery gold test showed that 52.7% was recoverable and this was modelled by Knelson-Consep to indicate that recovery of a little over 40% can be expected in a plant treating grinding circuit cyclone underflows.

Mineralogical work established that the gold is predominantly present as electrum with the silver content varying widely, estimated to average around 30%. The gravity concentrate is expected to contain 42% of the gold, but even with 30% silver content in the doré, only 0.5% of the silver in the feed will be contained in this product. The vast majority of the contained silver will be present in galena and tennantite and will return as leach tail to the grinding circuit. The projected metallurgical balance is summarized below.

It is noteworthy that having established the controlling mineralogical parameters, the results from actual testwork are still well within the theoretical limitations of the mineral assemblage. This gives impetus in seeking process improvements and to some extent, this is reflected in ongoing and planned testwork. In particular, there seems to be scope to improve the discrimination between chalcopyrite and tennantite/tetrahedrite and release some of the entrained sphalerite to enhance overall zinc recovery.

Predicted Metallurgical Response

Product	Weight (t)	Assays					Recoveries				
		Cu (%)	Pb (%)	Zn (%)	Ag (g/t)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)	Ag (%)	Au (%)
Copper Conc	5.3	21.0	2.7	7.6	1217.5	20.8	89.0	11.8	6.0	75.0	44.0
Lead Conc	1.3	1.0	60.0	8.4	586.4	7.6	0.8	66.2	1.6	9.0	4.0
Zinc Conc	9.6	0.7	0.8	62.0	69.7	0.8	5.5	6.8	89.0	7.8	3.0
Pyrite Conc	28	0.1	0.3	0.4	19.2	0.5	1.9	6.8	1.7	6.1	5.0
Tailings	55.7	0.1	0.2	0.2	2.4	0.1	2.8	8.4	1.7	1.6	2.0
Feed	100	1.3	1.2	6.7	86	2.5	100	100	100	100	100
Doré Kg/100t feed	0.155				30%	70%				0.5	42.0

Project Infrastructure

The main infrastructure required to support mining and processing activities are as follows and are described further in the 2012 Feasibility Study:

- mine access road;
- power generation facility and heat recovery;
- fuel storage facilities (liquefied natural gas (LNG) and diesel);
- tailings management facility;
- historical potentially acid generating (HPAG), operational potentially acid generating (OPAG), non-acid generating (NAG) and pyrite waste rock storage facilities;
- limestone quarry;
- effluent treatment facility;
- airstrip;
- accommodation complex (camp, dining, and recreational facilities);
- camp support facilities, including potable water system, sewage treatment facility and incinerator facility;
- mine administration office and dry;
- mine maintenance shop (truck shop); and
- cold storage warehouse.

Access Road

The site access road is typical of a remote mine access road constructed through steep mountain terrain. The 128 km route will provide access from the Warm Bay road 15 kilometres south of Atlin, British Columbia to the mine site. The road is designed with a 5 metre width with four pullouts per kilometre to allow vehicles to pass each other. The site access road will be used for transport of construction materials and equipment to site; as well as concentrate transport, fuel and consumables supply during operations. The road will not be used for transporting personnel to and from the mine site. Access to the road will be controlled by Chieftain south of the town of Atlin for safety and environmental reasons.

Project Execution

The development schedule as published in the 2012 Feasibility Study was approximately 36 months assuming timely establishment of interim financing and full project funding. Management is considering optimizations to the execution plan that could utilize alternative transportation of equipment and materials while the Access Road is being constructed (the construction of the Access Road is contemplated to be on the same schedule as set out in the 2012 Feasibility Study), such as by river barges (including a low-draft fleet) and helicopter. Management believes that mobilizing construction equipment and materials to site in this manner may reduce the project construction schedule and potentially improve project economics. The proposed project schedule set forth below currently contemplated by management is subject to, and extremely sensitive to the timing of receipt of (due to the short annual barging season in May and June) project funding.

Equipment and construction camp marshalling to Prince Rupert is anticipated to occur immediately following the receipt of interim financing with engineering and long-lead procurement activities following shortly thereafter.

Access Road construction is expected to begin in late spring and early summer of 2014 on the Atlin side and late summer of 2014 from the site side. The Access Road is expected to be constructed over two construction seasons and is anticipated to be passable for construction loads by November of 2015.

Plant facility construction is expected to begin in spring of 2014, beginning with concrete installation and subsequent building erection. The process building is anticipated to be erected and cladded by December 2014. Mechanical/electrical installation will follow with mechanical completion anticipated for November 2015.

The construction and main camp is anticipated to be installed and operational by fall of 2015. Mine personnel ramp up is expected to occur in the fall of 2014, beginning with technical services personnel. Mining equipment and operations personnel will be mobilized via barges. Mine commissioning is planned for late 2015. Mechanical completion of all process and ancillary facilities is expected to be achieved by the end of January 2016. Thirty days of wet commissioning is expected to follow, with initial process commissioning planned to begin in March 2016.

Capital Cost

The initial capital cost estimate as set out in the 2012 Feasibility Study is $439.5 million, as summarized below. Costs are expressed in Canadian dollars with no escalation. The target estimate accuracy is -10%/+15%. Actual capital costs may vary based on the execution plan utilized by management and other factors.

Tulsequah Chief Deposit Capital Cost Estimate

Area	Initial (CDN $M)	Sustaining (CDN $M)	Total (CDN $M)
Site Development	7.4		7.4
Underground Mining	38.5	64.0	102.5
Underground Process Facilities	11.7		11.7
Limestone Quarry	0.2		0.2
Processing Plant	63.1		63.1
Tailings & Waste Rock Management	15.5		15.5
On-Site Infrastructure	61.5		61.5
Mine Access Road (Directs)	54.2		54.2
Project Indirects	91.6		91.6
Engineering & EPCM	31.4		31.4
Owner's Costs	17.3		17.3
Pre-Contingency Total	**392.4**	**64.0**	**456.4**
Contingency (12%)	**47.1**		**47.1**
Total	**439.5**	**64.0**	**503.5**

Reclamation/Closure & Salvage Costs

Reclamation, closure and salvage costs as set out in the 2012 Feasibility Study are summarized below.

Tulsequah Chief Deposit Reclamation, Closure and Salvage Cost Estimate

Cost	CDN $M
Reclamation/Closure	13.8
Salvage	-7.6

Operating Cost

The unit operating cost as set out in the 2012 Feasibility Study is estimated at a total of $125.96/t processed and is summarized below.

Tulsequah Chief Deposit Operating Cost Estimate

Area	Unit Operating Cost (CDN $/tonne processed)
Mining	30.06
Processing	23.02

Area	Unit Operating Cost (CDN $/tonne processed)
G&A	22.47
Power Generation	22.58
Concentrate Transport	27.83
Total	**125.96**

Financial Analysis and Sensitivities

The results of the 2012 Feasibility Study show, using the three year trailing average commodity prices, a pre-tax net present value with a discount rate of 8% ("**$NPV_{8\%}$**") of $192.7 million and an internal rate of return ("**IRR**") of 16.5% with a payback period of 4.3 years and a post-tax $NPV_{8\%}$ of $138.7 million and an IRR of 14.7% with a payback period of 4.3 years. The project is economically viable, generating operating cash flow of $1,080.4 M and an after-tax cash flow of $451.1 M over a nine-year mine life.

Sensitivity tables for changes in capital costs, operating costs, metal prices, and discount rates are shown below. The NPV of the Tulsequah Chief Deposit is most sensitive to grade, metal prices, followed by operating costs, and least sensitive to capital costs.

Economics Sensitivity

	Pre-tax NPV (8.0%) ($M)			Average Full Production Year EBITA ($M)		
	-15%	0%	15%	-15%	0%	15%
Capital Cost	260.0	192.7	125.4	120.4	120.4	120.4
Operating Cost	249.5	192.7	135.9	131.2	120.4	109.7
Metal Prices	22.1	192.7	359.8	86.9	120.4	153.3

NPV Sensitivity to Discount Rate

Discount Rate	Pre-tax NPV ($M)	After-tax NPV ($M)
7.0%	226.3	166.8
7.5%	209.1	152.4
8.0%	192.7	138.7

Exploration and Development

Based on recommendations in the 2012 Feasibility Study, the Corporation intends to advance the Tulsequah Chief Deposit for development.

BIG BULL DEPOSIT

Local (Mine) Geology

The Big Bull Deposit is dominantly underlain by rocks of the Devono-Mississippian to Permian-aged Mount Eaton group, which is a low metamorphic grade, island arc-related, bimodal mafic-felsic volcanic

assemblage contained within the Stikine Terrane of northwest British Columbia. These rocks are situated east of the Chief (Llewelyn) fault, and are predominately located northwest of the Taku River and east of the Tulsequah River.

The enclosing stratigraphy of the Mount Eaton Block, which hosts the Big Bull Deposit volcanogenic massive sulphide deposit, has been well defined based on surface and underground development mapping, biochronology, lithogeochemistry, isotopic age determinations, as well as from extensive surface and underground drilling. This work was completed by the British Columbia Geological Survey, Mineral Deposits Research Unit and by Redfern.

The Big Bull Deposit stratigraphy has been divided into five main lithologic units: Unit 1 – mafic volcanic rocks; Unit 2 – felsic tuffs, minor flows, and chemical sediments; Unit 3 – maroon andesite tuffs and chemical sediments; Unit 4 – basalt tuffs; and Unit 5 – mafic intrusives.

These subdivisions represent a modification of previous work. Feldspar-phyric mafic dikes and a distinctive quartz feldspar porphyry dike postdate all other lithologies, and are thought to be related to the Eocene Sloko Group. Massive sulphide mineralization at the Big Bull Deposit is primarily associated with the felsic volcanism of Unit 2.

