

2015 ANNUAL QUARTZ MINING LICENCE REPORT

Submitted to Yukon Government, Energy Mines and Resources Yukon Quartz Mining Licence QML-0007

March 2016

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Carmacks Copper Project, Yukon Territory

Submitted by:

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EXECUTIVE SUMMARY

Activities at the mine site during the period 1 January 2015 to 31 December 2015 consisted of: the Annual Engineer's Inspection; an exploration program involving ground-based magnetometer geophysical survey, prospecting, trenching, and diamond drilling; and, contractor activity to repair the Merrice Creek bridge and to maintain the Williams Creek crossing, the North Williams Creek culvert crossing, and to eliminate gullying of access trails around the property. Exploration activities were conducted in accordance with Class 3 Quartz Mining Land Use Approval No. LQ00427. Copies of the Annual Engineer's Inspection Report, the recently filed 2015 Assessment Report, 2015 Report of Activities, and the January 26, 2016 Mineral Resource Statement for the property are appended to this report. No development activities were undertaken in 2015.

Closure and reclamation security in the amount of \$80,300 has been posted with Yukon against the liability incurred to date as a result of exploration activities.

This report has been formatted to respond to the specific requirements in the QML even though there may be no corresponding project undertakings.

TABLE OF CONTENTS

1.0 INTRODUCTION	1
2.0 SITE ACTIVITIES	3
2.1 Exploration	3
2.2 Construction and Development	3
2.2.1 Overview of Activities by Quarter	3
2.2.2 As-built Drawings	3
2.3 Mining Activities	3
2.3.1 Overview of Activities by Quarter	3
2.3.2 Production Schedule – Ore and Waste Removal	3
2.3.3 Average Head Grades	3
2.3.4 Open Pit Stability	3
2.3.5 Heap Leach Cells – Status of Leaching (including layout drawing)_	3
2.3.6 Copper Production	4
2.3.7 Spills	4
2.3.8 On-going Reclamation	4
2.3.9 Actions Undertaken in Response to Annual Engineer's Inspection_	4
2.3.10 Access Road	4
2.4 Resources and Reserves	9
2.5 Care and Maintenance	9
2.6 Proposed Development and Production for Upcoming Year	9
3.0 MONITORING PROGRAMS AND STUDIES	
3.1 On-going Metallurgical Studies	10
3.1.1 Field Tests	10
3.1.2 Laboratory Tests	10

3.2	Heap Leach Pad Liner Performance Monitoring	10
3.3	Water Quality Surveillance Program	10
3.3	.1 Surface Water Quality	13
3.3	.2 Groundwater Quality	13
3.4	Hydrogeology Studies	13
3.5	Water Treatment and Management	13
3.6	Climate Data and Snow Survey Monitoring Program	13
3.7	Geochemical Studies and Acid-Base Accounting	13
3.8	Physical Monitoring Program	13
3.9	Engineer's Annual Physical Inspection Reports	13
3.10	Reclamation and Revegetation Studies	14
3.11	Submission and Approval of Plans	14
4.0 C	OUTSTANDING FINANCIAL LIABILITY	
4.1	Heap Leach	15
4.2	Waste Rock Storage	15
4.3	Overall Liability	15
4.4	Engineering Contingencies	15

LIST OF FIGURES

Figure 1. Preliminary Mine Layout	2
Figure 2. Typical Trench Conditions Before (a. Trench TR-15-32A) and After (b. Trench TR16-26)	
Reclamation.	8
Figure 3. Monitoring Station Locations.	_12

LIST OF TABLES

Table 1.	Carmacks Project - 2015 Trench Locations, dimensions, and recl	amation history as of 31
Decer	nber 2015 Error!	Bookmark not defined.
Table 2.	Carmacks Project Mineral Resource Statement, January 25, 2016	9
Table 3.	Water Quality Surveillance Program Site Descriptions and Locations	11

LIST OF APPENDICES

- Appendix A Annual Engineer's Inspection Report, November 6, 2015
- Appendix B 2015 Assessment Report for the Carmacks Copper Project
- Appendix C Independent Technical Report on the Carmacks Copper Project, Yukon, Canada
- Appendix D 2015 Annual Report of Activities under Quartz Mining LUP LQ00247

1.0 INTRODUCTION

This Annual Report has been prepared by Copper North Mining Corp. and covers the period from January 1, 2015 to December 31, 2015 as required by Clauses 16.5 and 16.6 of Quartz Mining License (QML) QML-0007. As of January 19, 2012 the assignment of QML-007 was authorized from Carmacks Copper Limited to Carmacks Mining Corp, a wholly-owned subsidiary of Copper North Mining Corp.

