TECHNICAL REPORT

on the

BLACK CRYSTAL GRAPHITE PROPERTY

Slocan Mining Division
British Columbia, Canada

NTS Map Sheet 82F/13
BCGS Map Sheets 82F.071, 072, 082

Quarry site:
Latitude 49° 46' 28" N, Longitude 117° 46' 04" W
5513800 N, UTM 444700 E

Plant site:
Latitude 49° 36' 20" N, Longitude 117° 45' 38" W
5495050 N, UTM 445050 E

For
Owner / Operator

Eagle Graphite Corporation

6420 Eagles Drive
Courtenay, BC
V9J 1V4

By

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November 24, 2014

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Glossary of Technical Terms

Calc-silicate	A metamorphic rock consisting primarily of varying calcium- and silicate-bearing minerals commonly derived from and associated with altered carbonate minerals.
Cs2	A geological unit known as calc-silicate gneiss, generally creamy white in colour, that hosts the graphite mineralization. It typically contains 2 to 3% flake graphite. The unit is equivalent of the transition zone material, but requires blasting and crushing before further processing.
Cs1	A geological unit known as calc-silicate gneiss, generally greenish grey in colour, that hosts the graphite mineralization. It typically contains 1 to 2% flake graphite. This unit is the underlying, carbonate and calc-silicate bearing graphitic bedrock material, and requires blasting and crushing before further processing.
Deposit	Known as the Black Crystal Graphite deposit, it consists of graphite mineralization in the form of disseminated fine- to coarse-grained flakes within calc-silicate gneiss.
Flake graphite	An allotrope of carbon crystallized in a planar or sheet structure and liberated as discrete individual crystalline flakes from the host calc-silicate rock.
GPR	Ground penetrating radar – a geophysical method that uses radar pulses to image the subsurface and used to delineate stratigraphic profiles up to 20 m depth.
Offtake agreement	An agreement between a producer of a resource and a buyer of a resource to sell/purchase portions of the producer's future production.
Organics/soil	The uppermost surficial layer consisting primarily of organic material derived from overlying vegetation, and is barren of graphite.
Regolith	A strongly weathered, unconsolidated, graphite-bearing rock material derived from the weathering of graphitic rock formations. This material can be extracted by conventional excavator equipment without blasting and does not require additional crushing to process.

Tonne	One thousand kilograms
Till/overburden	Glacial deposits of very poorly sorted overburden, and may contain up to 1% graphite locally.
Transition zone	A poorly consolidated graphitic zone, less weathered than the regolith zone. When exposed to the air this material weathers easily ("de-stresses") and can be extracted by excavator and bulldozer, but must be crushed for further processing.

Abbreviations and Acronyms

AAS	Atomic absorption spectroscopy
asl	above sea level
ARIS	Assessment Report Indexing System
BCMEM	British Columbia Ministry of Energy and Mines
FSR	Forest Service Road
GPS	Global positioning system
ICP-ES	Inductively coupled plasma emission spectroscopy
ICP-MS	Inductively coupled plasma mass spectrometry
kg	kilogram
km	kilometre (1000 metres)
LECO	LECO C-200 carbon analyzer manufactured by Laboratory Equipment Corporation
m	metre
MFLNRO	Ministry of Forests, Lands and Natural Resources Operations
MS	Mass spectrometry
NQ	A wireline drill bit size of 47.6 mm, inside core diameter
%FC	Percent fixed carbon
PEng	Professional Engineer, Association of Professional Engineers and Geoscientists of BC
PGeo	Professional Geoscientist, Association of Professional Engineers and Geoscientists of BC
QC/QA	Quality control – quality assurance
t	tonne (1000 kg)
tpy	tonnes per year
UTM	Universal Transverse Mercator

1.0 Summary

The Black Crystal Graphite Property is located in southeastern British Columbia, about 51 kilometres north of Castlegar. Property access is from Castlegar or Nelson on Highway 3A to the junction with Highway 6 at Slocan and north on Highway 6 to Passmore. From Passmore access to the Property is available via logging roads.

The Property is owned 100% by Eagle Graphite Corporation, a private company seeking a listing, via a proposed amalgamation with Amerix Precious Metals Corporation, on the TSX Venture Exchange. Eagle Graphite acquired the Black Crystal Graphite Deposit and mining assets known as the Black Crystal Graphite Mine in 2006. The assets include a Permitted Mine with operational production facilities and established infrastructure located on one of the two current mine leases.

The Property comprises 9 legacy mineral claims and 2 mining leases, for a total of 3,400 hectares. The Quarry Block has six contiguous legacy mineral claims and one mining lease. The existing Quarry is located on the northern mining lease and hosts the Deposit. The Plant Block consists of one contiguous legacy mineral claim and one mining lease, on the latter of which the Plant facilities are located. A third group of two small contiguous legacy claims lies nearby to the southeast.

The Plant facilities are located near the junction of Koch Creek and the Little Slocan River. The Quarry is a further 30 kilometres northwest of the Plant facilities, along the Hoder Creek Forest Service Road.

The Deposit is classified as a disseminated flake graphite deposit, hosted by calc-silicate gneisses.

The Property was the subject of a National Instrument 43-101 compliant technical report, for a previous owner, completed and filed on SEDAR in 2002 that defined Measured, Indicated and Inferred Mineral Resources of graphite on the Property. These graphite resources are contained within two units, the Regolith and the Calc-silicate.

The Regolith unit, weathered decomposed bedrock, contains: a Measured Resource comprising 292,000 tonnes grading 1.95% fixed carbon; 356,000 tonnes of

Indicated Mineral Resource grading 1.71% fixed carbon; and an Inferred Mineral Resource of 516,000 tonnes grading 1.69% fixed carbon.

The Regolith unit is found to form readily from the Calc-silicate unit as a result of "de-stressing' once the latter has been exposed to weathering processes. The Calc-silicate unit underlies the Regolith unit and comprises graphite-bearing, unweathered bedrock. The Calc-silicate unit contains: an Indicated Resource of 4,763,000 tonnes grading 1.21% fixed carbon; and an Inferred Resource of 4,591,000 tonnes grading 1.24% fixed carbon.

The Resources on these two units were calculated based on a 0.7% fixed carbon cut-off grade These resource estimates, which are in accordance with 2014 CIM classifications, are considered current in that Eagle Graphite has neither significantly depleted the resource estimate nor carried out sufficient work to affect the resource calculations.

While the Plant is not currently operating it has historically operated at an annual equivalent output of 4,000 tonnes per annum. Recent production at the Plant included truckload quantities of finished graphite in 2013 and smaller quantities of finished graphite in 2014 for applications such as paints and graphene production. An estimated 1,000 tonnes of graphite-bearing feed material is currently stockpiled at a transfer station at the base of the quarry.

Pit operations to obtain additional graphite-bearing feed can be resumed following routine servicing of the Company's mobile equipment and a one-week mobilization period. The Plant remains in a ready state to re-commence operations upon a production decision being made by management in connection with the necessary financing being raised by the Company.

Exploration by Eagle Graphite in 2011 has demonstrated additional mineralization in road cuts within the Property, discovered as a result of road construction during recent logging activity. Additional exploration is recommended to define potentially additional resources on the Property, in particular near-surface weathered regolith material that is amenable to simple extraction and upgrading.

To evaluate this model, a ground penetrating radar survey should be carried out and, contingent upon favourable results, initial drilling and trenching programs should follow to test the results of the survey. Results of these programs would be incorporated into an updated resource model for the Property.

The Property is a Property of Merit prospective for bulk-tonnage graphite. The Property has been explored since 1994 and a good understanding of geological controls to mineralization has been derived from a number of drilling and trenching programs.

An integrated program of geophysical surveying, trenching and diamond drilling is recommended, that is estimated to cost $262,000 in Phase I. Pending favourable results in Phase I, a Phase II program comprising infill diamond drilling is recommended to upgrade the resource developed on the Property to assist Eagle Graphite in evaluating a production decision. The total budget for Phase II is estimated at $440,000.

2.0 Introduction and Terms of Reference

This Technical Report (the “Report”) has been prepared at the request of Mr. Jamie Deith, President of Eagle Graphite Corporation ("Eagle Graphite", or the “Company” or “EGC”), a private company seeking a listing on the TSX Venture Exchange ("Exchange"),via a proposed amalgamation with Amerix Precious Metals Corporation. Eagle Graphite entered into an amalgamation agreement dated November 5, 2014 (the “Amalgamation Agreement”) with Amerix Precious Metals Corporation (“Amerix”) and 9073329 Canada Inc. (“Amerix Subco”), a wholly-owned subsidiary of Amerix, whereby Eagle Graphite will acquire Amerix pursuant to a three-cornered amalgamation among Eagle Graphite, Amerix and Amerix Subco (the “Amalgamation”).

The authors have been asked to review all data pertaining to the Black Crystal Graphite Property ("Property") and to prepare a Report that describes mineral exploration work on the Property and to make recommendations for further work if warranted. The effective date of this Report is November 24, 2014.

The Property does not fall under the definition of an National Instrument (“NI”) 43-101 “Advanced Property” in that no mineral reserves have been defined; nor has a preliminary economic assessment, a pre-feasibility, or a feasibility study been completed on the Property.

The authors, Thomas H. Carpenter, BSc, PGeo, (“Carpenter”), and Agnes M. Koffyberg MSc, PGeo, (“Koffyberg”) prepared the Report, with Carpenter responsible for all sections of this Report. Co-author Carpenter completed a property visit and field examination of the Property on May 6, 2014, accompanied by Mr. Ted Nunn, PEng (“Nunn”) of Eagle Graphite. The visit comprised a tour of the mill facilities and examinations of graphite mineralized outcrop in trenches at the mill site and drill core from previous drill programs. A visit to the Quarry site could not be carried out during the visit as access roads were impassable due to snow conditions. Co-author Koffyberg is responsible, together with Carpenter, for sections 1 to 13 of the Report, and has not visited the Property.

This Report has been prepared in compliance with the requirements of NI 43-101 and Form 43-101F1 and is intended to be used as supporting documentation to be

filed with the British Columbia Securities Commission and the Exchange, to satisfy securities laws and Exchange requirements regarding a potential going-public transaction.

In preparing this Report, the authors have reviewed geological, geophysical and geochemical reports, maps and miscellaneous papers. Information used in the preparation of this Report includes a number of publically available reports filed by various companies for assessment credit with the BC Ministry of Energy and Mines ("BCMEM"). These reports contain information on the results of geological mapping, geochemical sampling, geophysical surveying, trenching and diamond drilling from various exploration programs conducted on the Property. Information from a 2002 technical report by personnel of AMEC Americas Ltd (AMEC, 2002) is included as supporting documentation for the next phase of work on the Property and for the resource classifications.