Exploration

At the time of the Big Bull Technical Report, the Corporation had not carried out any exploration on the Big Bull Deposit claims. However the 2011 Drilling Program was completed from the surface at the Big Bull Deposit and on prospective extensions to the deposit at depth and along strike. See “Big Bull Deposit – Drilling – 2011 Drilling Program”. The mineralization and resource estimate description contained herein is based on the data up to the last prior exploration conducted in 2007 by the previous owner and reported in the Big Bull Technical Report.

A new 2013 technical review of the area has revealed that the Big Bull host rhyolite package has been tightly folded and apparently plunges to the south at a very gentle angle. Furthermore, the Big Bull sulphide mineralization can also be directly correlated with historic 1993 IP chargeability anomalies. As a consequence of this important observation, geophysical inversions of the 1993 IP surveys are expected to generate a number of 3D-IP targets of interest in the Big Bull, Tulsequah Chief and Sparling–Banker areas.

Mineralization

Mineralization occurs within the rocks that have been hydrothermally altered during the formation of the Big Bull Deposit. The alteration (quartz-sericite-pyrite) appears to form a stratiform layer near the top of the felsic tuffs, but may in places be discordant to stratigraphy.

Mineralization ranges from massive, banded sulphides to 30% to 40% disseminated and stringer sulphides in a matrix of barite, sericite, and silica. Typically, the mineralization occurs over width of two to eight metres in drill core. The mineralized lens identified so far have a lateral extend of approximately 1,000 metres and has been tested to a depth of about 450 metres. The mineralogy comprises pyrite, sphalerite, galena, chalcopyrite, and tetrahedrite in a matrix of barite and sericitized lithic fragments. Visible gold is present locally. The sulphides are re-crystallized, with well-developed annealed textures that have obliterated any primary features. The sericitic fragments within the mineralized lenses may represent altered lithic fragments that were incorporated in the mineralized interval.

Drilling

In 2006, the previous owner initiated an extensive exploration program involving surface drilling operations completed by two drills. The program was designed to extend mineralization identified in 1993 and 1994 beneath the former operating Big Bull Deposit. Over a strike distance of slightly more than one

kilometre from south to north, a total of 37 holes totalling 15,312 metres were drilled during the 2006 program beneath and along strike of the former mine workings at the Big Bull Deposit.

The main Big Bull Deposit mineralizing system was extended on strike to the north and south. In addition, a new zone believed to represent a separate high-grade sulphide lens was discovered in the southwestern part of the Big Bull Deposit.

The 2011 Drilling Program

As part of the 2011 Drilling Program, the Corporation has completed 8,527 metres of drilling in 22 surface holes at the Big Bull Deposit. At the Big Bull Deposit, holes were drilled to evaluate potential extensions to the inferred deposit and get closer spacing in selected sections of the resource.

The Exploration staff has compiled the collected geological and geochemical information for the Big Bull Deposit in order to update the 3-D geological model for planned future drill testing. In addition, a report of the work completed in the 2011 Drilling Program was filed with the Mineral Titles Office to maintain the property claims and credit the portable assessment account with the value of the excess exploration work.

Sampling and Analysis

Assays and analyses for the previously reported drilling conducted in 1993 and 1994 were completed at Acme, utilizing industry-standard assay techniques.

Management understands that samples for the 2006 drill program was conducted and supervised by Redfern geologists using established sampling procedures. Samples for the Big Bull Deposit were incorporated with the samples collected at the Tulsequah Chief Deposit and processed in the same manner as the Tulsequah Chief Deposit samples, which were processed as described above.

The Big Bull Qualified Person reviewed the sampling procedures and sample intervals for the Big Bull Deposit drilling and concluded that the sampling quality and methodologies utilized were appropriate for this type of deposit. The samples collected are believed to be representative of the mineralization and no apparent biases were observed in the sampling protocols or the samples collected.

Sample Preparation and Analysis

The previous owner had established a quality control program consisting of sample blanks, standards, and duplicates to ensure the quality of the assay data. Control samples accounted for approximately 10% of all samples collected and assayed. The control samples were inserted into the sample sequence by selecting ten arbitrary numbers between one and 100. Three of the arbitrary numbers correspond to sample blanks, three to duplicate samples, and four to sample standards (including two high-grade and two low-grade standards). For every 100 samples, the last two digits in the sample number correspond to the type of control sample inserted. All samples were collected by employees of the previous owner and sample preparation and analyses were carried out by independent laboratories.

For the 2006 program, WCM Minerals of Burnaby, British Columbia supplied the standards: a high-grade base metal standard, a low-grade base metal standard, a high-grade precious metal standard, and a low grade precious metal standard. A “standard sample” was made up of one packet of the base metal standard and one packet of the gold standard. Blanks consisted of sawn sections of drill core from a barren basalt intrusive commonly cut at the Tulsequah Project. In the case of duplicates, half of the original core was submitted for analysis; the remaining half was split in half again and submitted as a duplicate.

No systematic quality control was carried out prior to the 2003 drill campaign, other than the normal procedures offered by the assay laboratory carrying out the assays.

Security of Samples

Sample bags from the Big Bull Deposit were sealed with tie straps, placed into rice bags which were sealed with tie straps, transported to Atlin, British Columbia and shipped by bonded carrier to Whitehorse, Yukon and then via surface transport to the Ecotech laboratory in Kamloops.

SRK concluded that the quality assurance/quality control program implemented by the previous owner in the 2004-2006 drilling program was adequate and that the assay database is sufficiently accurate and precise for resource estimation of the Big Bull Deposit.

Mineral Resource Estimate

The mineral resource estimate for the Big Bull Deposit was carried out by the Big Bull Qualified Person using industry-accepted methods and was classified according to the CIM definitions referred to in NI 43-101. The Big Bull Deposit mineral resource estimate is presented in detail in the Big Bull Technical Report, available through the Corporation's SEDAR profile at www.sedar.com.

Mineral resources were estimated for the Big Bull Deposit with the use of 3D modeling software, GEMS Version 6.2.4, provided by Gemcom under the supervision of the Big Bull Qualified Person.

Grade and specific gravity were interpolated into blocks using inverse distance weighted to the second power. Two passes were completed allowing the segregation of blocks for each of the Big Bull Deposit main zone and the Big Bull Deposit SW zone. Each interpolation pass and zone was subject to its own set of search ellipsoid parameters, as indicated in more detail in the Big Bull Technical Report. Once the grade interpolation was completed, a calculated artificial net smelter return ("**NSR**") value was assigned to each block as a US-equivalent value using the assumed metal prices, recovery factors and contained metal weightings shown in the table below.

US$Eq Calculation Data

Metal	Price (US$)	Recovery (%)	Multiplication Factor
Au	1,020/oz	81.8	26.83
Ag	15.47/oz	79.5	0.40
Cu	2.26/lb	87.8	43.75
Pb	0.7/lb	44.5	6.87
Zn	0.90/lb	88.0	17.46

The formula is only used here as a means of evaluating the Big Bull Deposit. The US dollar equivalent ("**US$Eq**") value is not to be interpreted as an estimation of the net value of the Big Bull Deposit and is only used to demonstrate the perceived reasonableness of economic extraction of the mineral resource.

The Big Bull Deposit block model contains 5,176 partial blocks coded as mineralized zone outside of the historic mined out areas. There are 790 classified as indicated, 3,150 as inferred, and 1,382 blocks were left unassigned.

The classification model was prepared in two separate steps. All interpolated blocks from Pass 1 that had an average sample distance of less than 40 metres were assigned to the indicated category. Blocks interpolated from Pass 1 with an average sample distance less than 80 metres and greater than 40 metres were assigned to the inferred category. Blocks that had not been interpolated during Pass 1 were interpolated using the Pass 2 search parameters and assigned to the Inferred category if the average distance of points used was less than 80 metres. Blocks that were still un-interpolated after Pass 2, and blocks with average distances of greater than 80 metres from Pass 2, were left un-assigned.

The interpolated mineral resources were adjusted to account for the historical mining that took place at the Big Bull Deposit. A geological solid was generated to represent the mined out volume by generating a two dimensional polyline on a vertical longitudinal section to represent the area from the base of the lowest mining level and the surface topography. The polyline was then extruded orthogonal to the longitudinal section to encapsulate the entire interpolated mineralized zone within the old mining levels.

Blocks that were at least 50% within the solid, representing the limits of historical mining activity, were reclassified as class 20 and 30 representing indicated and inferred blocks within the mined out area and excluded from the resource tabulation

Based on the above parameters, the Big Bull Qualified Person estimated that the Big Bull Deposit contains approximately 231,000 tonnes of resource in the indicated category grading 3.22% Zn, 0.38% Cu, 1.20% Pb, 2.9 g/t Au, and 152 g/t Ag. In addition, the deposit is estimated to contain 728,000 tonnes of inferred mineral resource grading 0.34% Cu, 2.42% Pb, 5.61% Zn, 3.9 g/t Au, and 185 g/t Ag. The mineral resources are reported at US$100Eq. cut off and summarized in the table below.

Big Bull Deposit Mineral Resources at US$100Eq Cut-Off

Rock Group	Class	Tonnage t(000)	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)
Main Zone	Indicated	231	0.38	1.20	3.22	2.9	152
Main Zone	Inferred	541	0.35	1.40	3.21	2.7	198
60-62 Zone	Inferred	188	0.31	5.40	12.55	7.3	148
	Total Indicated	**231**	**0.38**	**1.20**	**3.22**	**2.9**	**152**
	Total Inferred	**728**	**0.34**	**2.42**	**5.61**	**3.9**	**185**

The classification of the deposit as a mineral resource is contingent on the Tulsequah Chief Deposit being developed. It is believed that the mineral resources do not have a reasonable prospect of economic extraction because of the small size of the deposit and remote location. It is believed that the deposit, however, does have a reasonable prospect of economic extraction as a satellite deposit to the Tulsequah Chief Deposit.