This report provides a summary of activities at the Carmacks Copper Property for the reporting year, including: but not limited to physical stability inspection.

Few site activities occurred that would normally form a part of this report in future years, once major project permitting is completed. Additional sections and information will be added to the annual reports as necessary to accommodate expanded reporting requirements from future mine development and related plans.

The preliminary mine layout (not yet constructed) is illustrated in Figure 1.

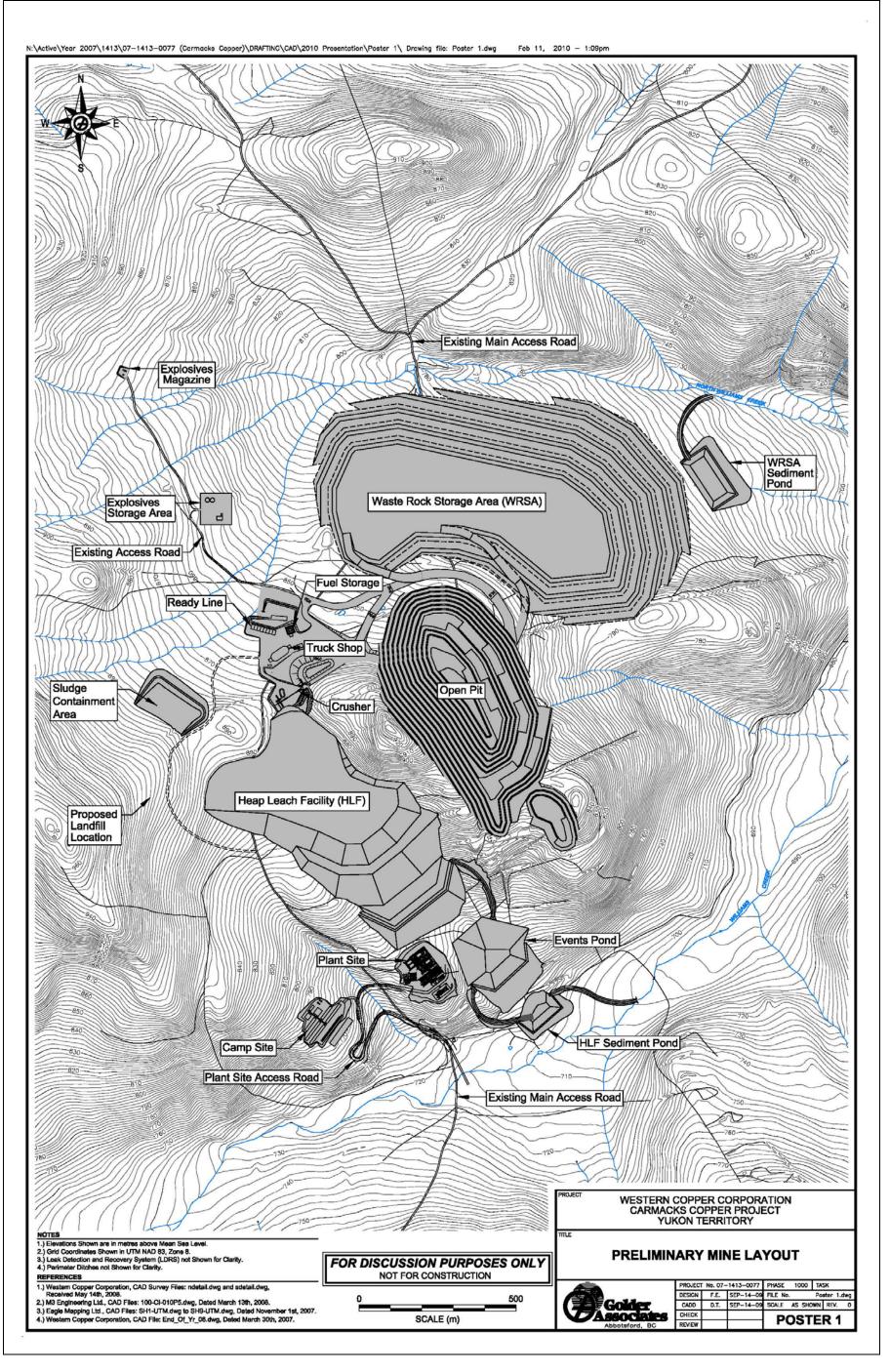


Figure 1. Preliminary Mine Layout

2.0 SITE ACTIVITIES

2.1 EXPLORATION

Exploration activities were conducted from June to November 2015 to explore the extent of the deposits north and west of Zone 1 and in Zones 2000S, 12, and 13. In addition, a ground-based magnetic survey was conducted on claims and leases surrounding these zones and on the claims adjacent to the west side of the Yukon River. These exploration activities are detailed in the 2015 Assessment Report, attached as Appendix B, and the 2015 Annual Report of Exploration Activities attached as Appendix D.

2.2 CONSTRUCTION AND DEVELOPMENT

2.2.1 Overview of Activities by Quarter

No construction or development activities occurred on the property in 2015.

2.2.2 As-built Drawings

No "as-built" drawings were produced in 2015.

2.3 MINING ACTIVITIES

2.3.1 Overview of Activities by Quarter

No mining activities took place in 2015.

2.3.2 Production Schedule – Ore and Waste Removal

Not applicable for this reporting period; no mining activities took place in 2015.

2.3.3 Average Head Grades

Not applicable for this reporting period; no mining activities took place in 2015.

2.3.4 Open Pit Stability

Not applicable for this reporting period; no mining activities took place in 2015.