While the authors have no reason to doubt the veracity of these reports, their information is provided mainly for background and as such, none of these reports are used to form the sole basis for the conclusions or recommendations made in this Report, however in the opinion of the authors there is no reason not to rely on the information.

The authors have also reviewed technical reports on other graphite properties in Canada and the United States and posted on the System for Electronic Document Analysis and Retrieval ("SEDAR"). SEDAR is a Canadian mandatory document filing and retrieval system for all Canadian public companies. The reports are authored by Qualified Persons as defined under NI 43-101 regulations and describe various aspects of these properties.

Units of measure in this report are metric; monetary amounts referred to are in Canadian dollars.

3.0 Reliance on Other Experts

This Report is based on a review of available documentation provided by Eagle Graphite as well as previous reports filed by a number of operators who have conducted exploration programs within and around the current boundaries of the

Property and have filed this work for assessment credit with the BCMEM. This information is available as free downloadable Adobe Portable Document Format (PDF) files from the BCMEM Assessment Report Indexing System ("ARIS").

A list of the materials cited is contained in the References section of the Report. The authors are satisfied that the information contained in publicly available assessment reports and internal company reports was collected and processed in a professional manner following industry best practices applicable at the time, and that the historical data give an accurate indication of the nature and style of known mineral occurrences on the Property. The authors have no reason to not rely on the accuracy of this material.

Details of the status of tenure ownership on the Property were obtained from the BC Mineral Tenures Online ("MTO") database system managed by the BCMEM. Tenure boundaries are based on lines of latitude and longitude.

The authors of this Report are not qualified to comment on issues related to legal agreements and royalties. With respect to these matters the authors have relied upon the representations and documentations supplied by Company management.

A copy of Eagle Graphite's offtake agreement with a purchaser was provided by Eagle Graphite. Prices quoted therein compare favourably with average graphite prices derived from industrial minerals website www.indmin.com. Comparisons were also made with other recent technical reports and publicly available price assumption reporting.

4.0 Property Location and Description

4.1 Location

The Property is located in the Slocan Valley of the West Kootenay region of southeastern British Columbia, north of Castlegar, northwest of the village of Passmore, and west of the village of Slocan, BC (Figure 4.1). The Property lies within the Slocan Mining Division of British Columbia and comprises 3,400 hectares ("ha").

The Property comprises two main, but separate, blocks of mineral tenures:

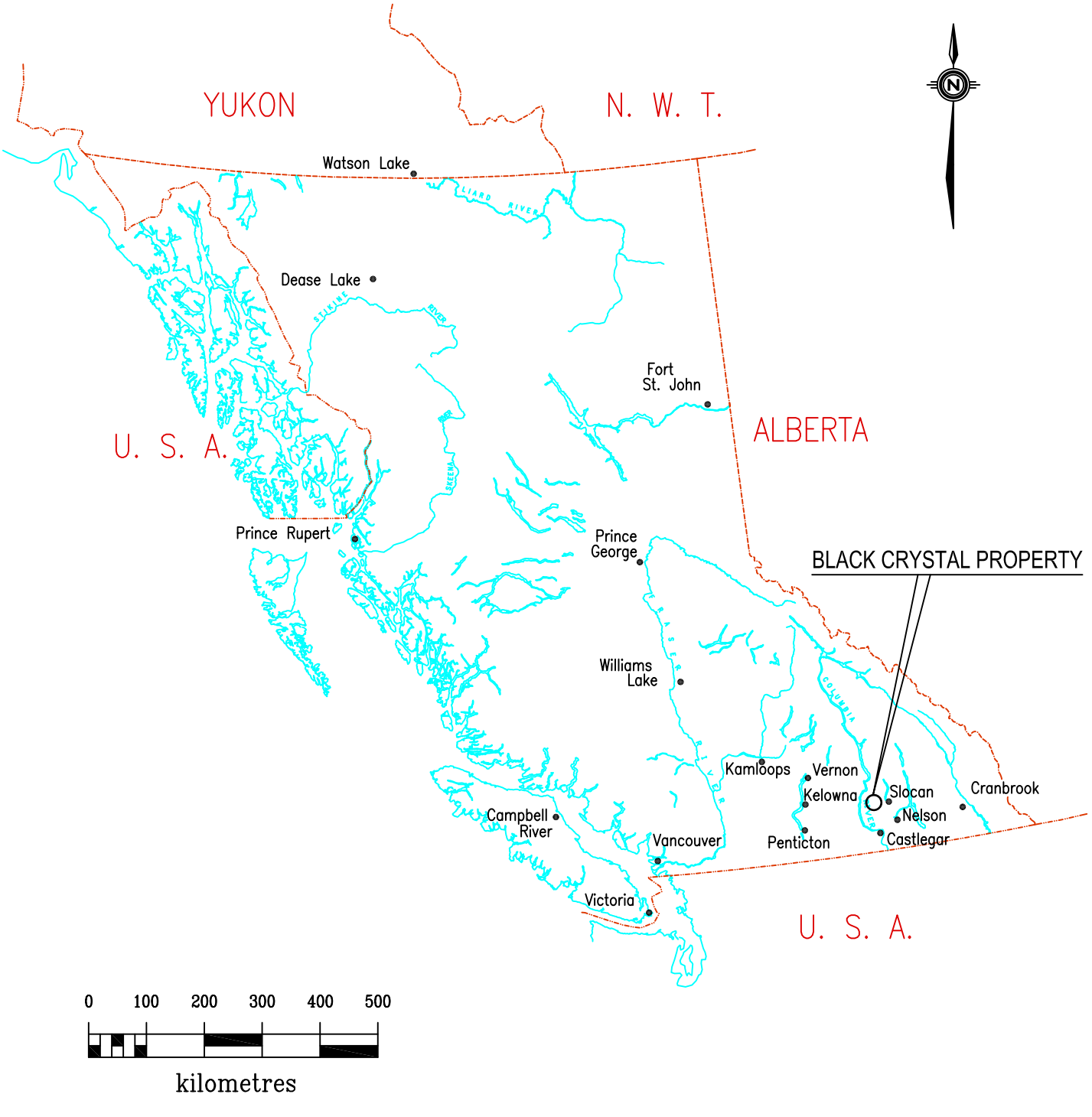
1. Quarry Block, hosting the main Black Crystal Graphite Deposit

2. Plant Block, on which the Plant is located, but which also hosts graphite mineralization similar to the Quarry Block

Two small contiguous legacy mineral claims occur southeast of the Plant Block, but are not relevant to this Report.

The Deposit is located at the headwaters of Hoder Creek within the Selkirk Mountains. It lies approximately 51 kilometres ("km") north of Castlegar, 28 km northwest of the village of Passmore, and 21 km west of the village of Slocan, BC. The deposit is centred at UTM coordinates 5513800 N and 444700 E.

The Plant facilities (UTM 5495050 N, 445050 E) are located at the mouth of Koch Creek adjacent to an access road. They are 19 km directly south of the Deposit, and about 30 km by road from the Deposit.



Eagle Graphite Corporation

Black Crystal Property

Location

To accompany a report by : T.Carpenter, PGeo.
A.Koffyberg, P.Geo.
Base map after : BC MEM 1:2,000,000

Dwg. by	Discovery Consultants	Scale	1:10,000,000
Date	November 24, 2014	Figure:	4.1

4.2 Tenure Description

The Property (Figure 4.2) comprises:

1. Quarry Block: six contiguous legacy mineral claims and one mining lease. The existing Quarry is located on the mining lease.
2. Plant Block: one contiguous legacy mineral claim and one mining lease, on which the Plant facilities are located.
3. A third group of two small contiguous legacy claims lies nearby to the southeast.

The two mining leases were issued on June 25, 2002. Mining lease 390937, which hosts the Quarry within the Deposit, is 1 km^2 in size and covers the historic Molly #1 to #4 mineral claims. Mining lease 392322, on which the Plant facilities are located, lies to the south, is 2 km^2 in size and covers the historic Plant #1 and #2 mineral claims. The terms of the mining leases are 30 years and these will expire on June 25, 2032, with the option to renew.

There are no underlying district lots having surface ownership on the Property. Mineral tenure ownership provides legal access within a mineral exploration property. Legal access to the Property is provided along the public Hoder Creek Forest Service Road ("FSR"). In addition, a road use permit with Interfor Forest Products, which maintains a section of the Hoder Creek FSR, provides legal access for commercial use.

A mining lease is a type of mineral tenure that allows production for mining. The two mining leases are maintained by payment of an annual rental fee of $20 per hectare. Unlike mineral claims, there are no annual work requirements on a lease, but the term of the lease is only renewed if the lease is required for mining activity.

Note that no mining production can be initiated until a mining permit is obtained from the BCMEM. Eagle Graphite currently has a mining permit on the Property.

In order for Eagle Graphite to maintain its mineral tenures in good standing, exploration work, or alternatively, payment instead of exploration and development, the latter double the work value required, must be submitted prior to the expiry

date. The amount required is specified by Section 8.4 of the British Columbia Mineral Tenure Act Regulation.

Details of the mineral tenures and mining leases comprising the Property have been obtained from the MTO website and are shown in Table 4.1.

Table 4.1: Mineral Tenure Description

Tenure #	Type	Claim Name	Area (ha)	Good to Date
318625	Claim	PB #1	500	2018/Jun/28
318626	Claim	PB #2	500	2014/Dec/28
318627	Claim	PB #3	500	2018/Jun/28
318628	Claim	PB #4	500	2014/Dec/28
371670	Claim	PB-5	500	2018/Jun/28
371671	Claim	PB-6	500	2014/Dec/28
385662	Claim	MILL #17	25	2017/Sep/01
385663	Claim	MILL #18	25	2017/Sep/01
388758	Claim	PLANT #3	150	2020/Nov/11
390937	Lease		100	2032/Jun/25
392322	Lease		200	2032/Jun/25
		Total Area:	**3,400 ha**	

Note: mining lease 390937 is wholly enclosed within mineral tenure 318625 and is not included in the total area calculation

4.3 Ownership

Eagle Graphite, with offices at 6420 Eagles Drive, Courtenay, BC, owns the 9 mineral tenures and the 2 mining leases. The Company has been involved in the Property since 2006. Eagle Graphite is a private company seeking a listing on the TSX Venture Exchange, via a proposed amalgamation with Amerix Precious Metals Corporation. Eagle Graphite entered into an amalgamation agreement dated November 5, 2014 (the "Amalgamation Agreement") with Amerix Precious Metals Corporation ("Amerix") and 9073329 Canada Inc. ("Amerix Subco"), a wholly-owned subsidiary of Amerix, whereby Eagle Graphite will acquire Amerix pursuant to a three-cornered amalgamation among Eagle Graphite, Amerix and Amerix Subco (the "Amalgamation"). Pursuant to the terms of the Amalgamation Agreement, Amerix has agreed, among other things, to issue Amerix common shares and other convertible securities to Eagle Graphite security holders in exchange for the respective Eagle Graphite common shares and other convertible securities on a one

to one basis. Further details of the Amalgamation Agreement and the Amalgamation are available on Amerix's SEDAR profile at www.sedar.com.