Mining Operations

No mining operations are planned at the Big Bull Deposit pending the completion of further exploration drilling and a preliminary economic analysis or pre-feasibility study, if warranted.

Exploration and Development

The Corporation has added the Big Bull Deposit to its exploration plan and is currently evaluating the possibility of extending the deposit along strike.

DIVIDENDS

The Corporation has not, since the date of its incorporation, declared or paid any dividends on the Common Shares. The Corporation intends to retain its earnings, if any, to finance its mineral exploration and development activities and does not anticipate declaring or paying any dividends on the Common Shares in the foreseeable future. Any future determination to pay dividends on the Common Shares will be at the discretion of the Board of Directors and will depend on, among other things, results of operations, current and anticipated cash requirements and surplus, financial condition, contractual

restrictions and financing agreement covenants, solvency tests imposed by corporate law and any other factors that the Board of Directors may deem relevant.

CAPITAL STRUCTURE

The authorized share capital of the Corporation consists of an unlimited number of Common Shares. As the date hereof, there were 16,751,875 Common Shares issued and outstanding. In addition to Common Shares, the Corporation also has outstanding: (i) options exercisable for Common Shares; (ii) Common Share purchase warrants exercisable for Common Shares; and (iii) the 2016 Debentures. The 2016 Debentures mature on August 31, 2016, bear interest at a rate of 8% per annum and are convertible into Common Shares at the option of the holder at a conversion price of $1.00 principal per Common Share (subject to adjustment).

Common Shares

The holders of Common Shares are entitled to:

(a) receive notice of and to attend and vote at all meetings of the shareholders of the Corporation and each Common Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Corporation;

(b) receive such dividends in any financial year as the Board of Directors may by resolution determine; and

(c) in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, receive the remaining property and assets of the Corporation subject to rights of holders of any preferred shares.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed for trading on the TSX under the trading symbol “CFB”. The following table sets out the reported high and low closing prices and trading volumes of the Common Shares on the TSX for the periods indicated.

Period	High ($)	Low ($)	Volume
October 2012	2.80	2.27	272,500
November 2012	2.69	2.25	1,352,000
December 2012	2.99	2.25	322,200
January 2013	3.10	2.65	260,100
February 2013	2.85	2.38	267,900
March 2013	2.43	2.23	88,100
April 2013	2.38	1.66	163,500
May 2013	1.84	1.44	139,600
June 2013	1.50	0.80	116,200
July 2013	0.80	0.74	630,400
August 2013	0.78	0.55	92,700
September 2013	0.75	0.50	90,900

Prior Sales

During the financial year ended September 30, 2013, the Corporation issued options to purchase Common Shares, warrants to purchase Common Shares, and the 2016 Debentures, none of which are listed on the TSX but all of which may be exercised for, or converted into (as applicable) Common Shares listed on the TSX. The details of outstanding options can be found in the Corporation's management information circular for its most recent annual meeting of shareholders and in the notes to the Corporation's annual financial statements and accompanying management's discussions and analysis.

Details of the 2016 Debentures and warrants to purchase Common Shares which were outstanding but not listed on the TSX during the financial year ended September 30, 2013 are set out in the following table:

Date Issued	Type of Security	Number Issued	Exercise / Conversion Price[(1)]	Expiry / Maturity Date
August 6, 2013	Finders' Warrants	75,000	$1.00 per Common Share	August 6, 2014
August 15, 2013	Warrants	54,000	$1.00 per Common Share	August 15, 2014
August 15, 2013	2016 Debentures	Principal amount of $500,000	$1.00 per Common Share	August 31, 2016
September 24, 2013	2016 Debentures	Principal amount of $1,000,000	$1.00 per Common Share	August 31, 2016

(1) Subject to adjustment in accordance with the terms of the debentures or the warrants, as applicable.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Designation of Class	Number of Securities Subject to Contractual Restriction on Transfer	Percentage of Class
Common Shares	2,475,000[(1)]	14.8%

(1) Pursuant to the terms of the Procon Subscription Agreement, Procon is contractually restricted until December 31, 2013 from selling the 2,475,000 Common Shares issued pursuant to the Procon Private Placement, except where the transfer or sale occurs in accordance with the terms of the Procon Subscription Agreement.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets out, for each of the directors and executive officers of the Corporation, the person's name, province or state and country of residence, positions with the Corporation, principal occupation during the five preceding years and, if a director, the date on which the person became a director. The Corporation's directors are expected to hold office until its next meeting of shareholders, unless their office is earlier vacated.

As a group, the directors and executive officers beneficially own, or control or direct, directly or indirectly, an aggregate of 3,890,804 Common Shares, representing approximately 23.2% of the total issued and outstanding Common Shares as of the date hereof. The following information relating to the directors and senior officers is based on information received by the Corporation from said persons.

Directors and Executive Officers

Name and Province or State and Country of Residence	Position(s) / Title with the Corporation	Director Since	Principal Occupation for Past 5 Years
Phil Fontaine[6] Ontario, Canada	Director	November 14, 2010	Former National Chief of the Assembly of First Nations and consultant, including as Senior Consultant for Norton Rose Fulbright Canada LLP
Raymond Mah[2][3][6] British Columbia, Canada	Director	August 23, 2010	Chief Operation Officer of Yukon Zinc Corporation, a mine development company
Patrick Raleigh[1][4][6] Ontario, Canada	Director	November 14, 2010	Professional Engineer and Mining Consultant
Victor Wyprysky Ontario, Canada	President, CEO and Director	November 16, 2009	President, CEO and Director of Chieftain and Founder and Chairman of Portex Minerals Inc., a mineral exploration company
Peter F. Chodos	Executive Vice President, Corporate Development	-	President & CEO, Portex Minerals Inc., EVP & COO, Ore Reserve Asset Management, Managing Director, Integrated Asset Management & BluMont Capital
Keith Boyle Ontario, Canada	COO	-	Executive Vice President and COO of Alexis Minerals Corp.
Clive Creaney British Columbia, Canada	Vice President, Project Management	-	Project Manager, Construction of Yukon Zinc Corporation
Pompeyo Gallardo Ontario, Canada	CFO	-	Former Senior Credit Risk Manager for a major chartered bank and former financial analyst for a second Canadian bank
Edward Yurkowski Alberta, Canada	Director	September 24, 2012	Director and senior officer of Rainy Mountain Capital Corp until March 2010; Director and senior officer of 0373849 B.C. Ltd.; Director and CEO of Procon
Richard Sutin[2][5] Ontario, Canada	Director	May 15, 2013	Senior Partner, Norton Rose Fulbright Canada LLP
James R. Pickell [3] British Columbia, Canada	Director	May 15, 2013	Professional Geoscientist and President of Orca Geosciences Ltd.

(1) Chair of the Audit Committee
(2) Member of the Audit Committee
(3) Chair of the Technical, Environmental, Health and Safety Committee
(4) Member of the Technical, Environmental, Health and Safety Committee
(5) Chair of the Governance and Compensation Committee
(6) Member of the Governance and Compensation Committee

Biographies

The following are brief profiles of the executive officers and directors of the Corporation, including a description of each individual's principal occupation within the past five years.

Phil Fontaine

Mr. Fontaine is the former National Chief of the Assembly of First Nations ("**AFN**"). He is the longest-serving National Chief in AFN history and the only one to be elected for three terms. He has been

instrumental in raising awareness of the importance of human rights to the lives of all Canadians, and First Nations peoples in particular. He is a citizen of the Sagkeeng First Nation in Manitoba. Mr. Fontaine holds honorary doctorate degrees from Brock University, the University of Windsor, Lakehead University, University of Winnipeg, the Royal Military College of Canada, University of Manitoba, Brandon University, University of Calgary, Guelph University, University of New Brunswick, Niagara University of New York State, University of Western Ontario, Ryerson University and Queen's University. He was honoured with the National Aboriginal Achievement Award in 1996, is a Member of the Order of Manitoba and most recently was appointed to the Order of Canada. On March 18, 2010 in Montréal, he received the Equitas Human Rights Education Award, which recognizes and celebrates exceptional contributions made in the field of human rights education. As AFN National Chief, Mr. Fontaine led the successful resolution and settlement of the 150-year Indian residential school tragedy, which led to a historic apology by the Canadian government. He also signed the Declaration of Kinship and Cooperation of the Indigenous and First Nations of North America and was the first indigenous leader to address the Organization of American States. Mr. Fontaine also acts as a Senior Advisor to Norton Rose Fulbright Canada LLP, counsel to Chieftain.

Raymond Mah

Mr. Mah is an independent consultant currently providing development and management expertise to mining, mineral resources, energy and infrastructure development companies. He was previously the COO of Yukon Zinc Corporation ("**Yukon Zinc**") and, in this role, was responsible for overseeing the development of the Wolverine Mine in the Yukon and bringing it into production. Prior to joining Yukon Zinc in 2006, he was with Placer Dome Inc. working on international and North American projects and operations. Mr. Mah has over 30 years' experience in mine developments, evaluations, optimizations and acquisitions with extensive experience taking projects from evaluations through development and into operation.

Patrick Raleigh

Prior to 1996, Mr. Raleigh held the position of the Chief Engineer of Falconbridge Limited and Technical Consultant to Falconbridge Chile S.A., a subsidiary of Falconbridge Limited. Since then, he has provided consulting services relating to various mining projects. In his position with Falconbridge, he contributed to the development of many mines, including the Collaghuasi copper mine in Chile and Raglan in Quebec and he has been involved in the operations of the Kidd Creek mine in Ontario. He has operated mines in Canada, Central and South America and Haiti. He continues to be involved in mine development in Canada and overseas.