2.3.5 Heap Leach Cells – Status of Leaching (including layout drawing)

Not applicable for this reporting period; no mining activities took place in 2015.

2.3.6 Copper Production

Not applicable for this reporting period; no mining activities took place in 2015.

2.3.7 Spills

No spills occurred during the reporting period.

2.3.8 On-going Reclamation

All drill pads developed in 2015 were reclaimed. All trenches developed in 2015 not required for further sampling were reclaimed, as listed in Table 1. Typical before and after trench reclamation is shown in Figures 2a and 2b.

2.3.9 Actions Undertaken in Response to Annual Engineer's Inspection

The 2012 Annual Engineer's Inspection recommended resetting of the Merrice Creek bridge span. This work was completed on 10 July 2013 and was inspected as part of the Annual Engineer's Inspection on July 16, 2013, as reported in the 2013 Annual QML Report. The inspection found that some bridge decking had failed and the bridge again required re-setting. The bridge was taken out of service immediately, with barricades and flagging placed on both approaches to the bridge. The Engineer recommended replacement of the failed decking and either armouring of the stream banks and resetting of the bridge, or lengthening of the bridge span and resetting to ensure the bridge was supported by competent material. The bridge span was lengthened by approximately 2 m, failed decking replaced, and the bridge was again taken out of service. The remainder of the failed decking was replaced in June 2016 and the bridge was returned to service. The bridge repairs were inspected as part of the 2015 Annual Engineer's Inspection and no further work was identified.

2.3.10 Access Road

The access road to the site has not been constructed.