Pursuant to a Production Agreement between the Company and Latitude Minerals Inc, dated July 20, 2011, the Company is obligated to pay certain royalties to Latitude Minerals Inc as follows:

1. A royalty in the amount of 2.5% of the net proceeds from the sale of minerals mined from the Property, and;
2. A royalty in the amount of 2.5% of the net proceeds from the sale of any products produced from the Property other than minerals (including but not limited to gravel, sand, aggregates, specialized graphites, concrete, bricks and soil conditioners.

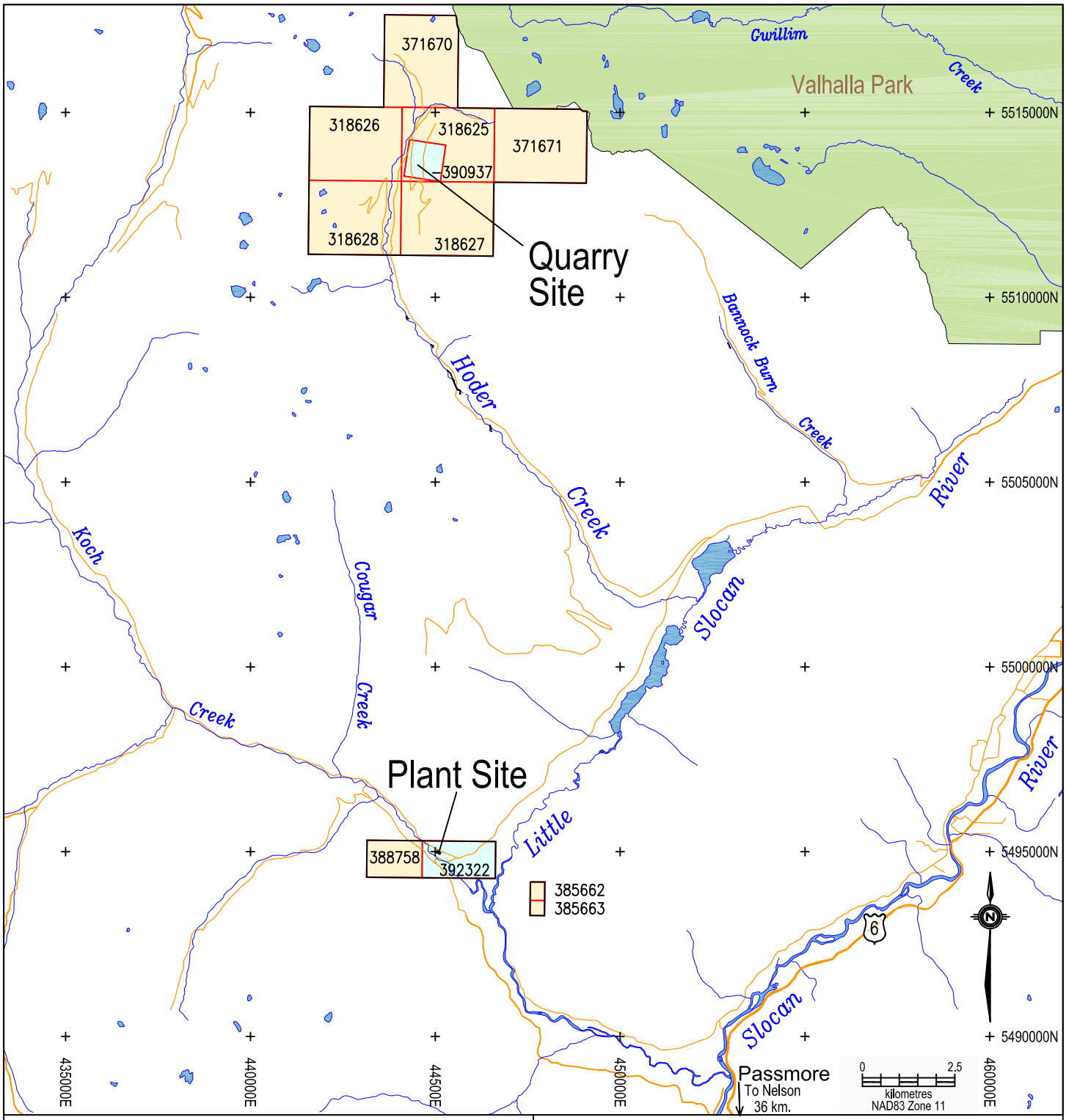
This agreement (the "Original Agreement"), was subsequently superseded by an agreement ("Agreement") dated June 17, 2014, wherein:

The rights and obligations set forth in the Original Agreement are terminated and at an end ... only as it may assist Eagle Graphite in making a public offering for the sale of its shares, and for no other purpose. In the event that the public offering shall not be made within 12 months of the date of this Agreement, then this Agreement shall be null and void, to the intent that the Original Agreement shall remain in full force.

A new royalty agreement has been drawn up, dated May 22, 2014, between Eagle Graphite ("the Producers") and 10 individuals ("the Holders"), whereby the Company is obligated to pay the Holders certain royalties as follows:

1. A royalty in the amount of 0.25% of the NSR from the net proceeds of the sale of minerals mined from the Property and;
2. A royalty in the amount of 0.25% of the NSR from the net proceeds of the sale of by-products mined from the Property other than minerals (including but not limited to gravel, sand, aggregates, specialized graphites, concrete, bricks and soil conditioners

The Property shall include a 5-km area of interest around the radius of the Property as it exists at the Effective date of the agreement.



LEGEND

Roads

Eagle Graphite Mineral Claim

Eagle Graphite Mining Lease

To accompany a report by : T.Carpenter, PGeo.
A.Koffyberg, P.Geo.

Base map after : 082F/12 & 082F/13 (1:50,000)

Eagle Graphite Corporation

Black Crystal Property

Slocan Mining Division, B.C.

Tenure Locations

Dwg. by	Discovery Consultants	Scale	1:150,000
Date	November 24, 2014	Figure:	4.2

4.4 Permits and Liabilities

Prior to initiating any physical work on a mineral claim for exploration such as drilling, trenching, bulk sampling, camp construction and access upgrading or construction, a Notice of Work ("NoW") permit application must be filed with, and approved by, the BCMEM. The permit authorizing this work must be granted prior to commencement of the work and the permit will likely require the posting of a reclamation bond.

As of the date of the Report, the Company holds a valid exploration permit (MX-5-638), issued by the British Columbia Ministry of Energy, Mines and Natural Gas on November 04, 2014. This Notice of Work is valid until October 31, 2016. A reclamation bond is in place for $10,000. Eagle Graphite also has a security bond of $130,000 in place for eventual reclamation on the mining leases.

In addition, the predecessor company, Crystal Graphite Corp, ("CGC") received a Small Mines Permit (M-211) ("Mine Permit") on July 5, 2002, which approved the proposed work and reclamation on the Property, as required in the BC Mines Act. This Mine Permit was acquired by Eagle Graphite in 2006 at the time when CGC's assets were purchased. The Mine Permit allows for the production of up to 250,000 tonnes per year ("tpy") of graphite-bearing material. The approval to allow for a plant feed production level from 75,000 tpy to 250,000 tpy occurred in 2003 at the time when the BCMEM accepted flake graphite as an industrial mineral.

A water license is in place to draw water from Koch Creek if necessary. A Timber Harvesting permit from the BC Ministry of Forests is in place, along with a Road Use Permit.

A mine permit is needed to do any mining activity on a mining lease. Mine plans, reclamation programs, and any design reports associated with the mine must be renewed every five years to account for changes to mine and reclamation plans. The Company has recently filed an updated mine plan (the "Mine Plan") with the BCMEM on June 5, 2014.

The authors are not aware of any environmental liabilities related to historical exploration work done on the Property that is not covered by existing bonding with

the BCMEM. Neither the host rock nor the Plant product is acid generating and there are no tailings produced in the extraction process, only "middlings" – fine- and medium-grained sands that are marketed as a by-product.

The authors are not aware of any particular political, or regulatory problems that would adversely affect mineral exploration and development on the Property.

5.0 Accessibility, Climate, Local Resources, Infrastructure and Physiography

5.1 Access

Property access is from Castlegar or Nelson on Highway 3A to the junction with Highway 6 at Slocan. At this point, it is 25 km northwest on paved Highway 6 to the village of Passmore. Turning west on Passmore road, 4 km of pavement lead to the Little Slocan FSR and a further 10 km, on a gravel road, leads to the Plant facilities. The Quarry is a further 30 km northwest of the Plant facilities, 12 km north-northeast along the Little Slocan FSR and 18 km northwest along the Hoder Creek FSR (Figure 5.1 and Photo 5.1). Interfor Forest Products maintains the Hoder Creek FSR to the 10 km mark and the FSR from km 10 to the Quarry area is maintained by the Company (J. Deith – personal communication).

The Hoder Creek FSR road serves as one of the principle access to Valhalla Provincial Park to the north of the Property, as well as for other branch roads of ongoing logging operations. The road is only passable from late spring to late fall due to snow cover. Entry and closure dates are determined by the weather conditions; however, year-round access is possible if the Company utilizes bulldozer and grader equipment to plow the snow.

5.2 Climate

The Property is within the wet interior bioclimatic zone and receives the highest amount of annual precipitation east of the Coast Mountains, largely due to the westerly prevailing winds and high mountain elevations immediately to the west. Winter usually extends from November into early April, and snow falls with substantial accumulations. The Quarry Block of the Property faces to the west and is typically free of snow from early May to mid-November. The length of the Quarry operating season depends on snow conditions, whereas the Plant Block can be

operated year-round. The Quarry operations could be maintained through the winter with the use of snow removal equipment.

The city of Nelson, located to the southeast, has an average annual temperature range of -15°C to +35°C.

5.3 Local Resources

Nelson, about 80 km to the southeast by road, is the largest city in the area, with a population of 10,500. Castlegar, about 80 km south by road, has a population of about 9,000, and has regularly scheduled air service with daily flights to Vancouver and Calgary. These centres serve a district population of about 60,000. The city of Nelson and the communities in the Slocan Valley have a long mining history and are able to supply a skilled labour force.

There is freight rail access through both communities, primarily servicing smelter facilities at the city of Trail.