Victor Wyprysky

In addition to being President, Chief Executive Officer ("**CEO**") and a founder of Chieftain, Mr. Wyprysky is also the founder and Chairman of Portex Minerals Inc. (formerly Strategic Resource Acquisition Corp. ("**SRA**")) ("**Portex**"), a mineral exploration company. He identified Portex's first project, the Gordonsville Zn mine in Tennessee and led the acquisition and financing and coordinated the development team that brought the project into production within 14 months of acquisition. He arranged approximately $200 million of development financing and also negotiated key smelter contracts as well as preliminary by-product agreements on the Germanium and Gallium by-products of the mine. In addition, during a period of financial crisis, Mr. Wyprysky successfully restructured $75 million in debt for Portex. Mr. Wyprysky brings experience and expertise from a career of over 25 years as a senior partner in major Canadian investment banks and brings extensive knowledge of global financial markets and resource financing to the acquisition and financing of development activities of the Corporation.

Peter F. Chodos

In addition to being Executive Vice President, Corporate Development of Chieftain, Mr. Chodos also serves as President and CEO of Portex. Mr. Chodos has over 30 years' experience in the financial markets primarily in Canada but also in the United States and the United Kingdom. He has completed

many merger and acquisition transactions as well as private and public financings and restructurings. In 2004, Mr. Chodos co-founded Mt. Auburn Capital Corp., a structured products firm. From July 2006 to February 2009, Mr. Chodos was a Managing Director of BluMont Capital Corporation, a provider of alternative investment products to retail investors in Canada and, until September 2010, he also managed a publicly-listed mining merchant bank. Mr. Chodos holds a B.Comm from McGill University and a Masters of Business Administration from Harvard University. He is a Chartered Accountant, Chartered Professional Accountant (Canada) and a Chartered Business Valuator.

Keith Boyle

Mr. Boyle has over 25 years of experience in mine development, operations and corporate development. Prior to joining Chieftain, Mr. Boyle most recently served as Executive Vice President and COO at Alexis Minerals Corp. where he successfully led the completion of three NI 43-101 feasibility studies, completed the construction and development of the Lac Herbin mine and implemented a comprehensive safe production system. Prior to Alexis Minerals, Mr. Boyle was Manager, Business Development for Dynatec Corporation and has previous management expertise in various types of operations with Dynatec, Inco, Placer Dome and AUR Resources. Mr. Boyle is a Professional Engineer (Ontario and Quebec) and holds a Masters of Business Administration degree from the University of Alberta.

Clive Creaney

Mr. Creaney has over 35 years of experience in the project construction field, 30 of which were with Placer Dome Technical Services where he supervised and managed all of that company's construction projects both in Canada and internationally. Prior to joining Chieftain Metals, Mr. Creaney served as Project Manager, Construction at Yukon Zinc's Wolverine Project. Prior to Yukon Zinc, Mr. Creaney was Assistant Project Manager on the Galore Creek Project.

Pompeyo Gallardo

Mr. Gallardo brings more than 15 years experience in the finance sector. He graduated with a Bachelor of Economics and took postgraduate studies in finance and control at Harvard University. In addition, Mr. Gallardo is fluent in Spanish and Portuguese and recently earned the title of CRCMP Certified Risk and Compliance Management Professional from the International Association of Risk and Compliance Professionals in Washington, USA.

Originally from Peru, Mr. Gallardo worked for over 10 years as Chief Financial Officer ("**CFO**") of Laboratorio Quirofano, a medical supplies company based in Lima, during which time he leaded and executed many strategic activities specially related to cost control, cash management and quality management systems. Mr. Gallardo was a financial analyst for Senior Executives at a major Canadian bank and more recently, he worked as Senior Credit Risk Manager of provision, analytics and model development at a second Canadian chartered bank in Toronto, during which time he was mainly responsible to determine the level of required reserves to cover future losses coming from the bank's international credit risk exposure.

Edward Yurkowski

Mr. Yurkowski is the CEO of Procon which, in addition to the resource company, is a full mining provider through Procon Mining & Tunnelling Ltd. Mr. Yurkowski has been involved in the mining and civil contracting industries since 1966, including ownership and management of two large mining construction contracting companies.

Mr. Yurkowski received his Bachelor of Science in Civil Engineering in 1971 from the University of Saskatchewan and currently serves as a director of a number of other TSX and TSX Venture Exchange listed companies, including Imperial Metals Corp., Fortune Minerals Ltd., Golden Band Resources Inc., Rainy Mountain Royalty Corp. and Columbia Yukon Explorations Inc.

Richard Sutin

Mr. Sutin is a senior partner with Norton Rose Fulbright Canada LLP, a leading international law firm, where he practices corporate and securities law and is co-chair of the firm's Cleantech practice. Throughout his career, Mr. Sutin has been on several corporate boards and, in his practice, regularly advises boards and special committees on governance and other matters. Mr. Sutin is a graduate of Osgoode Hall Law School and was admitted to the Law Society of Upper Canada in 1977.

James R. Pickell

Mr. Pickell is a professional geoscientist and President of Orca Geosciences Ltd., which provides technical consulting services to the Corporation. Mr. Pickell has over 35 years of exploration and mining experience primarily with Anglo American plc internationally, including in Canada, Brazil, Sweden, Finland, Norway, Mexico, Alaska, USA, Namibia, Spain and Portugal, as well as with Hudson Bay Exploration and Development Co. Ltd. in the Flin Flon Snow Lake Greenstone Belt of Manitoba, Canada. Mr. Pickell initiated and directed the work responsible for the discovery of several economic and near economic volcanogenic massive sulphide (VMS) and magmatic NI-CU-PGE deposits within and adjacent to Flin Flon, and the Cape Smith (Raglan) Belt in Northern Quebec. Mr. Pickell is a recipient of the PDAC Bill Dennis Prospector of the Year Award (2000) for the discovery of VMS deposits in the Flin Flon-Snow Lake Greenstone Belt. Mr. Pickell has provided consulting services to Chieftain since October 16, 2012.

Cease Trade Orders or Bankruptcies

Other than as described below, none of the directors or executive officers of the Corporation:

(a) is, as at the date of this AIF, or has been, within 10 years before the date of this AIF, a director, CEO or CFO of any company (including Chieftain) that,

  (i) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, CEO or CFO; or

  (ii) was subject to an order that was issued after the director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as a director, CEO or CFO;

(b) a director or executive officer of any company (including Chieftain) 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

(c) became 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.

For the purposes of the paragraphs above, "order" means: (a) a cease trade order; (b) an order similar to a cease trade order; or (c) 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.

Victor Wyprysky was the President and CEO of SRA and Patrick Raleigh was a director of SRA. In January 2009, after failing to make the December 31, 2008 interest and shrinking fund payments on its Series 1 and Series 2 Notes, SRA announced that it was applying for protection under the CCAA and under Chapter 11 of the U.S. Bankruptcy Code. The U.S. proceedings were terminated four months later. In Canada, a majority of the creditors of SRA voted in favour of a proposed plan of compromise and

arrangement dated May 11, 2009 which was later sanctioned by the Ontario Superior Court of Justice. On August 17, 2009, SRA announced that it had successfully completed the restructuring outlined in the plan and emerged from protection under the CCAA.

Also during his tenure as President and CEO of SRA, Mr. Wyprysky was subject to a management cease trade order (the "**MCTO**") issued by the Ontario Securities Commission for failure to file financial documents which were delayed as a result of the CCAA restructuring process. A temporary order was issued on September 23, 2009 and extended into the permanent MCTO on October 5, 2009. The MCTO was revoked on November 24, 2009.

Pompeyo Gallardo, a director of the Corporation, was CFO of Laboratorio Quirofano, a Lima-based medical supply company at such time as that company filed for bankruptcy protection. After hospitals in Peru were centralized and sales decreased, Laboratorio Quirofano filed for voluntary insolvency under the Peruvian insolvency legislation Ley General del Sistema Concursal. The Comision de Procedimientos Concursales in Peru resolved to authorize the dissolution and liquidation of Laboratorio Quirofano in June 2006.

Mr. Yurkowski served as a director of Cross Lake Minerals Ltd. ("**Cross Lake**") from July 28, 2008 to September 18, 2008. On October 14, 2008, Cross Lake obtained court protection under the CCAA to allow it to develop a reorganization plan with its creditors. In connection with this reorganization plan, Cross Lake voluntarily delisted its Common Shares from trading on the TSX in April 2009. The creditors of Cross Lake approved a restructuring plan at a creditors' meeting called and held for that purpose in May 2009. As a necessary and merely facilitating step to complete this restructuring plan, Cross Lake made a voluntary assignment into bankruptcy and filed a short-term proposal under the Bankruptcy and Insolvency Act (Canada). In June 2009, Cross Lake changed its name to 0373849 B.C. Ltd. and completed the restructuring transaction in accordance with the amended and restated plan of compromise and arrangement filed by Cross Lake on May 21, 2009 pursuant to the CCAA and the British Columbia Business Corporations Act. On June 1, 2009, Mr. Yurkowski was appointed to the board of directors of Cross Lake. The stay of proceedings imposed on Cross Lake by order of the British Columbia Supreme Court under the CCAA was lifted on June 3, 2009, the bankruptcy was annulled and Cross Lake ceased to be subject to protection under the CCAA.

Penalties or Sanctions

No director or executive officer of the Corporation or shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation has:

(a) been subject to 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

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

To the best of management's knowledge, other than as set out below, there are no known existing or potential material conflicts of interest among the Corporation and its directors, officers or other members of management as a result of their outside business interests except that certain of its directors and officers serve as directors and officers of other companies (including resource exploration companies). Such directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of these other companies (including resource exploration properties), and it is possible that a conflict may arise between their duties to the Corporation and their duties as a director or officer of such other companies. In the event of any conflicts of interest, such conflicts must be disclosed to the Corporation and dealt with in accordance with applicable law.