			Trench I	Location			Trench	Dimensi	ions			
		Si	tart	E	nd		(n	netres)				
Trench No.	Claim	Easting	Northing	Easting	Northing	Length	Depth	Width	Overburden thickness	Overburden details	volume (m ³)	Reclaimed
TR15-01	BOY 85	411729	6913881	411811	6913948	107	0.5-3	12.	0.0-1.5	thickens at West end	210.66	No
TR15-02	BOY 85	411688	6913896	411768	6913952	101	1	1.5	0.0	historic trench	113.63	No
TR15-03	BOY 85	411689	6913954	411780	6913994	96	1.5	1	0.5	colluvium	108.00	No
TR15-04	BOY 85	411696	6914029	411714	6914005	20	5	4	∞	till with Cu clats	300.00	No
TR15-05	BOY 85	411703	6913861	411717	6914005	58	0-2	42	∞-1	permafrost+till	130.50	No
TR15-06	BOY 85	411739	6913961	411717	6913869	22	4	3	3.5	sand	198.00	No
TR15-07	W 12	411921	6914188	411869	6914198	53	2	3	0.8	colluvium	238.50	Yes
TR15-08	W 12	411964	6914212	411932	6914197	35	2	3	0.8	colluvium	157.50	Yes
TR15-09	BOY 85	411906	6914076	411872	6914130	63	1	2	0.2	colluvium	94.50	Yes
TR15-10	BOY 85	411804	6913907	411779	6913940	41	2	4	0-0.5	colluvium	246.00	No
TR15-11	BOY 85	411761	6913891	411818	6913935	72	12	3	0-0.5	colluvium	243.00	No
TR15-12	BOY 85	411792	6913923	411772	6913933	22	1.5	3	0-0.5	colluvium	74.25	No
TR15-13	BOY 85	411805	6913955	411798	6913966	12	1.5	3	0.5	colluvium	40.50	No
TR15-14	BOY 58	411981	6913270	411073	6913292	97	2	2	1.5-2.0	colluvium	291.00	No
TR15-15	BOY 58	411824	691508	411920	6913500	97	2	3	0.5	colluvium	436.50	No
TR15-16	BOY 58	412004	6913222	412076	6913237	76	2	2	0.1	colluvium	228.60	No
TR15-17	BOY 58	412030	6913191	412072	6913214	61	1	1.5	0.0	n/a	68.63	No
TR15-18	BOY 58	412047	6913185	412080	6913205	38	3	2	0.1-0.15	colluvium	171.00	No
TR15-19	BOY 58 (80%); Boy 57 (20%)	412033	6913156	412077	6913173	45	1	2	1.0-1.2	ash+colluvium	67.50	No
TR15-20	BOY 58	411969	6913207	411913	6913173	66	2	2	1.0-5.0	colluvium	198.60	Yes
TR15-21	BOY 58	411897	6913244	411838	6913211	70	1.5- 2.5	4	minimal	mineral soil+ash	420.00	Yes
TR15-22	W 7	411326	6913708	411429	6913733	106	15.	35.	0.2-2.0	colluvium	954.00	Yes
TR15-23	X 5 (95%); W 7 (5%)	411461	6913851	411484	6913871	31	2.5	2.5	0.4	colluvium	143.91	Yes
TR15-24	X 5	411373	6913729	411429	6913734	19	2.5	1.5	1.0-5.0	ash+colluvium	53.44	Yes
TR15-25	W 8	411073	6914350	411072	6914288	62	2.5	3	1.0-5.0	thick till	348.75	Yes
TR15-26	W 8	410976	6914307	410976	6914345	38.7	3	3	1.0-5.0	thick till	261.23	Yes
TR15-27	W 8	411068	6914392	411058	6914381	15.6	1	2	1.0	thin till	23.40	Yes
TR15-28	W 1	411650	6914953	411623	6914963	28	1	1	0.5	soil and ash	21.00	Yes

Table 1. Carmacks Project – 2015 Trench Locations, dimensions, and reclamation history as of 31 December 2015.

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QML-0007

Table 1. Continued.