There is extensive hydro electric development between the communities, and the Plant site is adjacent to and directly served by a 63 kilovolt ("kv") hydro transmission corridor. The present electrical supply for the plant is 13.5 kv power line from a substation in Passmore. This capacity can be upgraded to 63 kv from the main 63 kv hydro line that passes within 400 metres (“m”) of the Plant.

Drilled wells on the Plant facility site provide for a source of water. In addition, a water license is in place to draw water from nearly Koch Creek if necessary.

5.4 Infrastructure

The Plant facilities currently in place include the following buildings:

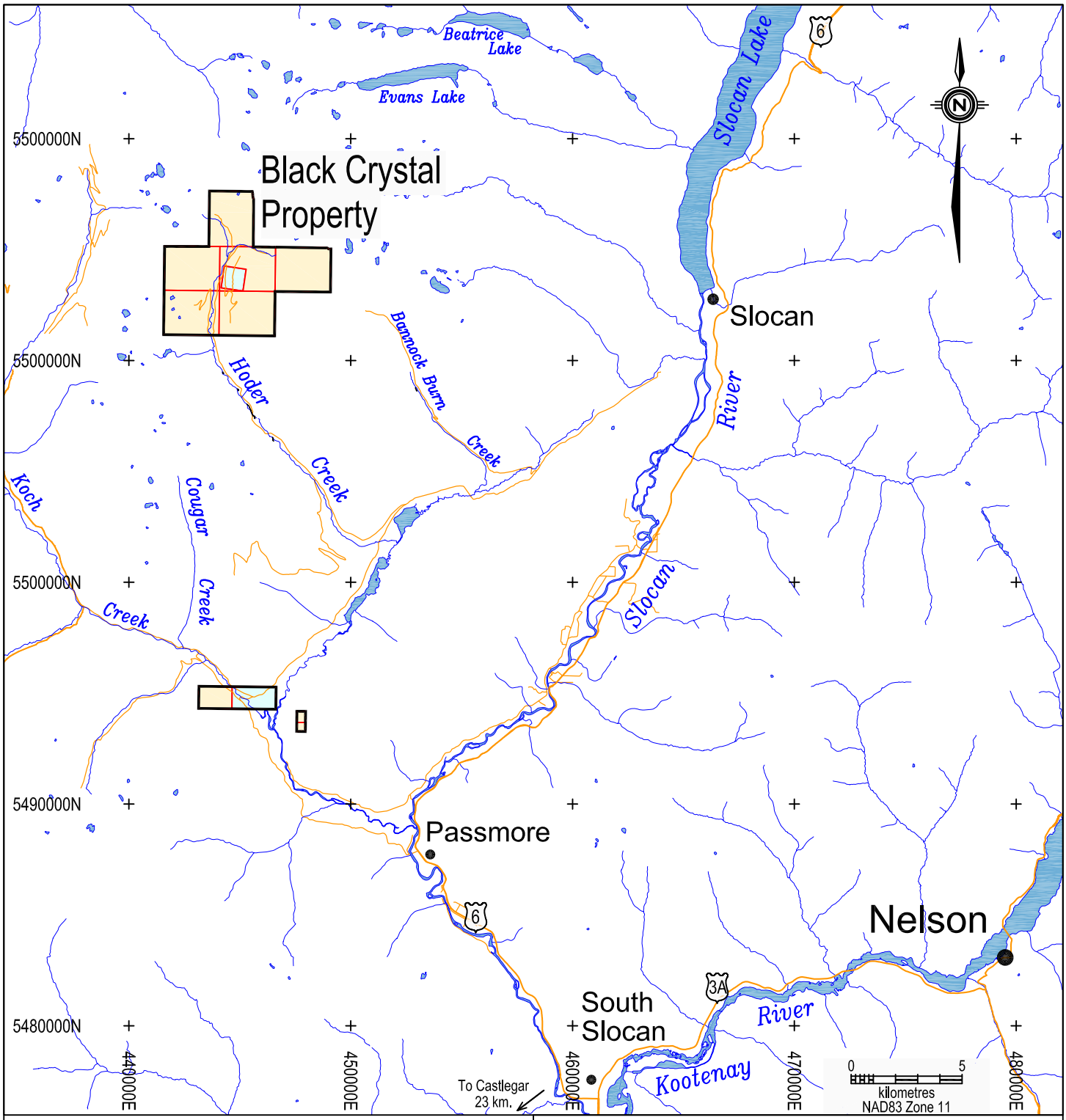
- a processing plant
- core shack / laboratory / core storage
- offices/ first aid
- fabrication shop
- storage building holding finished graphite product

On site is also an area for stockpiling graphitic feedstock and an area for by-product storage (middlings). Two settling ponds are located adjacent to the Plant, one of

which is used to store process water for recycling through the Plant. Photo 5.2 shows the location of the Plant site at the mouth of Koch Creek.

Photo 5.1: Aerial view of Eagle Graphite's Quarry site, looking southeast. Photo taken on March 9, 2013 and provided by EGC. Newly logged areas with additional mineralization exposed in road cuts are seen at top centre.

Photo 5.2: Aerial view of Eagle Graphite's Plant site. Photo taken on May 7, 2012. Photo provided by EGC.



LEGEND

Roads

Eagle Graphite Mineral Claim

Eagle Graphite Mining Lease

To accompany a report by : T.Carpenter, PGeo.
A.Koffyberg, P.Geo.

Base map after : BCGS–NM11 1:250,000

Eagle Graphite Corporation

Black Crystal Property

Property Access

Dwg. by	Discovery Consultants	Scale	1:250,000
Date	November 24, 2014	Figure:	5.1

5.5 Physiography

The Property is located in the Valhalla Range of the southern Selkirk Mountains. Elevations on the Quarry Block range from 1,370 to 2,400 m asl at the ridge tops; road access is developed to about the 1,775 m level. The Plant lies at an elevation of 700 m asl.

A variety of tree species of typical montane mixed deciduous/conifer forest covers the Property, including pine, larch, fir, spruce, alder, birch and cottonwood. Substantial portions have been logged as recently as 2011, providing significantly improved exploration access and outcrop exposure on the Quarry Block.

6.0 Exploration History

Reconnaissance geology was conducted by G.M. Dawson in 1888 and 1889 in the Arrow Lakes and Kootenay Lake area. He was followed by R.G. McConnell of the Geological Survey of Canada ("GSC") in 1894 and R.W. Brock, also of the GSC, between 1897 and 1900.

Mining in the Slocan Valley began in the early 1890s with the discovery of silver, lead and zinc in the Silverton area, a spillover from the exploration and mining activity being carried out in the Nelson area. The initial and subsequent discoveries led to the development of Sandon, Silverton, New Denver and Slocan City. However, it was not until 1960s that the presence of graphite, as large high quality flakes, was first reported in regional mapping by Little (1960), and by Reesor (1965) in the latter's regional investigation of the evolution and plutonism of the Valhalla Complex.

The first claims staked for graphite were placed by Steve Paszty of Castlegar in the early 1970s. These claims lapsed and were re-staked by Mr. Paszty in 1992. The claims were optioned in 1993 to Mr. Paul Schiller and further claims were staked to consolidate the land package.

In 1993, initial investigations and a surface sampling program were conducted on behalf of Black Crystal Inc ("Black Crystal") (Howard, 1993). This work included limited mapping of surficial geology and the collection of a 440 kilogram ("kg") bulk sample of unconsolidated regolith material that was subjected to flotation testing.

In March 1994, IMP Mineral Park Mining Corp ("IMP") entered into an option agreement with Black Crystal to earn up to a 50% interest. A six-hole reverse circulation drill program was conducted along with geological mapping, and limited metallurgical testing (Howard 1995). Drilling confirmed the presence of graphite over a 300 m by 600 m area that was open in three directions. Reverse circulation was noted as being an unsuitable drilling method for graphite as drilling fluids and oils used in the drilling process caused graphite loss due to flotation. Further work was recommended including core drilling and construction of a beneficiation plant.

In 1995, construction began on a plant, presently on a mining lease, on the north bank of Koch Creek.

In 1995, 13 NQ core drill holes totalling 577 m, with depths of holes between 30 and 92 m, were completed. 3,000 tonnes ("t") of a permitted 10,000 t bulk sample (excavated from the same area as the 1993 bulk sample) were extracted and hauled to the plant for beneficiation.

In October, 1996, IMP acquired a 100% interest. In 1997**,** trenching and 22 core drill holes totalling 914 m were completed (Addie, 1998). The core was logged, split, and sampled, but only four samples were analysed, and Mr. Addie's report was not completed with respect to conclusions and recommendations.

In 1998, the property was mentioned for the first time by the BC Geological Survey Branch (Simandl and Kenan, 1998), wherein it was suggested that "depending on market conditions, large deposits containing high proportions of coarse flakes, which can be easily liberated, may be economic at grades as low as 4%."

In 1998, an inferred resource of 88 million tonnes of graphitic material was calculated by Snell, in his report entitled "Geological Evaluation and Exploration Recommendation for the Black Crystal Graphite Deposit", dated January 18, 1999. This historic calculation was based on the presence of graphite within two distinct roughly parallel mineralized horizons. These horizons were not well exposed in 1998 but the main mineralized horizon was determined by Snell to have a true strike length of about 1,200 m and a down dip measurement of approximately 1,100 m. The second, smaller horizon was a sub-parallel band that, owing to poor exposure,

was only traced over 100 m. Snell's report detailed a series of sections for the mineralized horizon. The true thickness of the graphitic zone was determined to average 76 m with a dip of 35 degrees to the southeast. His work estimated a tonnage only, using the above parameters, and did not estimate any potential grade for the graphitic zone.

This work pre-dates NI 43-101, is not NI 43-101 compliant, is noted for historical purposes only and should not be relied upon.

In 1998 two composite bulk samples were subjected to flotation tests. One bulk sample was derived from a handheld auger drilling program, conducted within a 30 by 30 m grid. In total, 90 holes (675 m) were drilled, and the soil-type material removed was combined into one large sample of about 100 kg. A second bulk sample of unknown size was excavated from a site along the main access road immediately above Hoder Creek valley.

Metallurgical testing focusing on the upper regolith zone was undertaken in early 2000. Claims were surveyed and land and mineral tenures were secured. Baseline environmental studies were initiated, and project mine planning for the upper regolith zone was developed.

In 2000, new investors assumed control of IMP, renaming it Crystal Graphite Corporation ("CGC"), and embarked on an aggressive exploration campaign, as well as a variety of studies into the impact of a mining operation and processing facility on the general area. Construction work was resumed on the plant facilities. During the fall of 2000 CGC drilled 22 NQ core drill holes, for a total of 1,181 m, to confirm the results from earlier drilling, and to further the known limits of the deposit. CGC also extracted the remaining 7,000 t from the previously permitted 10,000-t bulk sample. This material was collected from the regolith material.