Ed Yurkowski, a director of the Corporation, is also a founder of Procon, which, as a result of its shareholdings in the Corporation, is considered an insider of the Corporation pursuant to applicable securities laws. Situations may arise where the interests of Procon or Mr. Yurkowski's interests in Procon may actually or potentially conflict with the interests of the Corporation. The Corporation has established policies and procedures to minimize the frequency and extent of conflicts of interests and to resolve or deal with them in a manner which protects the interests of the Corporation and its shareholders, including disclosure of actual or perceived conflicts and having the audit committee review and deal with such conflicts. Additionally, the OBCA requires written disclosure if a director or officer of the Corporation is a party to a material contract or proposed material contract or is a director or officer of, or has a material interest in, any material contract or proposed material contract, with the Corporation and, subject to certain exceptions, requires the director to abstain from voting on the matter. The Corporation expects that such measures will minimize the potential for conflicts of interest and resolve or deal with any potential conflicts of interest in a manner which protects the interests of the Corporation and its shareholders. As well, transactions between the Corporation and related parties such as Procon must be completed in accordance with applicable laws, the rules and regulations of the TSX, and the policies of the Corporation pertaining to related party transactions.

LEGAL PROCEEDINGS

During the financial year ended September 30, 2013 the Corporation was not subject to any material legal proceedings, nor was the Corporation or the Tulsequah Project the subject of any such proceedings and no such proceedings were currently known to be contemplated. See "Certain Risk Factors – Current and Future Potential Litigation".

Subsequent to the year ended September 30, 2013, on December 17, 2013 the TRTFN petitioned the Supreme Court of British Columbia to cancel or declare invalid the environmental assessment certificate issued by the government of British Columbia to Chieftain for the Tulsequah Project, naming both the government of British Columbia and Chieftain as respondents and disputing the decision reached by the government of British Columbia. The Corporation believes the petition is without merit.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than fees paid and securities of the Corporation issued to directors and officers of the Corporation (or entities controlled by them), no director, executive officer of the Corporation or any shareholder beneficially holding or controlling, directly or indirectly, more than 10% of the issued and outstanding common shares of the Corporation, or any of their respective associates or affiliates, had any material interest, direct or indirect, in any transaction during the financial year ended September 30, 2013 or in any proposed transaction that has materially affected or will materially affect the Corporation.

TRANSFER AGENT AND REGISTRAR

The auditor of the Corporation is MNP LLP (formerly MSCM LLP), located at 701 Evans Avenue, 8th Floor, Toronto, Ontario, M9C 1A3.

The transfer agent and registrar for the Corporation is Equity Financial Trust Company at its principal offices in Toronto, Ontario.

MATERIAL CONTRACTS

The following are the only material contracts, other than those contracts entered into in the ordinary course of business, which the Corporation has entered into in the last financial year or which are currently still in effect:

- the subscription agreement between the Corporation and Procon Holdings (Alberta) Inc. dated September 24, 2012;

- the purchase and sale agreement between the Corporation and RGLD Gold AG dated December 22, 2011; and

- the Teck Loan agreement.

INTERESTS OF EXPERTS

Except as otherwise indicated, information relating to the Corporation's mineral properties in this AIF has been derived from the Big Bull Technical Report prepared by Dr. Gilles Arseneau, P.Geo. and the 2012 Feasibility Study, prepared by Gordon E. Doerksen, P.Eng., Michael E. Makarenko, P.Eng., Robert L. Matter, P.E., Gilles Arseneau, Ph.D., P.Geo., Kenneth J. Sangster, C. Eng., Robert Marsland, P.Eng., Harvey N. McLeod, P. Eng., David West, P.Eng. and Frank Palkovits, P. Eng. and has been included in reliance on such person's expertise. Each of these individuals is a qualified person as such term is defined in NI 43-101 and is independent from the Corporation.

James Pickell, P. Geo., and a director of the Corporation is the "qualified person" pursuant to NI 43-101 who prepared or supervised the preparation of the information in this AIF relating to the 2013 Drilling Program and the information pertaining to the re-interpretation of the exploration potential of the Tulsequah Chief Deposit and Big Bull Deposit and has approved the disclosure relating thereto in this AIF.

CERTAIN RISK FACTORS

Certain Risks Related to the Business

An investment in the Corporation should be considered highly speculative and investors should carefully consider all of the information disclosed in this AIF prior to making an investment. In addition to the other information in this AIF, the following risk factors should be given careful consideration when evaluating an investment in the Corporation. These risk factors are not intended to represent a complete list of all risk factors that could affect the Corporation or its securities.

Financing Risks

The Corporation has limited financial resources, minimal operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. Without additional financing, the Corporation may delay or postpone indefinitely the exploration and development of its projects, which may result in the loss of such properties. If the Corporation's exploration programs are successful, additional funds will be required for further exploration and development to place a property into commercial production. The only source of future funds presently available to the Corporation is through the issuances of debt and/or equity, or the offering by the Corporation of an interest in any of its properties to be earned by another party or parties carrying out further exploration or development thereof. There is no assurance such sources will be available on favourable terms or at all. If available, future equity financings may result in dilution to current shareholders.

Exploration and Mining Risks

The business of exploration for minerals and mining involves a high degree of risk, and few exploration properties are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. Substantial expenditures are required to establish mineral reserves, if any, through drilling, to develop metallurgical processes and to develop mining and processing facilities and infrastructure at any site chosen for mining. Although benefits may be derived from the discovery of a mineral deposit, the Corporation provides no assurance that minerals will be discovered in sufficient

quantities or having sufficient grade to justify commercial operations or that the Corporation will obtain funds required for development. Many factors affect economics of developing mineral properties, including the cost of operations, the availability and costs of fuel, power, water and transportation and the Corporation‘s ability to negotiate contracts for fuel, power and transportation on reasonable commercial terms, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results, as applicable. Short-term factors relating to mineral resources or reserves, if any, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have a material or other adverse effect on mining operations and on the results of operations. The Corporation provides no assurance that mineral recoveries achieved in small-scale laboratory tests will be duplicated in large-scale tests under on-site conditions. Material changes in mineral resources or mineral reserves, if any, grades, stripping ratios or recovery rates may affect the economic viability of any project. Many other factors may affect potential production on mineral properties, such as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Short term factors, such as the need for orderly development of deposits or the processing of new or different grades, may also have a material or other adverse effect on mining operations and on the results of operations.

Uncertainty of Mineral Resource, Mineral Reserves and Mineralization Estimates

There are numerous uncertainties inherent in estimating proven and probable mineral resources and reserves and mineralization, including many factors beyond the control of the Corporation. The estimation of mineral resources and reserves and mineralization is a subjective process and the accuracy of any such estimates is a function of the quality of available data and of engineering and geological interpretation and judgment. Results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may justify revision of such estimate. The Corporation provides no assurance that the volume and grade of mineral reserves recovered and rates of production will not be less than anticipated. Assumptions about prices are subject to greater uncertainty and metals prices have fluctuated widely in the past. Declines in the market price of industrial minerals also may render mineral reserves or mineralization containing relatively lower grades of ore uneconomic to exploit. Changes in operating and capital costs and other factors including, but not limited to, short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades, may have a material or other adverse effect on mineral reserves.

Estimates of Deposit Size

There can be no assurance that the mineral resource estimates presented herein are accurate, or that this mineralization could be mined or processed profitably. The inclusion of mineral resource estimates should not be regarded as a representation that these amounts can be economically exploited and no assurances can be given that such resource estimates will be converted into reserves.

Any mineral exploration program entails risks relating to the location of ore bodies that are economically viable to mine, the development of appropriate metallurgical processes, the receipt of necessary governmental permits, licenses and consents and the construction of mining and processing facilities at any site chosen for mining. No assurance can be given that any exploration program will result in the discovery of new reserves or resources or that the expansion of existing resources will be successful.

Feasibility Studies and Production Risks

Feasibility study activities involve estimates of capital expenditures, future production, revenues, operating costs and taxes. Failure to meet these estimates could have a material or other adverse effect the Corporation‘s profitability, cash flows and financial position. There can be no assurance that such estimates will be fully achievable. Variances between actual and estimates may occur for a variety of reasons, including changes in capital costs due to market conditions or essential alterations in scope

encountered during advanced engineering design work; actual mineable ore differing from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades from those planned; mine failures, slope failures or equipment failures; industrial accidents; natural phenomena such as inclement weather conditions, floods, droughts, rockslides and earthquakes; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; shortages of principal supplies needed for operation, including explosives, fuels, chemical reagents, water, equipment parts and lubricants; labour shortages or strikes; civil disobedience and protests; and restrictions or regulations imposed by governmental or regulatory authorities or other changes in the regulatory environments. Occurrences such as those above could result in damage to mineral properties, interruptions in construction or production, injury or death to persons, damage to property of ours or others, monetary losses and legal liabilities. These factors may cause a mineral deposit destined for production or that has been mined profitably in the past to become unprofitable, forcing the Corporation to cease construction or operating activities. It is not unusual for new mining and processing activities to experience unexpected problems during construction or start-up.

Metal Prices

Fluctuations in base metal mines typically produce concentrates of ore minerals which are sold to smelters under terms which are negotiated and are dependent on the specific characteristics of the individual concentrates, metal prices and the general market conditions for mineral concentrates. Factors beyond the control of the Corporation may affect the marketability of any mineral concentrates. The economic performance of a mine is dependent upon a number of factors, including the market price of the metals mined, the terms of smelter off take agreements, treatment and refining charges and transportation costs to market concentrates. Metal prices have fluctuated widely, particularly in recent years. The marketability of mineral concentrates and prices of metals is affected by numerous factors beyond the control of the Corporation, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities, increased production due to new extraction developments and improved extraction and production methods, proximity of mineral markets, and government regulations relating to price, royalties, allowable production and importing and exporting of minerals, the effect of which cannot accurately be predicted.