			Trench Location Trench Dimensions									
		St	tart	E	nd		(metres)					
Trench No.	Claim	Easting	Northing	Easting	Northing	Length	Depth	Width	Overburden thickness	Overburden details	volume (m³)	Reclaimed
TR15-29	WCC 30 (72%); WCC 28 (28%)	412334	6917428	412300	6917240	192	1-2.5	1.5	1.5-2.0	colluvium+ ash	378.00	Yes
TR15-30	BOY 55 (50%); BOY 56 (30%); BOY 54 (14%); BOY 53 (6%)	412597	6913574	412466	6913463	170	12.	1.5	1.2	colluvium+ash+soil	286.88	Yes
TR15-31	BOY 22	412218	6913167	412184	6913176	35	22.5	4	thin	soil+ash	236.25	No
TR15-32	W 21	411530	6913044	411592	6913059	64	1	1.5	1.0-1.2	colluvium+ mineral soil	72.00	Yes
TR15-33	W 1	411535	6915017	411511	6915006	26	1-1.5	1.5	1.5	ash+soil	36.56	Yes
TR15-34	WAR 34	410991	6914950	411065	6914945	70	1	1	2.0	colluvium+ash+soil	52.58	Yes
TR15-35	W 49	413464	6911679	413532	6911752	100	1.5	1.5	1.0-1.2	ash+colluvium	168.75	Yes
TR15-36	W 7	411414	6913832	411425	6913838	10	1	2.5	5-6	ash+colluvium	18.75	Yes
TR15-37	DUN 1	411875	6914311	411908	6914156	42	1	1.2	1.0	ash+colluvium	37.80	Yes
TR15-38	BOY 83	411976	6914097	412012	6914135	50	0.5-1	2	minimal	soil+ash	56.25	Yes
TR15-39	W 49	413402	6911696	413428	6911743	53	3	1.5	1.0-1.2	soil+ash	178.88	Yes
TR15-40	W 49	413356	6911672	413321	6911661	36	2	2	1.5	soil	108.00	No
TR15-41	W 49	413368	6911652	413343	6911640	28	1.5	2-2.5	0.1	soil+ash	70.88	No
TR15-42	W 49	413288	6911685	413233	6911682	55	2.5-3	3	3.5	collluvium	340.31	No
TR15-43	W 49 (60%); W 48 (40%)	413215	6911777	413215	6911767	80	2	1.5	3.5-4.0	colluvium	180.00	No
TR15-44	W 46	413109	6911862	413036	6911866	73	25	1.5	0.1-2.0	colluvium	287.44	No
TR15-45	W 47	413158	6911924	413178	6911931	23	67	34	4.0	colluvium	362.25	No
TR15-46	W 46	413048	6911965	413020	6911969	82	1	1.5	1.0	soil+ash	92.25	No
TR15-47	W 46	413048	6912056	413027	6912047	24	3.5-4	34	2.0-3.0	soil	236.25	No
TR15-48	W 46	412916	6912098	412964	6912120	53	0.5-1	2	1.0	soil+ash	59.63	No
TR15-49	W 49 (90%); W 48 (10%)	413244	6911731	413176	6911726	69	3	2.5	4.0-5.0	till + ash	388.13	No
TR15-50	W 38	412697	6912551	412640	6912540	56	45	3.5	6.0-8.0	till+ash	661.50	Yes