CGC also excavated and sampled 27 vertical trenches to further define the extent of the regolithic material, which had been noted to develop where the calc-silicate host rocks weathers in-situ. The trenches were dug at right angles on the uphill bank of the access roads, and excavated down to bedrock wherever possible.

Channel samples were also taken of graphitic mineralized rock in the pit area. Petrographic work was done on samples of varying lithologies derived from the drill program in an attempt to better determine the exact lithological nuances of the rocks encountered.

A pole-dipole induced polarization ("IP") survey was conducted over 9,325 m of cut line, but did not produce any significant geophysical anomalies.

Core drilling and trenching work were also carried out in the vicinity of the Plant to investigate graphitic rocks underlying the Plant and environs (Lewis, 2001). In total, 233 m of core were drilled in five holes where graphite in calc-silicate hosts similar to those at the Quarry site had been identified in subcrop.

Also in 2000, a project status report (MDS Mining Consultants, 2000) was written, and in accordance with the criteria of the Australian AusIMM JORC code, the deposit was classified as an exploration project. The 1997 core was re-logged, previously split core samples were sent for analysis, and the information thus obtained was summarized (Augsten, 2000). Additional work was recommended to increase confidence towards a measured resource and to advance the project.

In 2001, CGC continued with an extensive exploration program of geological mapping, core drilling, trenching and a combined trenching and bulk sampling program. Physical work included road building (and reclamation) and surveying (Lewis, 2002).

The drilling program consisted of 42 NQ core drill holes, totalling 1,895 m. A program of slit trenching was done concurrently to evaluate the graphite grade of both the locally graphitic glacio-fluvial till and the in-situ weathered calc-silicate regolith material. In total, 149 trenches were excavated and 325 samples were collected. Later in the season, a further 17 trenches were excavated adjacent to trenches excavated earlier in 2001, and 43 samples taken, as part of a quality control / quality assurance ("QC/QA") field duplicate verification program. At this time, a program of linear trenching (1,855 m) excavated trenches along the access roads, in order to determine the vertical extent of the regolith material, and resulting in an additional 157 trench samples. Sample width in all trenches typically ranged

from 0.5 to 2.0 m. Most samples consisted of weathered regolithic calc-silicate material, but some samples also contained mineralized graphitic till.

About 10,000 t of friable calc-silicate mineralized material was extracted from the linear trenches to provide a further bulk sample for processing. Additionally, a further approximately 3,000 t were excavated from the area of the 2000-t bulk sample.

In March of 2001, a project update was provided by MDS (2001a). Historical drill hole compilation, petrographic studies, a sub-report on aspects of the geology of the property and other mineral tenures, and geochemical characterization of all encountered rock types were completed. These documents provided the foundation for resource estimation, geo-statistical analysis, grade and attribute modelling, Quarry design, and leachate modelling prior to mine permitting.

In November 2001, MDS issued an interim Mineral Resource Assessment report (MDS, 2001b).

In 2002 AMEC Americas Ltd ("AMEC") completed an NI 43-101 compliant resource estimate on the Property based on the interpretation provided by the MDS resource assessment (AMEC, 2002).

The AMEC Resource estimate was reviewed by co-author Carpenter, and is cited in Section 14.0 of the Report, and is being treated as an NI 43-101 resource estimate.

Also in 2002, CGC received a Mining Permit approving the work system and reclamation program for the Quarry mining lease, as required in the British Columbia Mines Act and Regulations. Permit M-211 allowed the extraction of 75,000 t of material annually, which was subsequently upgraded to 250,000 t per year in 2003.

Between 2003 and 2004 CGC developed a small scale production capability and in 2004 reported to have produced approximately 20 t of fuel-cell grade graphite.

In January, 2006 CGC was placed in receivership and Eagle Graphite purchased all of the assets including mineral claims, mining leases and Plant facilities. Mineral exploration by Eagle Graphite is covered in Section 9 of the Report.

6.1 Historical Production

Historical mine production and processing by Eagle Graphite has been as follows:

Table 6.1: Historical Production

Calendar Year	Plant Feed Excavated (tonnes)	Graphite Concentrate Produced (tonnes)
2006	5000	0
2007	500	0
2008	1000	0
2009	0	40
2013	0	80

Nunn (personal communication) reports that the plant has historically operated at a throughput rate reaching 20 tonnes of feed per hour, a rate roughly equivalent to an annual output of 4,000 tonnes of high carbon natural flake graphite.

7.0 Geological Setting and Mineralization

7.1 Regional Geology

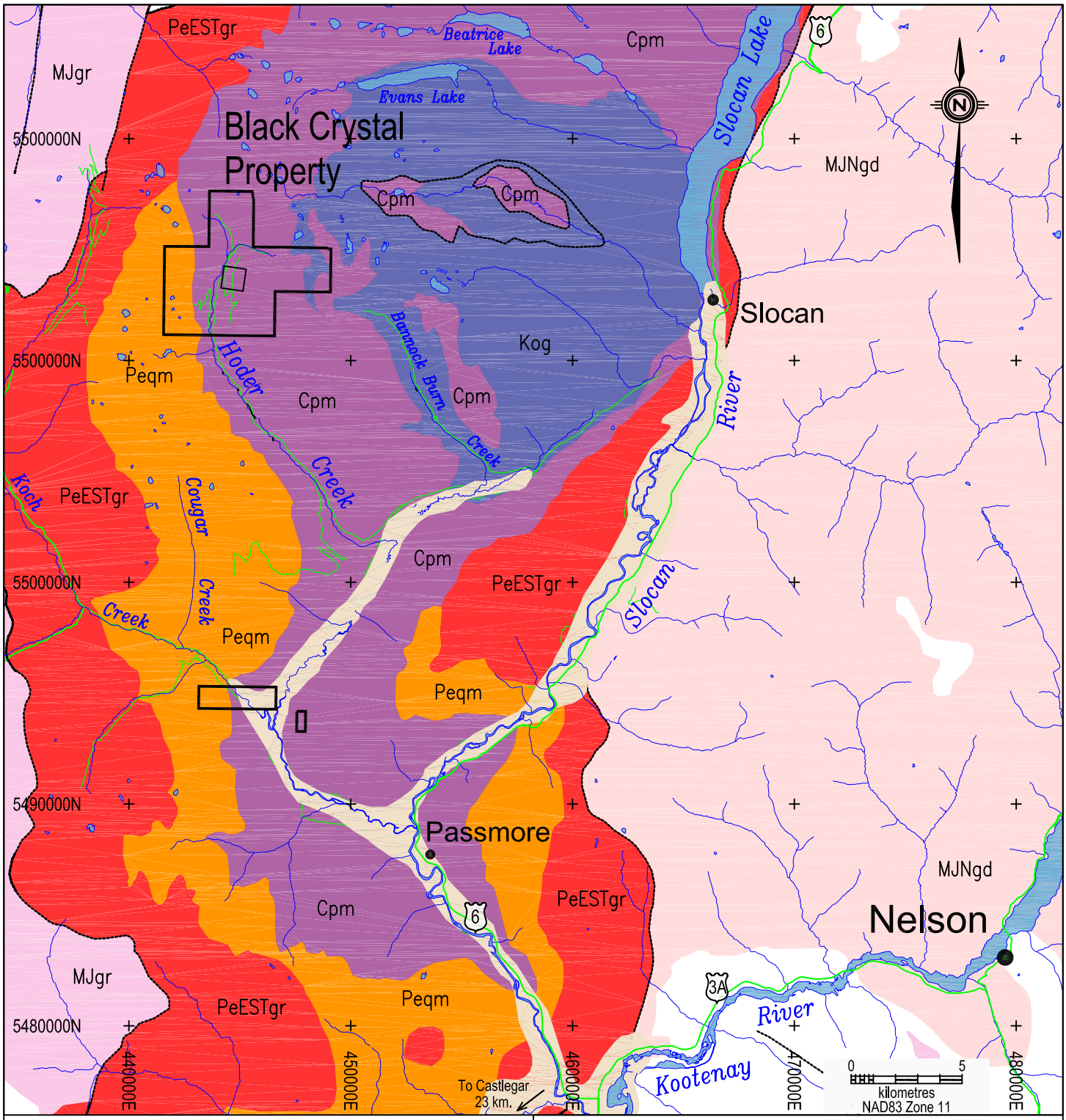
As reported in Lewis (2002), the Property is wholly situated within the Omineca Crystalline Belt. This belt, along with the Foreland Thrust Belt to the east, the Intermontane Belt immediately to the west, the Coast and Insular belts further outboard, make up the five distinct morpho-geological provinces, which comprise the Canadian Cordillera.

The Omineca Crystalline Belt is best typified as being an area of extensive tectonic uplift underlain by metamorphosed miogeoclinal rocks, along with local rocks which were formed in island arc settings, and subsequently accreted to the margin of the ancestral North American Craton during the Jurassic era. The Property itself is located within the Valhalla Complex, which is a structural or domal culmination of high-grade metamorphic (upper amphibolite grade) rocks. Foliation and outwardly dipping layering define this 30 by 90 km gneiss complex, which is located at the eastern exposed edge of the Shuswap Metamorphic Complex. Generally the

lithologies contained within the Valhalla Complex are divided into three sheet-like layers of variably deformed paragneiss and mid-Cretaceous to Eocene igneous rocks. Apparently, exhumation along Eocene normal faults has resulted in a tectonic denudation which has given rise to the domal shape of the Valhalla Complex (Carr et al., 1987). The Valkyrie ductile extensional shear zone (which arches over the complex) bounds the complex on all but the eastern margin, where the complex terminates against the easterly dipping Slocan-Champion Lake ductile-brittle normal fault. There are three subculminations within the Complex, the Property being located on the west-central flank of the northernmost of these – the Valhalla Dome. The other two subculminations, the Passmore Dome, and the Southern Valhalla Complex, are lithologically, and structurally distinct from the Valhalla Dome.

Lithologically the Valhalla assemblage on the west flank of the Valhalla Dome consists of an approximately 1.5 km thick, heterogeneous package of upper amphibolite-facies pelitic schist, marble, calc-silicate gneiss, psammitic gneiss metaconglomerate, amphibolite gneiss, and ultramafic schist (Figure 7.1).

The base of the section comprises a sequence of conglomerate, calc-silicate gneiss, and marble interlayered with 50 to 100 m thick units of aluminum-poor semi-pelitic schist. The sequence becomes more carbonate rich moving up in the metamorphic section, with thick marbles and calc-silicate gneisses interlayered with quartzites and sillimanite bearing pelitic schists. It also contains amphibolite gneiss and ultramafic schist, which do not occur in the structurally lower sections. The upper portion of the exposed sequence contains 30 m thick marble and quartzite layers. Metasedimentary rocks in the core of the Valhalla Dome generally consist of psammite, semi-pelitic and pelitic schist, quartzite, marble, calc-silicate and amphibolite gneiss.