Future serious price declines in the market value of minerals could cause continued development of and commercial production from our properties to be impracticable. Depending on the price of minerals, any cash flow from future mining operations may not be sufficient and we could be forced to discontinue production, if any, and may lose our interest in, or may be forced to sell, some of our properties. Future production, if any, from the mining properties of the Corporation is dependent upon the price of minerals being adequate to make these properties economic.

In addition to adversely affecting the Corporation‘s future reserve estimates (if any) and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Environmental Requirements

The Corporation‘s activities are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means standards are stricter, and enforcement,

fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect operations at the Corporation‘s projects. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. To the extent the Corporation is subject to environmental liabilities, the payment of any liabilities or the costs that may be incurred to remedy environmental impacts would reduce funds otherwise available for operations. If the Corporation is unable to fully remedy an environmental problem, it may be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential financial exposure may be significant.

In order to carry out the reclamation obligations assumed by the Corporation in connection with the acquisition of the Tulsequah Project, Chieftain must allocate financial resources that might otherwise be spent on further exploration and development programs. Although management considers the current allowance for reclamation activities to be sufficient, to the extent the Corporation is required to carry out unanticipated reclamation work, its financial position could be adversely affected.

Permitting and Other Regulatory Requirements

The current activities of the Corporation, including any exploration and development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in exploration activities and in the development and operation of mines and related facilities generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. The Corporation provides no assurance that it will obtain, on reasonable terms or on a timely basis, any of the permits it requires for exploration, construction of mining facilities and conduct of mining operations, or that such laws and regulations would not have a material or other adverse effect on any mining project that it may undertake. Existing and possible future environmental and other legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in its activities, the extent of which cannot be predicted. Failure to comply with applicable laws, regulations, and permits may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Corporation may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws. The Corporation is not currently covered by any form of environmental liability insurance. Existing laws, regulations and permits, and any amendments or supplements thereof, governing operations and activities of mining companies, or more stringent implementations thereof, could have a material or other adverse impact on the Corporation and cause such events as increases in exploration and development expenditures or require abandonment or delays in development of existing and new mining properties.

Management believes it will be successful in obtaining the necessary permits to allow for the Corporation to carry out its exploration activities on the Tulsequah Project. However, Chieftain has no assurance that it will receive any permits, including environmental and drilling permits that may be required in the future to carry out further exploration, development and production activities on its properties, or obtain them in a timely manner. The failure to obtain such permits could adversely affect Chieftain’s operations and consequently the value of the securities of the Corporation.

Title Matters

The acquisition of title to mineral claims or mineral exploration contracts can be a very detailed and time-consuming process. Failure to comply with government requirements with respect to exploration permits and maintenance of mining claims may result in a loss of title. Title to and the area of mining claims may

be disputed and the Corporation cannot guarantee that title to its mineral properties will not be challenged. While the Corporation has investigated title to all of its mineral tenures and continues to do so, it provides no guarantee that it holds title to any of its properties. Title to the mineral tenures may be affected by undisclosed or undetected defects. If the Corporation does not meet funding and other ongoing requirements, it risks losing its interests in the exploration and development properties. In the case of the Corporation's exploration properties, it must expend certain minimum amounts on the exploration of the property.

First Nation Rights and Title

The nature and extent of First Nation rights and title remains the subject of active debate, claims and litigation in Canada, including in the British Columbia and including with respect to intergovernmental relations between First Nation authorities and federal, provincial and territorial authorities. There can be no guarantee that such claims will not cause permitting delays, unexpected interruptions or additional costs for the Corporation's projects. There can be no assurance that negotiations with the TRTFN with respect to the IMMBA or any other matter will be successful.

Industry Competition in the Acquisition of Industrial Mineral Properties and the Recruitment and Retention of Qualified Personnel

The Corporation must compete with other industrial mineral exploration and mining companies, many of which have greater financial resources, for the acquisition of industrial mineral claims, leases and other industrial mineral interests as well as for the recruitment and retention of qualified employees and other personnel. If the Corporation requires and is unsuccessful in acquiring additional industrial mineral properties or personnel, there can be no assurances that the Corporation will be able to compete against such companies with respect to exploration and development, industrial mineral production and marketing.

Currency Fluctuations

The Corporation presently maintains accounts in Canadian dollars. The Corporation's operations may make it subject to foreign currency fluctuations and such fluctuations may materially affect its financial position and results. For example, metals are generally sold at prices stated in U.S. dollars, while costs incurred are paid in the currency of the country in which the activities are undertaken (Canada, in the case of the Corporation). Prior to the commencement of production, the strength or weakness of the U.S. dollar affects the financial condition of the Corporation to the extent that certain liabilities may require payment in U.S. dollars from time to time. If the Corporation commences production at any of its properties and generates revenues, a weak U.S. dollar relative to the Canadian dollar could impair its financial results since smelters pay for concentrate in U.S. dollars while the majority of operating costs would be in Canadian dollars for the Tulsequah Project.

Insurance Risk

The mining industry is subject to significant risks that could result in damage to, or destruction of, mineral properties or producing and processing facilities, personal injury or death, environmental damage, delays in mining, and monetary losses and possible legal liability. It is not always possible to insure fully against such risks and the Corporation may decide not to take out insurance against such risks as a result of high premiums or for other reasons. The Corporation does not currently maintain any environmental liability insurance. Should such liabilities arise, they could have a material or other adverse impact on the Corporation's operations and could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Corporation.

Stage of Development and Limited Operating History

The Corporation has a limited operating history upon which an evaluation of the Corporation, its current business and its prospects can be based. Purchasers should consider any purchase of the Corporation's securities in light of the risks, expenses and problems frequently encountered by all companies in the early stages of their development.

The Tulsequah Project is in the development stage. There can be no assurance that the Corporation will be able to develop and operate its property profitably, or that its activities will generate positive cash flow. Industrial minerals exploration involves a high degree of risk. The amounts attributed to the Corporation's interest in properties as reflected in its financial statements represent acquisition and exploration expenses and should not be taken to represent realizable value. Hazards such as unusual or unexpected geological formations and other conditions are involved. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in the operation of mines and the conduct of exploration programs. Unknowns with respect to geological structures and other conditions are involved. Existing and future environmental laws may cause additional expenses and delays in the activities of the Corporation, and they may render its properties uneconomic. The Corporation has no liability insurance of the type that covers liability for pollution or cave-ins, and it may become subject to liability for pollution or cave-ins against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material or other adverse effect on the Corporation's financial position and more generally.

Limited Property Portfolio

The Corporation's only material mineral project is the Tulsequah Project. Unless the Corporation acquires or develops additional material properties or projects, the Corporation will be solely dependent upon the Tulsequah Project.

Infrastructure

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could materially or otherwise adversely affect the Corporation's operations, financial condition and results of operations.

Dependence on Key Management

The development of the Corporation to date has largely depended on, and in the future will continue to depend on, the efforts of key senior management personnel and directors. Loss of any of these people could have a material or other adverse effect on the Corporation. To manage its growth, the Corporation may have to attract and retain additional highly qualified management, financial and technical personnel which may not be available, and continue to implement and improve operational, financial and management information systems. The Corporation does not have key man insurance in place in respect of any of its directors and officers.

Conflicts of Interest

The directors and officers of the Corporation may serve as directors or officers of other companies which may compete with the Corporation for mineral exploration projects. In addition, corporate opportunities giving rise to potential conflicts of interest may occur from time to time and may materially or otherwise adversely affect the Corporation.

Current and Future Potential Litigation

The Corporation may be subject to civil claims (including class action claims) based on allegations of negligence, breach of statutory duty, public nuisance or private nuisance or otherwise in connection with its operation or investigations relating thereto. While the Corporation is presently unable to quantify its potential liability under any of the above heads of damage, such liability may be material to the Corporation and may materially adversely affect its ability to continue operations.

Volatile Markets

In addition to the risks outlined above, Chieftain has identified extreme volatility occurring in the financial markets as at the date hereof as a significant risk for the Corporation. As a result of the market conditions, investors are moving away from assets they perceive as risky to those they perceive as safe and less risky. Companies like Chieftain are considered risk assets and, as mentioned above, are highly speculative. The volatility in the markets and investor sentiment may make it difficult or impossible for Chieftain to access the capital market or project financing in order to secure the financing it will need to operate its business.

AUDIT COMMITTEE

General

The Audit Committee is responsible for reviewing the Corporation's financial reporting procedures, internal controls and the performance of the financial management and external auditors of the Corporation.

The Audit Committee is also responsible for reviewing the annual and interim financial statements of the Corporation and making recommendations to the Board of Directors.

Charter

The Corporation's Audit Committee Charter is attached as Exhibit ''A'' to this AIF.

Composition

The Audit Committee of the Board of Directors is comprised of Patrick Raleigh (Chair), Richard Sutin and Raymond Mah, all of whom are ''financially literate' and, with respect to Messrs. Raleigh and Mah, are ''independent'', as those terms are defined in National Instrument 52-110 —*Audit Committees* (''**NI 52-110**''). Mr. Sutin is not "independent" as defined in NI 52-110 because he is a senior partner at the law firm of Norton Rose Fulbright Canada LLP, which is counsel to the Corporation.

Reliance on Certain Exemptions

The Corporation is currently relying on the exemption in Section 3.5 of NI 52-110 (Death, Disability or Resignation of Member) with respect to the membership on the Audit Committee of Mr. Sutin.

Relevant Education and Experience

Each of the Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. See ''Directors and Executive Officers — Biographies'' for a brief summary of the education and experience of each Audit Committee member that is relevant to his performance as a member of the Audit Committee.