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			Trench I	Location			Trench	Dimensi	ions			
		S	tart	E	nd		(n	netres)				
Trench No.	Claim	Easting	Northing	Easting	Northing	Length	Depth	Width	Overburden thickness	Overburden details	volume (m ³)	Reclaimed
TR15-51	W 38	412656	6912620	412696	6912635	97	23	2.5-3	2.0-3.0	coluvium+ash	500.16	No
TR15-52	W 38	412635	6912665	412564	6912637	125	23	2	2.0-3.0	sand+ ash	468.75	No
TR15-53	W 46	412945	6912047	412974	6912078	42	1.5	1.5	1.0	sand+ ash	70.88	No
TR15-54	W 46	412896	6912144	412911	6912147	19	12	2	1.0-2.0	till+ash	42.75	No
TR15-55	W 44	412887	6912157	412915	6912163	29	3	3	1.0-2.0	til+ ash	195.75	No
TR15-56	W 44	412886	6912137	412896	6912171	18	2.5	1.5	2.5	till+ash	50.63	No
TR15-57	W 44	412872	6912171	412891	6912181	13	3.5	1.5	3-3.5	till+ash	51.19	No
TR15-58	W 46	412914	6912075	412944	6912078	32	1.5	2	1.5	organic + ash	72.00	No
TR15-59	W 46	412921	6912089	412966	6912092	45	1	1.5	1.5	ash +organic	50.63	No
TR15-60	W 46	412917	6912052	412938	6912066	25	1.5	1.5	1.0	ash	42.19	No
TR15-61	W 38	412622	6912699	412598	6912691	78	23	2.5	3.0-4.5	till+ash	365.63	No
TR15-62	BOY 24	412177	6912938	412189	6912946	14	7	6	5.0-6.0	till+ash	441.00	No
TR15-63	BOY 24	412219	6912882	412249	6912904	37	54	23	3.0-5.0	till+ash	312.19	No
TR15-64	BOY 24	412244	6912862	412267	6912875	25	4	2	4.0-5.0	till+ash	150.00	No
TR15-65	BOY 24	412189	6912914	412230	6912934	44	3	2.5	6.0-7.0	till+ash	247.50	No
TR15-66	W 47 (70%); W 46 (30%)	413136	6911843	413153	6911864	20	45	2	3.0-4.0	till	135.00	No
TR15-67	W 47	413127	6911915	413149	6911934	29	6	2-2.5	5.0-7.0	till	293.63	No
TR15-68	W 46	413054	6911931	413106	6911947	53	1	2		till	79.50	Yes
TR15-69	W 46	413021	6912020	413065	6912026	44	2	2.5		till	165.00	Yes
TR15-70	WAR 34	411090	6914983	411157	6915000	69	2	3		till	310.50	Yes
TR15-71	WAR 34	410984	6914987	411061	6915029	87	2	3		till	391.50	Yes
TR15-72	W 2	411866	6915237	411912	6915228	47	2.5	4		till	352.50	Yes

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Figure 2. Typical trench conditions before (a. Trench TR-15-32A) and after (b. Trench TR16-26) reclamation.

2.4 RESOURCES AND RESERVES

The current resource estimate for the property is shown in Table 2. This estimate is as stated in the "Independent Technical Report on the Carmacks Copper Project, Yukon, Canada" prepared in 2016 attached as Appendix C (Arseneau Consulting Services 2016). This Technical Report supersedes the 2014 Preliminary Economic Assessment (Merit 2014). No reserve is currently stated for the property.

	Class	Tonnes (000)	Total Cu (%)	Soluble Cu (%)	Au (g/t)	Ag (g/t)	Sulphide Cu (%)				
	Measured	6,484	0.86	0.69	0.41	4.24	0.17				
Oxide and Transition	Indicated	9,206	0.97	0.77	0.36	3.80	0.20				
mineralization	Measured + Indicated	15,690	0.94	0.74	0.38	3.97	0.20				
	Inferred	913	0.45	0.30	0.12	1.90	0.15				
	Measured	1,381	0.64	0.05	0.19	2.17	0.59				
Sulphide	Indicated	6,687	0.69	0.04	0.17	2.34	0.65				
mineralization	Measured + Indicated	8,068	0.68	0.05	0.18	2.33	0.65				
	Inferred	8,407	0.63	0.03	0.15	1.99	0.61				

Table 2. Carmacks Project Mineral Resource Statement, January 25, 2016.

2.5 CARE AND MAINTENANCE

No activities to report.

2.6 PROPOSED DEVELOPMENT AND PRODUCTION FOR UPCOMING YEAR

There are presently no development or production plans for the 2015 year.

3.0 MONITORING PROGRAMS AND STUDIES

The QML contains a number of requirements for studies and monitoring programs. The following sections outline work done with respect to these studies and programs. Copies of the actual reports relating to these are appended.

3.1 ON-GOING METALLURGICAL STUDIES

3.1.1 Field Tests

No metallurgical field tests were in progress as of 2014.