LEGEND

Fault

Quaternary cover

PeESTgr — Paleocene to Eocene: Shingle Creek Intrusion–granite, alkali feldspar

Peqm — Paleocene: unnamed quartz monzonitic rocks

Kog — Cretaceous: Unnamed orthogneiss metamorphic rocks, undivided

MJgr — Middle Jurassic: unnamed granite, alakali feldspar intrusive rocks

MJNgd — Middle Jurassic: Nelson Batholith– granodioritic intrusive rocks

Cpm — Carboniferous to Permian: Unnamed metamorphic rocks, undivided

Geology after: BCGS Geofile 2005–4

To accompany a report by : T.Carpenter, PGeo.
A.Koffyberg, P.Geo.

Base map after : BCGS–NM11 1:250,000

Eagle Graphite Corporation

Black Crystal Property

Regional Geology

Dwg. by	Discovery Consultants	Scale	1:250,000
Date	November 24, 2014	Figure:	7.1

7.2 Property Geology

The Property geology is shown on Figure 7.2, after Lewis (2002). Based on Lewis' work an idealized 400 m cross section is presented on Figure 7.3. The main geological units are the following, listed from the observed top of the section:

Biotite / feldspar / quartz / ± garnet gneiss:

- Constituents vary locally
- Occasionally (drill hole BC0124) may contain sections with up to 3.5% flake graphite
- Hanging wall to the Property stratigraphy, and is typically only seen to the south, and the west of the Quarry area
- At least 40 m thick, but the top has not been seen

Calc-silicate gneiss (Cs1):

- One of the two principal graphite-bearing units identified to date on the Property
- Fine to medium grained, creamy whitish in colour
- Usually weakly to moderately foliated
- Grainy sucrose texture
- Graphite occurs as disseminated fine- to medium-grained discrete flakes
- Pyrrhotite/pyrite is very fine grained, and occurs as disseminations, or in local blebs
- Thickness up to 13 m

Calc-silicate gneiss (Cs2):

- The second of the two principal graphite-bearing units on the Property, generally containing more graphite than Cs1. Fine grained, moderately to well foliated, and variable in colour from medium to dark grey to medium greyish green
- Grainy sucrose texture
- Aside from the darker colour this rock is also distinguishable from Cs1 because of the presence of very fine-grained, bright emerald green spinel, and often the texture is somewhat distinct as fine elliptical segregations or pods of white (calcite ± feldspar) minerals have developed

- Graphite occurs as discrete disseminated fine-grained euhedral crystals, which are aligned parallel to sub parallel to foliation
- Pyrite/pyrrhotite is typically very fine grained, and occurs as disseminations or local small blebs
- Cs1 and Cs2 appear to be conformable, although in some instances they are seen to be intercalated; with the relationship between the two not well understood
- Thickness ranges from subtle intercalations with Cs1 up to 11 m

Quartz:

- The quartz unit forms the foot wall of the deposit, although it is not present in all locations; a similar quartz unit has been noted to occur in the extreme eastern portions of the deposit in the hanging wall
- The quartz has variable texture, but is often moderately to strongly limonite stained, coarse grained, recrystallized, and quite blocky or fractured
- Minor sulphides (pyrrhotite) and traces of feldspar and chlorite/hydrobiotite are noted to occur
- In many instances a thin conformable pegmatite (10 to 20 cm) has been observed occurring at the top of the quartz unit
- The genesis of this quartz unit is unknown
- Not present in every location, but typically is in the order of 1 to 2 m thick

Intercalated zone:

- A commonly occurring correlatable zone, stratigraphically below the footwall quartz
- Composed of thin bands (typically up to 0.5 metres) of each of the local lithologies
- Tends to be variably silicified or quartz flooded
- Thickness from 1 to 13 m

Biotite / feldspar / quartz / ± garnet gneiss:

- Footwall unit
- Compositionally similar to the hanging wall unit given above
- Thickness of 5 to 10 m

The Property also contains various lithologies that cannot be placed in any stratigraphic order. These units are given as follows:

Marble:

- Typically pale grey to whitish to pale greenish grey, medium- to coarse-grained siliceous marble
- Tends to be massive to very weakly foliated, and although modal composition can vary considerably, the main constituents are: calcite, quartz and diopside (clinopyroxene)
- Typically contains <0.5% graphite, and <0.5% sulphides (pyrrhotite /pyrite /sphalerite)
- Thickness from 11 to 21 m

Skarn:

- Occurs throughout the section, oftentimes adjacent to the pegmatitic or quartz monzonite dykes or sills noted below
- Typically an aphanitic, medium to dark green rock, rich in quartz, diopside, and calcite
- Somewhat less altered sections of the above lithologies are typically contained within skarn sections

Quartz syenite:

- Typically white to pale grey, massive, medium-grained felsic rock composed mainly of white feldspar, with lesser grey quartz and green mafic minerals Feldspars are predominantly white K-feldspar
- Usually forms small sills or dykes within the metamorphic sequence
- In hand specimen it appears to be intrusive, but given the high-grade metamorphism it may very well be derived by partial melting

Quartz monzonite:

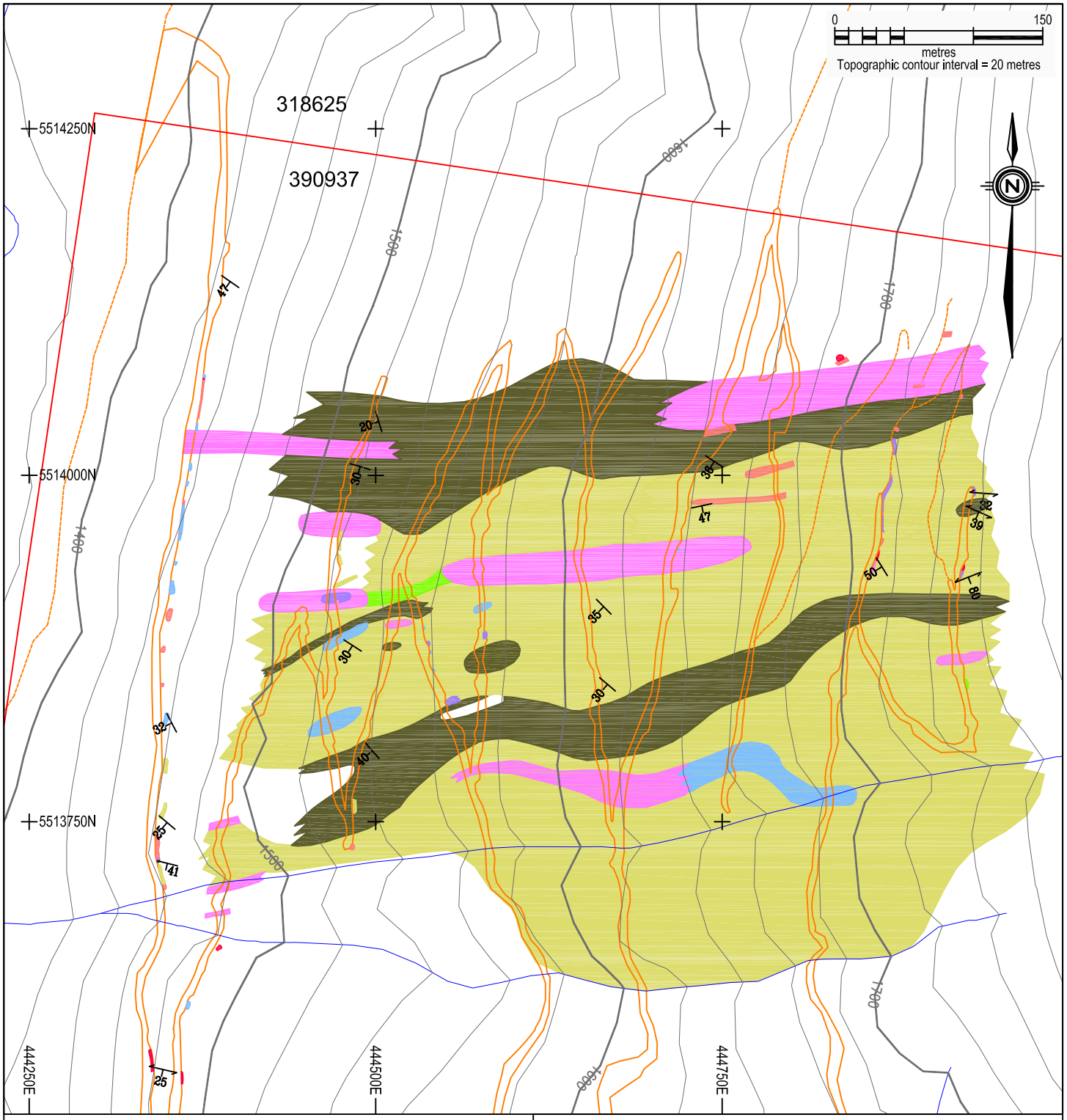
- Sills or dykes of medium-grained leucocratic biotitic intrusions
- Massive to weakly foliated
- Strikes east–west, and may dip steeply both to the north and south. Thin quartz monzonite lenses or stringers were noted locally in drill holes, possibly radiating along foliation planes from larger proximal dykes

Pegmatite:

- Medium to coarse grained and leucocratic, comprised principally of feldspar, quartz, and minor biotite, with trace pyrrhotite
- Occurs as sweats or discrete dykes throughout the section, invading all of the meta-sedimentary rocks noted above
- Appears to be concordant to foliation

Lamprophyre:

- A dark, biotite- and pyroxene-rich dyke, noted in several drill holes and in various locales on the Property



LEGEND

- Graphitic Calc silicate gneiss–Cs1 (creamy white)
- Graphitic Calc silicate gneiss–Cs2 (greenish grey)
- Pegmatites/pegmatite swarms, typically quartz feldspar
- Quartz monzonite
- Lamprophyre dykes
- Intercalated zone ± quartz flooding
- Attitude of foliations
- Attitude of bedding / contacts

Geology after: Lewis 2002 (AR 26859)

To accompany a report by : T.Carpenter, P.Geo.
A.Koffyberg, P.Geo.