Audit Fees

Audit Fees	Fiscal Year Ended September 30, 2013	Fiscal Year Ended September 30, 2012
Audit Fees	$52,500[(1)]	$47,700[(3)]
Audit-Related Fees	N/A	N/A
Tax Advisory Fees	N/A	N/A
All Other Fees	$nil[(2)]	$3,000[(2)]
Total	**$52,500**	**$50,700**

(1) Accrued as at September 30, 2013
(2) Professional fees
(3) The Corporation's revised annual information form for the year ended September 30, 2012 stated audit fees of $42,000 based on best available information at the time.

ADDITIONAL INFORMATION

The Corporation is required to file with the securities commission or authority in each of the applicable provinces of Canada annual and quarterly reports, material change reports and other information. Documents filed with the securities commissions and authorities of the provinces of Canada may be accessed through SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, is contained in the Corporation's management information circular dated April 15, 2013. Additional financial information is provided in the Corporation's Management Discussion and Analysis and in its annual financials statements for the year ended September 30, 2013.

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SELECT GLOSSARY

The following terms defined in this AIF have the following meanings:

"**2011 Drilling Program**" means the 30,000 metre drilling project at the Tulsequah Project undertaken by the Corporation in 2011 in an effort to update the Tulsequah Project mineral reserve estimate.

"**2012 Feasibility Study**" means the feasibility study entitled "Technical Report for the Tulsequah Chief Project of Northern British Columbia, Canada" with an effective date of December 12, 2012, a copy of which is filed on the Corporation's SEDAR profile at www.sedar.com.

"**2012 Feasibility Study Qualified Persons**" means Gordon E. Doerksen, P.Eng., Michael E. Makarenko, P.Eng., Robert L. Matter, P.E., Gilles Arseneau, Ph.D., P.Geo., Kenneth J. Sangster, C. Eng., Robert Marsland, P.Eng., Harvey N. McLeod, P. Eng., David West, P.Eng. and Frank Palkovits, P. Eng., who are each "qualified persons" under NI 43-101.

"**2013 Drilling Program**" means the drilling program conducted at the Tulsequah Project between May and September 2013, which was focused on re-interpreted geological, geophysical and geochemical targets along with newly modelled 3D-IP geophysical inversion anomalies identified in the Tulsequah Chief Deposit, Big Bull Deposit and "Sparling-Banker" areas.

"**2016 Debentures**" means the 8% unsecured convertible debentures due August 31, 2016 issued by the Corporation to West Face in an aggregate amount of $1,500,000.

"**Access Road**" means a proposed all-weather access road from the Tulsequah Project to the public road system at Atlin, British Columbia.

"**Acme**" means Acme Analytical Laboratories Ltd.

"**AERA**" means the aquatic environment risk assessment to be provided by a speciality group on behalf of the Corporation to the British Columbia Ministry of Environment.

"**AFN**" means the Assembly of First Nations.

"**AIF**" means Annual Information Form.

"**Arrangement**" means an internal reorganization of Chieftain Subco by way of a plan of arrangement under section 182 of the OBCA, which became effective on May 22, 2013.

"**Big Bull Deposit**" means the Big Bull Deposit forming part of the Tulsequah Project.

"**Big Bull Qualified Person**" means Dr. Gilles Arseneau, P. Geo, who is a "qualified person" under NI 43-101.

"**Big Bull Technical Report**" means the report entitled "Big Bull Project, Tulsequah Chief Property, Technical Report, Northern British Columbia", dated November 8, 2010, a copy of which is filed on the Corporation's SEDAR profile at www.sedar.com.

"**Board of Directors**" means the board of directors of the Corporation.

"**CAMCE**" means China CAMC Engineering Co., Ltd.

"**CCAA**" means the *Companies' Creditors Arrangement Act* (Canada).

"**CEAA**" means the Canadian Environmental Assessment Agency.

"**CEO**" means chief executive officer.

"**CFO**" means chief financial officer.

"**Chieftain**" or the "**Corporation**" means Chieftain Metals Corp. following the effective date of the Arrangement and Chieftain Subco prior to the effective date of the Arrangement.

"**Chieftain Holdco**" means Chieftain Metals Corp., incorporated on April 10, 2013 under the OBCA.

"**Chieftain Subco**" means Chieftain Metals Inc., incorporated on November 16, 2009 under the OBCA.

"**CIM**" means the Canadian Institute of Mining and Metallurgy.

"**COO**" means chief operating officer.

"**Common Shares**" means the common shares in the capital of the Corporation.

"**Cross Lake**" means Cross Lake Minerals Ltd.

"**CUF**" means copper facies.

"**EAC**" means Environmental Approval Certificate.

"**Ecotech**" means Ecotech Laboratory Ltd.

"**Flow-Through Shares**" means "flow-through" Common Shares as defined in the *Income Tax Act* (Canada).

"**Historical Feasibility Study**" means the 2007 feasibility study of the Tulsequah Project completed by Wardrop on behalf of Redcorp.

"**IMMBA**" means the Impact Mitigation and Mutual Benefits Agreement in negotiations between the Corporation and the TRTFN.

"**Ionic**" means Ionic Capital Corp.

"**Ionic Credit Facility**" means the credit facility for $7.25 million between the Corporation and Ionic dated September 9, 2010.

"**IP**" means induced polarization.

"**IPO**" means the Corporation's initial public offering.

"**IRR**" means internal rate of return.

"**IWTP**" means interim water treatment plant.

"**JDS**" means JDS Energy and Mining Inc.

"**LOU**" means the Letter of Understanding signed between the Corporation and the TRTFN in relation to the Tulsequah Project and the Corporation's work on the Tulsequah Project.

"**MCTO**" means the management cease trade order issued against Victor Wyprysky on September 23, 2009 while he was President and CEO of SRA (now Portex) and revoked on November 24, 2009.

”**Mines Act Amendment**” means the amendment to the Corporation’s Mines Act permit which includes upgraded mine access roads and bridges, an updated site configuration and permanent camps layout.

“**Ministry**” means the British Columbia Ministry of Energy and Mines.

“**Ministry of Forests**” means the British Columbia Ministry of Forests, Lands and Natural Resource Operations.

“**MOU**” means the non-binding Memorandum of Understanding between the Corporation, CAMCE and Procon for a comprehensive collaboration to build and operate the Tulsequah Project dated August 15, 2012.

“**NAG**” means non-acid-generating.

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

‘‘**NI 52-110**’’ means National Instrument 52-110 – *Audit Committees*.

“**$NPV_{8\%}$**” means net present value using a discount rate of 8%.

“**NSR**” means net smelter return.

“**OBCA**” means the *Business Corporations Act* (Ontario).

“**Optimization Team**” means a feasibility optimization team for the Tulsequah Project. The team is being led by JDS Energy and Mining Inc., who are responsible for infrastructure, capex, opex and financial analysis, and also includes Tetra Tech for process engineering, SRK for the resource estimate, Klohn Crippen Berger for tailings, Ken Sangster, C.Eng. for metallurgy, David West, P.Eng. for geotechnical work, and Marsland Consulting for environmental studies.

“**PAG**” means potentially acid-generating.

“**PEA**” means the report entitled “Preliminary Economic Assessment Technical Report, Tulsequah Chief Project, Northern British Columbia” dated June 14, 2011 a copy of which is filed on the Corporation’s SEDAR profile at www.sedar.com.

“**Portex**” means Portex Minerals Inc., formerly known as Strategic Resource Acquisition Corp.

“**Procon**” means Procon Holdings (Alberta) Inc.

“**Procon Private Placement**” means the private placement of the Corporation providing for the issuance and sale of an aggregate of 2,475,000 Common Shares, issued to Procon in two tranches at a price of $4.00 per Common Share and the Procon Warrant.

“**Procon Subscription Agreement**” means the subscription agreement between the Corporation and Procon with respect to the Procon Private Placement.

“**Procon Warrant**” means a warrant of the Corporation, issued to Procon under the Procon Private Placement.

“**Proposed Senior Debt Loan**” means the proposed loan facility between the Corporation, CAMCE and Procon to fund not less than 70% of the projected capital costs required to bring the Tulsequah Chief Deposit project into commercial production, with a lender or lenders introduced to the Corporation by Procon or its affiliate.

"**PYF**" means pyrite facies.

"**Redcorp**" means Redcorp Ventures Ltd.

"**Redfern**" means Redfern Resources Ltd.

"**Royal Gold**" means Royal Gold, Inc.

"**Special Use Permit**" means the special use permit granted with respect to the Tulsequah Project by the British Columbia Ministry of Forests and Range.

"**SRA**" means the former Strategic Resource Acquisition Corp., now known as Portex Minerals Inc.

"**SRK**" means SRK Consulting North America.

"**Streaming Agreement**" means the purchase and sale agreement between the Corporation and Royal Gold dated as of December 22, 2011.

"**Subscription Receipt Private Placement**" means the private placement of the Corporation for subscription receipts on September 9, 2010.

"**Technical Reports**" means, collectively, the Big Bull Technical Report and the 2012 Feasibility Study.

"**Teck**" means Teck Resources Limited.

"**Teck Loan**" means a loan for up to $5.0 million between the Corporation and Teck for the installation of an IWTP, as amended from time to time.

"**Tetra Tech**" means Tetra Tech Engineering Inc, formerly Wardrop Engineering Inc.

"**TMF**" means tailings management facility.

"**TRTFN**" means the Taku River Tlingit First Nation.

"**TSX**" means the Toronto Stock Exchange.

"**Tulsequah Chief Deposit**" means one of two underground mines in development at the Tulsequah Project.

"**Tulsequah Project**" means 55 mineral claims and crown grants in northwestern British Columbia, Canada; comprised of the Tulsequah Chief mine and the Big Bull mine.

"**Tulsequah Purchase Agreement**" means the amended, restated and reinstated asset purchase agreement between the Corporation and Abakhan & Associates, Inc. and Alvarez & Marsal Canada Inc., dated September 1, 2010, describing the purchase of the Tulsequah Project.