3.1.2 Laboratory Tests

Metallurgical laboratory tests were initiated in September 2014 and continue to the present to quantify the potential gold and silver recovery in addition to recovery of copper and to examine metallurgical process alternatives. To date this test work has determined that the addition of a rod-mill grinding step after tertiary crushing makes the ore amenable to leaching by agitated tank rather than the previously proposed heap leaching. Copper leaching times are reduced from approximately 200 days on the Heap Leach Facility previously proposed to approximately 4 to 6 hours in agitated tank. Gold-Silver leaching time is approximately 12 hours in agitated tank. Test work is continuing to optimize the metallurgical recovery process, identify water treatment requirements, and develop a tailings waste suitable for dry stack storage. At this stage in the laboratory testing the reports are not yet public and have not been appended to this report.

3.2 HEAP LEACH PAD LINER PERFORMANCE MONITORING

No liner has been placed and no performance monitoring is in progress.

3.3 WATER QUALITY SURVEILLANCE PROGRAM

No water quality surveillance was conducted in 2015.

Table 3 lists the locations (shown on Figure 3) that have been established to date for the monitoring of surface water quality. Further locations will be added as the mine is brought into production.

Station	Description	Northing	Easting
W2	Williams Creek Upstream of North Williams Creek Confluence	6914145	413499
W3	Lower North Williams Creek Upstream of Confluence with Williams Creek	6914379	413640
W4	Williams Creek Downstream of Confluence with North Williams Creek	6914653	413888
W5	South East Tributary to Williams Creek	6912947	412978
W6	Williams Creek Downstream of South East Tributary	6913373	413042
W7	Upper North Williams Creek Tributary Upstream of Road Crossing	6914810	411778
W9	Williams Creek Upstream of Access Road Crossing	6912511	411907
W10	Williams Creek Upstream of Yukon River	6919033	416606
W11	Nancy Lee Creek (Tributary of Williams Creek)	6918096	415803
W12	Williams Creek Downstream of Confluence with Nancy Lee Creek	6918000	416102
W13	Williams Creek Upstream of Confluence with Nancy Lee Creek	6917984	415912
Y1	Yukon River Upstream of Williams Creek	6918974	416752
Y2	Yukon River Downstream of Williams Creek	6919308	416249

Table 3. Water Quality Surveillance Program Site Descriptions and Locations.

Notes: Coordinates are UTM Zone 8 NAD83

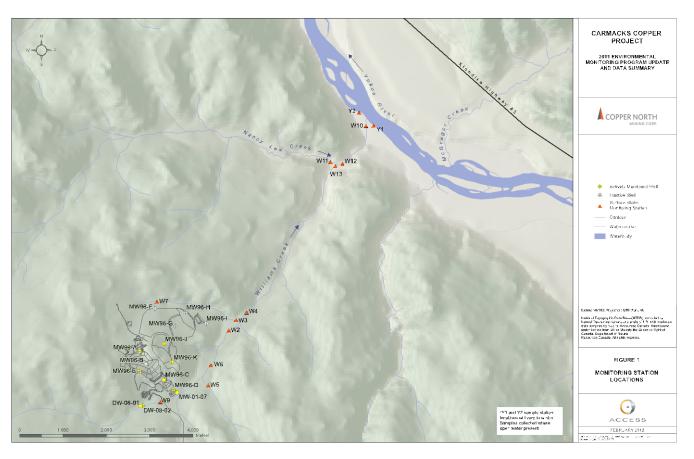


Figure 3. Monitoring Station Locations

3.3.1 Surface Water Quality

No surface water quality sampling was required or conducted in 2015.

3.3.2 Groundwater Quality

No groundwater monitoring was required or conducted in 2015.

3.4 HYDROGEOLOGY STUDIES

No hydrogeologic studies were required or conducted in 2015.

3.5 WATER TREATMENT AND MANAGEMENT

No water treatment studies or water management studies were required or conducted in 2015.

3.6 CLIMATE DATA AND SNOW SURVEY MONITORING PROGRAM

Copper North did not conduct any meteorological monitoring on site in 2015.

3.7 GEOCHEMICAL STUDIES AND ACID-BASE ACCOUNTING

Tailings residue from locked cycle metallurgical tests conducted in 2015 have been submitted for geochemical analysis and humidity cell testing, which is on-going.