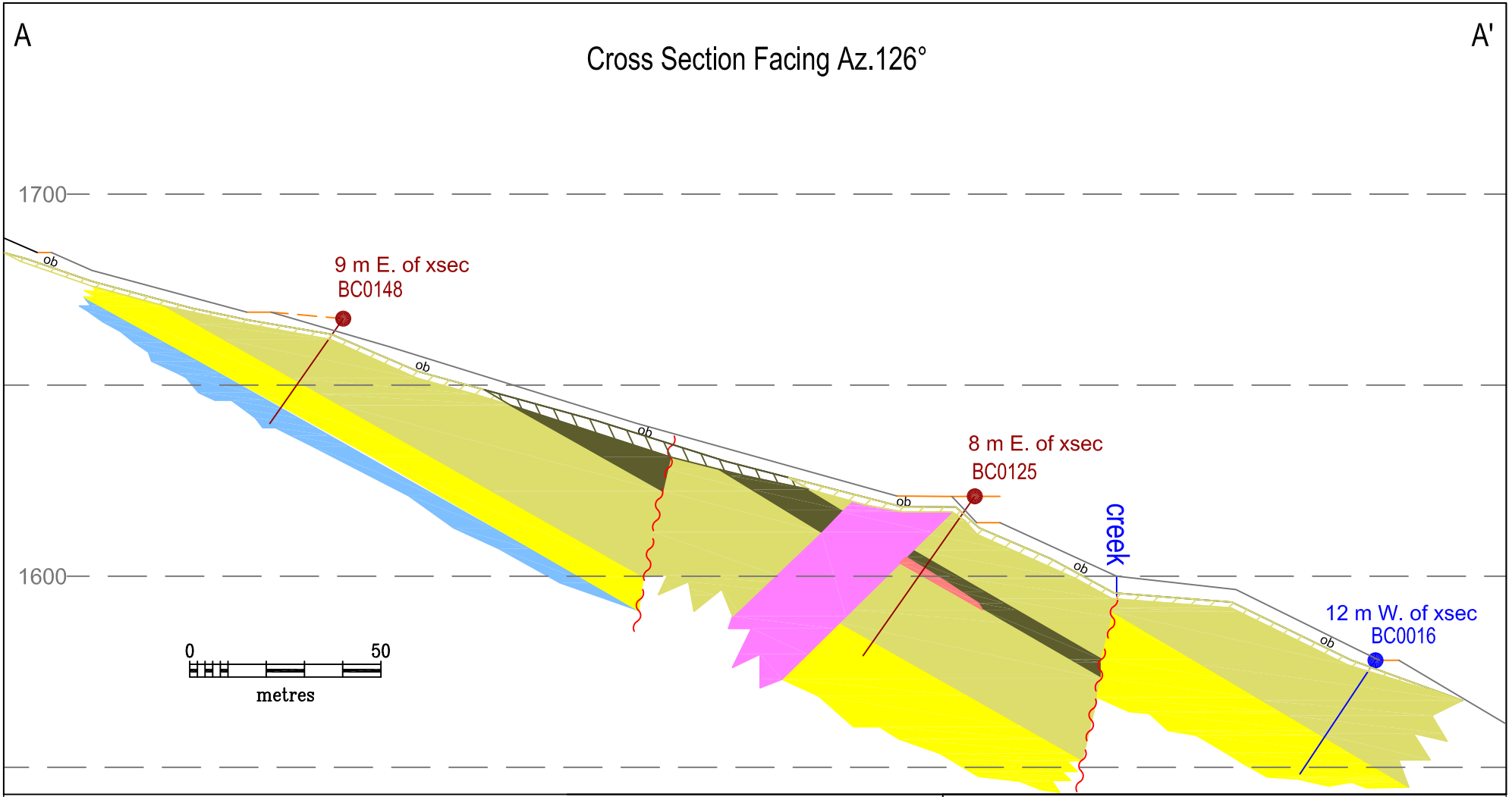
Base map after : Trim 082F.072 (1:20,000)

Eagle Graphite Corporation

Black Crystal Property

Property Geology

Dwg. by	Discovery Consultants	Scale	1:4000
Date	November 24, 2014	Figure:	7.2



BC0157 Drill hole location

- Graphitic Calc silicate gneiss–Cs1 (creamy white)
- Graphitic Calc silicate gneiss–Cs2 (greenish grey)
- Cs1 (regolith)
- Cs2 (regolith)
- Pegmatites/pegmatite swarms, typically quartz feldspar
- Quartz monzonite
- Quartz: Footwall sequence, hangingwall sequence
- Intercalated zone ± quartz flooding

Geology after: Lewis 2002 (AR 26859)

To accompany a report by : T.Carpenter, P.Geo.
A.Koffyberg, P.Geo.

Base map after : Trim 082F.072

Eagle Graphite Corporation

Black Crystal Property

Cross Section A–A'

Dwg. by	Discovery Consultants	Scale	1:1500
Date	November 24, 2014	Figure:	7.3

7.2.1 Structure

Structurally, the graphite-bearing zone in the area of the Quarry presents a near surface, 5- to 50-m thick, planar surface that strikes at approximately 130º azimuth, and dips moderately to the southwest at approximately 35º. The dip of the graphite-bearing Cs2 unit is therefore sub-parallel to the slope of the terrain, resulting in the surface trace of the Cs2 graphitic unit being exposed across much of the surface (Figures 7.2 and 7.3). This is a positive factor for quarrying purposes.

The northernmost band of Cs2 mineralization (Figure 7.2) may be correlative to the southern band and if so, would indicate a cumulative displacement in the order of 30 m across a fault, or faults which have roughly east–west trending axes. These faults have been inferred to occur somewhere between the locations where the two principal bands of Cs2 outcrop. The displacement appears to be primarily dip-slip with the southern plate having moved upwards in relation to the northern plate (Figure 7.3). Quite possibly, pre-emplacement faults were the locus for quartz monzonite intrusion. Hence it may be the case that slight movement along several such quartz monzonite filled fractures resulted at least in part for the cumulative displacement noted above, as some post emplacement slippage was noted to have occurred on the margins of these dykes locally.

7.2.2 Mineralization

Graphite mineralization on the Property is almost ubiquitous, occurring locally in all rock types except for the intrusions. Calc-silicate gneisses are the preferred host for the most consistently higher-grade mineralization. The calc-silicate gneisses have been split into two groups (Augsten 2001), Cs1 and Cs2, on the basis of mineralogy (presence or absence of spinel), texture, colour and the concentration of graphite. Cs2 typically contains 2 to 5% flake graphite, or organic carbon, referred to as fixed carbon (FC). Graphite also occurs as discrete disseminated grains most typically from 0.5 mm to 1 mm in diameter. These crystals have developed with a preferred orientation parallel to sub-parallel to foliation. Cs1 typically contained 2 to 3% graphite. While pyrite is fairly common throughout the section, very fine grained disseminated pyrite ± pyrrhotite is common in the graphitic calc-silicate host rock.

A regolith has formed in-situ above both Cs units locally, and there also exists a transition zone of slightly weathered Cs material, which is less friable than the

regolithic zone. Of the two calc–silicate units, the weathering is typically more pronounced over the Cs2 unit, and while both of these materials are graphitic bearing, the in-situ weathered Cs2 material is of primary importance. As this material is sited immediately above the areas proposed for hard rock quarrying, it makes a desirable initial target due to the ease of extraction, higher grade, and the ease of beneficiation.

As mentioned above the regolithic and transition zones are by and large the best targets on the Property, as overall FC concentrations are often from 3 to 5% FC in the Cs2, and 2 to 3% FC in the Cs1 derived material. Graphite may reach concentrations of 1 to 2% FC in glacio-fluvial till locally, although there are areas where numerous blocks of Cs material comprise boulders or cobbles within the till, and graphite concentrations can be in the 2 to 3% FC range.

The graphite mineralization on the Property is particularly amenable to extraction by quarry methods as it is lying sub-parallel to slope of the hillside in the Mine Lease area and offers the benefits of a low stripping ratio (Figure 7.3).

XRD analysis by Newman Energy Research Ltd, of Christchurch, New Zealand, (Moore and Newman, 2003) has indicated that the maximum reflectance of graphite from the Property is in the order of 17.8% (Ro_{max} – measured perpendicular to the C-axis of the graphite crystal), and minimum reflectance (Ro_{min}) is 0.6%, which are values that are quite close to those documented (18% - Ro_{max}) for true (perfect) graphite. Additionally, d-spacing (a function of crystalline density) of 3.354 was also determined, indicating excellent electrical characteristics, suitable for fuel cell bipolar plates.

Petrographic observations have determined that the graphite flakes are relatively un-deformed, and also quite pure, exhibiting only the odd inclusion of syn-depositional and secondary quartz, with local trace amounts of hematite.

8.0 Deposit Types

The graphite mineralization found at the Property is best categorized as a disseminated flake graphite deposit according to Simandl and Kenan (1997), who referenced the Property in their paper entitled, "Crystalline Flake Graphite". These

deposits are commonly hosted by porphyroblastic and granoblastic marbles, paragneisses and quartzites in upper amphibolite or granulite grade metamorphic terrains.

9.0 Exploration

In January 2006, CGC was placed in receivership and the Eagle Graphite purchased all of the assets including mineral claims, mining leases and Plant facilities. Mineral exploration pre-2006 is covered in Section 6 of the Report.

In 2007 the Quarry area and Plant were upgraded and production was resumed in 2008. Graphite test production was re-focused at the traditional markets such as the steel industry. Starting in 2008, Plant waste, consisting of sandy middlings material, has been sold as golf course sands.