"**Tulsequah Technical Report**" means the report entitled "Tulsequah Chief Deposit, Tulsequah Chief Property, Northern British Columbia" dated November 8, 2010 a copy of which is available on the Corporation's SEDAR profile at www.sedar.com.

"**US$Eq**" means U.S. dollar equivalent.

"**VMS**" means volcanogenic massive sulfide.

"**Wardrop**" means Wardrop Engineering Inc., a Tetra Tech company.

"**Warrant Shares**" means the Common Shares issuable pursuant to a valid exercise of the Procon Warrant.

"**West Face**" means West Face Capital Inc.

"**Yukon Zinc**" means Yukon Zinc Corporation.

"**ZNF**" means zinc facies.

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EXHIBIT"A"

Audit Committee Charter

Name

There shall be a committee of the Board of Directors (the "Board") of Chieftain Metals Corp. (the "Corporation") known as the Audit Committee.

General Purpose

The Audit Committee has been established to assist the Board in fulfilling its responsibilities with respect to the following areas: the Corporation's external audit function; internal control and management information systems; the Corporation's accounting and financial reporting requirements; the Corporation's compliance with law and regulatory requirements; the Corporation's risks and risk management policies; engagement and setting the compensation of the external auditor; review of material financial information of the Corporation as required by law or as delegated by the Board and such other functions as are delegated to it by the Board. Specifically, with respect to the Corporation's external audit function, the Audit Committee assists the Board in fulfilling its oversight responsibilities relating to: the quality and integrity of the Corporation's financial statements; the independent auditors' qualifications; and the performance of the Corporation's independent auditors.

The Audit Committee is intended to facilitate and provide a means of open communication between management, the external auditors and the Board.

Composition and Qualifications

The Audit Committee shall consist of as many members as the Board shall determine, but in any event not fewer than three members who are appointed by the Board. The composition of the Audit Committee shall meet all applicable independence, financial literacy and other legal and regulatory requirements. More specifically, unless otherwise permitted under National Instrument 52-110 — Audit Committees ("NI 52-110"), all members of the Audit Committee shall be "independent" and "financially literate" in accordance with NI 52-110 or such other applicable law, rule or guideline.

The Board shall designate the Chairman of the Audit Committee and in so doing shall consider the recommendation of the Governance and Compensation Committee. The Chairman shall have responsibility for overseeing that the Committee fulfills its mandate and duties effectively.

Each member of the Audit Committee shall continue to be a member until a successor is appointed, unless the member resigns, is removed or ceases to be a director. The Board, following consideration of the recommendation of the Governance and Compensation Committee, may fill a vacancy which occurs in the Audit Committee at any time.

Meetings

The Chairman of the Audit Committee, in consultation with the Audit Committee members, shall determine the schedule and frequency of the Audit Committee meetings provided that the Audit Committee will meet at least four times in each fiscal year and at least once in every fiscal quarter. The Audit Committee shall meet in person or by telephone conference call. The Audit Committee shall have the authority to convene additional meetings as circumstances require. A schedule for each of the meetings will be disseminated to Audit Committee members prior to the start of each fiscal year. A detailed agenda for each meeting will be disseminated to Audit Committee members as far in advance of each meeting as is practicable. A quorum for a meeting of the Audit Committee shall be a majority of members present in person or by telephone conference call.

The Audit Committee shall meet separately, periodically, with management, counsel and the external auditors. The Audit Committee shall meet separately with the external auditors at every meeting of the Audit Committee at which external auditors are present.

Responsibilities

The Audit Committee is mandated to carry out the following responsibilities:

(a) External Auditors

1. Subject to applicable law, the Audit Committee shall recommend to the Board the external auditor to be appointed and the compensation of such external auditor. The external auditor shall report directly to the Audit Committee and shall be accountable to the Board and Audit Committee as representatives of the shareholders.

2. The Audit Committee shall pre-approve all audit and non-audit mandates for services the external auditor shall undertake.

3. The Audit Committee shall satisfy itself, on behalf of the Board, that the external auditor is independent of management. In assessing such independence, the Audit Committee shall discuss with the external auditors, and may require a letter from the external auditor outlining, any relationships between the external auditors and the Corporation or its affiliates.

4. The Audit Committee shall review the audit plan of the external auditors, the integration of the external audit with the internal control program, and the results of the audit, which shall include reviewing the external auditor's letter to management and management's response thereto and other material written communications between management and the external auditors.

5. The Audit Committee shall satisfy itself, annually or more frequently as the Audit Committee considers appropriate, as to the external auditors' internal quality control procedures and any material issues raised by the most recent internal quality control review, or peer review, of the external auditor, or by any public enquiry, review, or investigation by governmental, professional or other regulatory authorities.

6. The Audit Committee shall periodically review and discuss with management and the external auditors the quality and acceptability of the Corporation's accounting policies and practices, the materiality levels which the external auditors propose to employ, any proposed changes in significant accounting policies and any proposed changes in accounting or financial reporting that may have a significant impact on the Corporation.

7. The Audit Committee shall discuss with management and the external auditors all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management by the external auditors, the ramifications of these alternative treatments and the treatment preferred by the external auditors.

8. The Audit Committee shall review with management and external auditors the presentation and impact of significant risks and uncertainties and key estimates and judgments of management that may be material to its financial information.

9. The Audit Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and most recent formal external auditor of the Corporation.

10. The Audit Committee will annually, prior to public disclosure of its annual financial statements, ensure that the external auditor has current participant status with, and is in compliance with any restriction or sanction imposed by the Canadian Public Accountability Board.

(b) Financial Information

1. The Audit Committee shall discuss with management and the external auditors whether the audited annual financial statements present fairly (in accordance with Canadian generally accepted accounting principles) in all material respects the financial condition, results of operations and cash flows of the Corporation as of and for the periods presented and, where appropriate, recommend for approval to the Board, the annual audited financial statements of the Corporation.

2. The Audit Committee shall discuss with management and the external auditors whether the unaudited quarterly financial statements present fairly (in accordance with generally accepted accounting principles) in all material respects the financial condition, results of operations and cash flows of the Corporation as of and for the periods presented and, where appropriate, recommend for approval to the Board, the unaudited quarterly financial statements of the Corporation.

3. The Audit Committee shall review the Annual Report to Shareholders and other financial information (including the annual and quarterly Management's Discussion and Analysis of Financial Condition and Results of Operations, the Annual Information Form and any prospectus or offering circular) prepared by the Corporation with management and, where appropriate, recommend for approval to the Board and recommend for filing with regulatory bodies.

4. The Audit Committee shall review any news releases and reports to be issued by the Corporation containing earnings guidance or financial information for research, analysts and rating agencies. The Audit Committee shall also review the Corporation's policies relating to financial disclosure and the release of earnings guidance and the Corporation's compliance with financial disclosure rules and regulations.

5. The Audit Committee shall discuss with management and the external auditors important trends and developments in financial reporting practices and requirements and their effect on the Corporation's financial statements.

(c) Accounting Systems, Internal Control and Procedures

1. The Audit Committee shall oversee the adequacy and effectiveness of the Corporation's accounting and internal control systems, through discussions with the Corporation's external auditors and management and shall report to the Board on an annual basis.

2. The Audit Committee shall ensure that adequate disclosure controls and procedures are in place for the review of the disclosure of the Corporation's financial information.

3. The Audit Committee shall review annually the Corporation's Code of Business Conduct, Disclosure Policy and Insider Trading Policy and shall assess each policy's effectiveness.

(d) Risk Management

1. The Audit Committee shall review with management the principal risks facing the Corporation, and the policies, processes and procedures for management's monitoring and managing of such risks or exposures. If necessary, the Audit Committee will mandate, monitor and evaluate the steps management has taken to monitor and manage such exposures, including insuring against such risks, where appropriate.

(e) Compliance with Legal and Regulatory Requirements

1. The Audit Committee shall review with management, and any internal or external counsel as the Committee considers appropriate, any legal matters (including the status of pending litigation) that may have a material impact on the Corporation and any material reports or inquiries from regulatory or governmental agencies.

2. The Audit Committee shall review with counsel the adequacy and effectiveness of the Corporation's procedures to ensure compliance with the legal and regulatory responsibilities.

(f) Other

1. The Audit Committee shall also perform such other activities related to this Charter as requested by the Board or as required by law.

2. The Audit Committee shall review and assess the adequacy of this Charter annually and shall submit any proposed changes to the Board for approval.

3. The Audit Committee may delegate its authority and duties to subcommittees or individual members of the Committee as it deems appropriate.

Reporting

The Audit Committee shall report its deliberations and discussions regularly to the Board and shall submit to the Board the minutes of its meetings.

Resources

The Audit Committee shall have the authority, in its sole discretion, to retain independent legal, accounting and other consultants to advise the Audit Committee at the expense of the Corporation. The Audit Committee shall be provided with the necessary funding to compensate the external auditors and any other advisors they engage.

The Audit Committee may request any officer or employee of the Corporation or the Corporation's external counsel or external auditors to attend a meeting of the Audit Committee or to meet with any member of, or consultants to, the Audit Committee. The Audit Committee shall have full access to all of the Corporation's books, records, facilities and personnel.

Complaints Procedure

Any director, officer or employee who has any concern or complaints regarding accounting, internal control or auditing matters or any potential violations of law or regulatory provisions may make an anonymous submission in accordance with the Whistleblower Policy. The Audit Committee shall establish procedures for the anonymous submission, review and resolution of such complaints. No reprisal, retaliation or disciplinary action shall be taken against employees for reporting, in good faith, any such concerns or complaints.

Limitation on the Oversight Role of the Audit Committee

Nothing in this Charter is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject.

Each member of the Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Corporation from whom he or she

receives financial and other information, and the accuracy of the information provided to the Corporation by such persons or organizations.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles in Canada and applicable rules and regulations. These are the responsibility of management and the external auditors.