3.8 PHYSICAL MONITORING PROGRAM

Physical monitoring of structures and facilities in 2015 was limited to the Annual Engineer's Inspection (Appendix A).

3.9 ENGINEER'S ANNUAL PHYSICAL INSPECTION REPORTS

Copper North Mining Corp. engaged Golder Associates Ltd. to perform the Annual Physical Inspection of the site required under Sections 16.1 and 16.2 of the QML. The inspection was carried out on October 14, 2015. The complete report is contained in Appendix A and a copy of this report was previously submitted to Government of Yukon, Department of Energy, Mines and Resources, Mineral Resources Branch.

The report focused on inspection of existing site conditions and of the limited infrastructure on site, since no development has yet taken place on site. No areas were identified as requiring immediate attention. Recommendations were limited to identifying areas of minor maintenance to be addressed, as required, in

relation to road maintenance to prevent erosion and washouts and ongoing minor maintenance of silt fences and sediment traps.

3.10 RECLAMATION AND REVEGETATION STUDIES

In 2007 a test patch of seeding was completed on an approximately 500 m x 12 m area located adjacent to the west side the access road and south of the Williams Creek crossing and the helicopter pad area. The seeding and resulting vegetation was intended to help stabilize sediments in this area and has been observed in the past six years to be performing well.

3.11 SUBMISSION AND APPROVAL OF PLANS

No development plans were submitted during 2015.

4.0 OUTSTANDING FINANCIAL LIABILITY

4.1 HEAP LEACH

There has been no update to the assessment of the liability associated with the Heap Leach Facility, which was presented in the May 2009 revision of the Preliminary Detailed Closure and Reclamation Plan.

4.2 WASTE ROCK STORAGE

There has also been no update to the assessment of the liability associated with the Waste Rock Storage Facility, which was presented in the May 2009 revision of the Preliminary Detailed Closure and Reclamation Plan.

4.3 OVERALL LIABILITY

The estimated maximum overall liability associated with the development and operation of the mine remains as set out in the May 2009 revision of the Preliminary Detailed Closure and Reclamation Plan

Facility or Area Description	Cost	t
OPEN PIT	\$	23,000
HEAP LEACH FACILITY	\$	17,295,000
HLF EVENTS AND SEDIMENT PONDS	\$	296,000
WASTE ROCK STORAGE AREA	\$	740,000
PLANT AND ANCILLARY FACILITIES	\$	467,000
CAMP	\$	103,000
TRUCK SHOP SERVICE COMPLEX	\$	70,000
MISCELLANEOUS FACILITIES	\$	95,000
ACCESS AND HAUL ROADS	\$	248,000
SITE MANAGEMENT	\$	1,103,000
TOTAL	\$	20,440,000

An additional \$2.675 million is estimated to cover costs associated with rinsing and neutralization of the heap leach facility, should it extend to a 9 year period as opposed to the initially estimated 4.5 year period.

To date security in the amount of \$80,300 has been posted with Yukon Government. This represents the liability incurred to date due to exploration activities on the site.

4.4 ENGINEERING CONTINGENCIES

In accordance with Section 11.0 of the QML, Copper North Mining Corp. prepared a Contingency Plan on the basis of a workshop held in October 2009. The plan was submitted to the Chief of Mining Land Use in January

2010. The main purpose of the Contingency Plan was to identify possible alternative approaches to decommissioning the Heap Leach Facility, however, other facilities were also examined. The plan identified a number of possible failure modes and contingency measures for each of the facilities and recommended further work that should be undertaken. The report was issued in draft format pending comments from government. No comment from government has been received to date. No further work has been undertaken at this time to develop any of the contingency plans identified.

COPPER NORTH MINING CORP. (On behalf of CARMACKS COPPER LTD.)

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Doug Ramsey

Vice-President, Sustainability and Environmental Affairs

Appendix A. Annual Engineer's Inspection Report

Appendix B. 2015 Technical Assessment Report

Appendix C. Independent Technical Report on the Carmacks Copper Project, Yukon, Canada

Appendix D. 2015 Annual Report of Activities under Quartz Mining LUP LQ00247