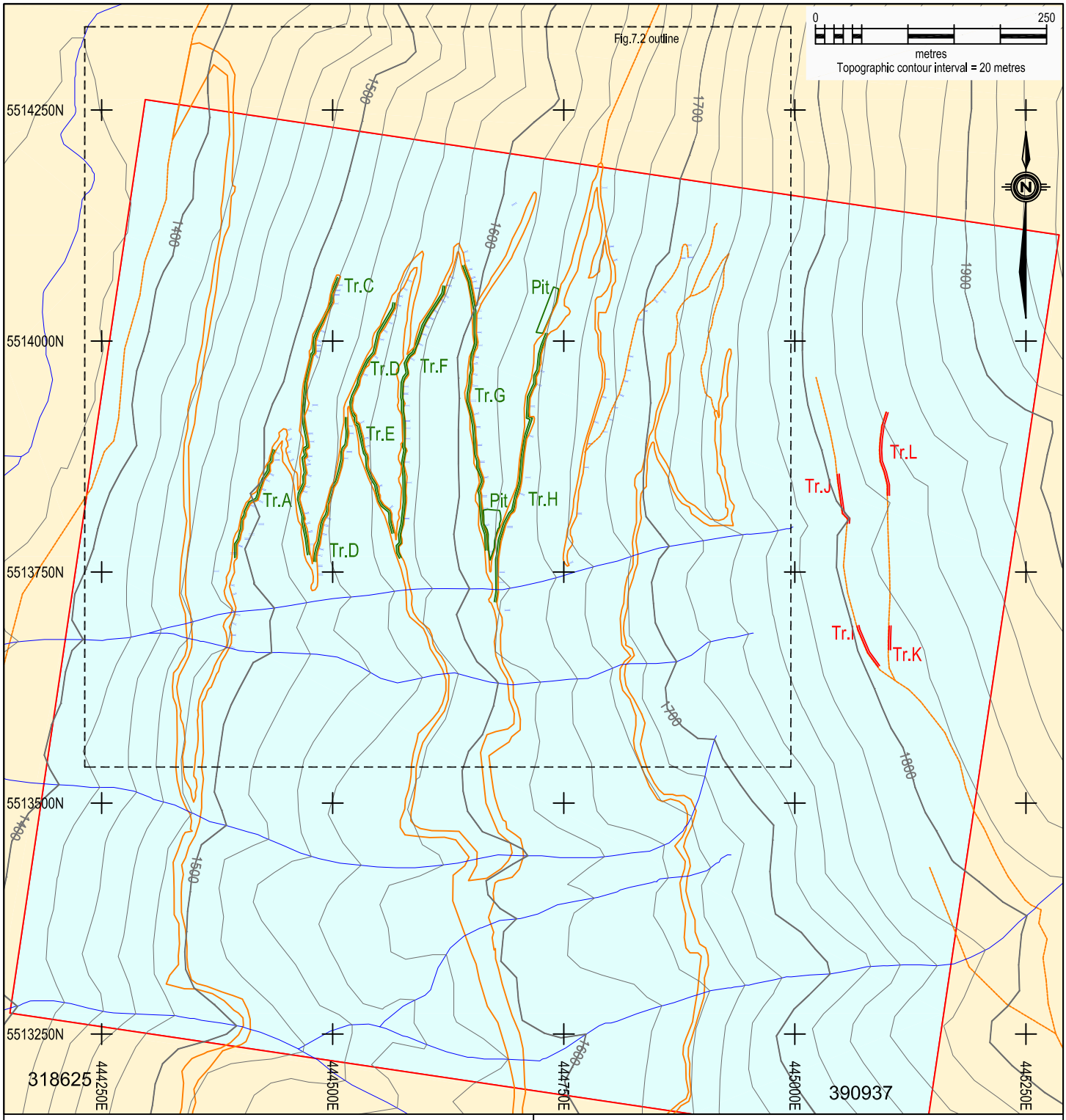
Road building consisted of a series of exploration trails to facilitate core drilling, trenching and geological mapping. Approximately 2,550 m of new trail were built of which 1,150 m were reclaimed at the end of the field season.

Surveying of roads, gridlines, drill holes and slit trenches was done by conventional survey methods. Due to heavy snowfall later in the season, some of the sample locations from the linear trenches were not surveyed. Hip chain location data were used in conjunction with known drill hole and slit trench locations to determine the locations of those linear trench samples.

A regional exploration program was carried out in 2007 by EGC on mineral claims held at the time near the Plant lease. Prospecting and mapping and rock sampling were done. During 2008 and 2009, the Company continued prospecting and rock sampling in several claim areas surrounding the Plant lease. Graphite mineralization was identified in several locations, confirming the regional nature of the graphite mineralization (Nunn, 2010).

In 2011, EGC conducted a prospecting, trenching and diamond drill program in the Quarry area, focussing on the ground east and upslope from previous trenching/drilling programs. Expenditures were in excess of $100,000. In the trenching program, regolith sampling was done on along four trenches, as shown on

Figure 9.1. In trenches I and J, one-metre chip samples from loose, unconsolidated regolith, contained graphite mineralization running from 0.23 %C to 2.22 %C. Further upslope, samples from trenches K and L had carbon values from 0.06 %C to 5.50 %C, with 22 of 26 samples having greater than 1% C (Munroe, 2012b). This work also indicated the continuation of graphite mineralization about 250 m east and upslope from previous work.



LEGEND

- Access trail for drilling/trenching
- Linear trench (2001)
- Tr.D Linear trench ID
- Slit trench (2001)
- Linear trench (2011)
- Tr.J 2011Linear trench ID

To accompany a report by : T.Carpenter, P.Geo.
A.Koffyberg, P.Geo.
Base map after : Trim 082F.072 (1:20,000)

Eagle Graphite Corporation

Black Crystal Property

Trench Summary

Dwg. by	Discovery Consultants	Scale	1:6000
Date	November 24, 2014	Figure:	9.1

10.0 Drilling

The Property has undergone several drilling programs since 1994. Table 10.1 summarizes the drilling activity on the Deposit. The locations of the drill holes are shown on Figure 10.1.

Table 10.1 Summary of Drilling Activity

Year	Drill Type	No. of Holes	Metres	Company
2011	core	12	2,029	Eagle Graphite Corp
2001	core	42	1,895	Crystal Graphite Corp
2000	core	22	1,181	Crystal Graphite Corp
1997	core	22	913	IMP Mining Corp
1995	core	13	577	IMP Mining Corp / Black Crystal
1994	RC	6	250	IMP Mining Corp / Black Crystal

In both 2000 and 2001 drill programs, drilling was contracted to Bergeron Drilling and Exploration Ltd of Greenwood, BC, which used a track-mounted Longyear Super 38 core drill. Drill collar locations were surveyed using a differentially correctable hand held GPS unit. All drill holes were surveyed downhole using a Tropari survey instrument.

For the 2000 program, drill holes were oriented at 40° to 45° azimuth and were usually inclined at -55° relative to horizontal, with some sites having a second hole drilled vertically. In total, 22 NQ core holes were drilled (BC0001 to BC0022), with depths generally less than 80 m except for two holes. Drilling identified two principal graphite-bearing horizons, which could be traced along strike, and both up and down dip (Augsten, 2001).

For the 2001 program, 42 NQ core holes were drilled, predominately at 35° azimuth and -57° to the horizontal (BC0123 to BC0164). The first 2 holes (BC0123 and BC0124) were drilled to test the down-dip extension of the mineralized horizons.

In 2011, EGC conducted a 12-hole, widely spaced NQ diamond drill program in the Deposit area (Figure 10.1). In total, 2,029 m were drilled, with depths ranging from 107 to 201 m; DDH-1 reaching a depth of 309 m. These holes were for the most part located outside the resource area and QA/QC measures were not sufficient to allow update of the 2002 resource.

Drilling was contracted to Dorado Drilling of Vernon, BC, using a Hydracore 2000. All drill holes were surveyed down hole using a Flexit Multishot instrument. The holes were all drilled at 90° azimuth and a dip of -60°, except for holes DDH2011-10 and DHH2011-12 that had a dip of -85° from the horizontal.

Drill hole parameters for all drill programs are given in Table 10.2.

Table 10.2 Drill Hole Parameters

	Drill hole	East (m)	North (m)	Length (m)	Az. degrees	Dip degrees	Reference
Eagle Graphite Corp (2011)							Munroe 2012
	DDH 1	445103	5513638	309	90	-60	
	DDH 2	445023	5513961	107	90	-60	
	DDH 3	445046	5513826	114	90	-60	
	DDH 4	445148	5513434	123	90	-60	
	DDH 5	444721	5513982	111	90	-60	
	DDH 6	444676	5513782	198	90	-60	
	DDH 7	444685	5513561	111	90	-60	
	DDH 8	444393	5514164	159	90	-60	
	DDH 9	444338	5513724	201	90	-60	
	DDH 10	444338	5513724	216	90	-85	
	DDH 11	444384	5513292	196	90	-60	
	DDH 12	444384	5513292	186	90	-85	
Crystal Graphite Corp (2001)							AR 26859
	BC0123	444673	5513410	291	na	na	
	BC0124	444355	5513494	144	42	-53	
	BC0125	444675	5513755	51	33	-55	
	BC0126	444665	5513798	49	45	-55	
	BC0127	444660	5513832	49	33	-55	
	BC0128	444659	5513871	29	37	-55	
	BC0129	444650	5513931	53	46	-55	
	BC0130	444652	5513972	30	37	-55	
	BC0131	444401	5513791	52	34	-53	
	BC0132	444418	5513834	23	36	-55	
	BC0133	444430	5513862	15	na	na	
	BC0134	444449	5513902	12	na	na	
	BC0135	444470	5513848	21	37	-56	
	BC0136	444474	5513895	15	na	na	
	BC0137	444482	5513737	21	na	na	
	BC0138	444481	5513734	13	na	na	
	BC0139	444486	5513782	34	38	-55	
	BC0140	444510	5513869	21	na	na	
	BC0141	444580	5513874	24	38	-55	
	BC0142	444708	5513859	27	24	-54	

	Drill hole	East (m)	North (m)	Length (m)	Az. degrees	Dip degrees	Reference
	BC0143	444678	5513672	15	na	na	
	BC0144	444693	5513621	43	31	-55	
	BC0145	444682	5513572	34	36	-56	
	BC0146	444792	5514001	49	36	-56	
	BC0147	444790	5513939	46	37	-55	
	BC0148	444775	5513889	34	36	-55	
	BC0149	444766	5513834	36	40	-55	
	BC0150	444758	5513786	46	36	-56	
	BC0151	444834	5513809	34	27	-56	
	BC0152	444827	5513755	40	33	-57	
	BC0153	444816	5513710	52	27	-56	
	BC0154	444932	5513989	55	36	-55	
	BC0155	444926	5513944	30	36	-58	
	BC0156	444932	5513824	40	33	-56	
	BC0157	444925	5513861	40	na	na	
	BC0158	444920	5513900	35	na	-55	
	BC0159	444392	5513751	40	37	-56	
	BC0160	444393	5513706	30	21	-56	
	BC0161	444384	5513663	43	na	-56	
	BC0162	444363	5513618	52	38	-57	
	BC0163	444356	5513577	73	35	-64	
	BC0164	444342	5513752	30	40	-55	
Crystal Graphite Corp. (2000)							AR 26622
	BC0001	444725	5513997	107	42	-53	
	BC0002	444724	5513996	45	na	-90	
	BC0003	444713	5513916	82	41	-55	
	BC0004	444712	5513915	52	na	-90	
	BC0005	444764	5514097	61	40	-55	
	BC0006	444575	5513932	64	45	-53	
	BC0007	444574	5513931	50	na	-90	
	BC0008	444577	5513820	79	42	-58	
	BC0009	444575	5513819	37	na	-90	
	BC0010	444576	5513820	22	42	-70	
	BC0011	444572	5513787	40	42	-54	
	BC0012	444579	5513751	48	43	-55	
	BC0013	444578	5513750	53	na	-90	
	BC0014	444525	5513929	53	47	-54	
	BC0015	444533	5513880	68	43	-54	
	BC0016	444597	5513685	36	45	-56	
	BC0017	444482	5513871	46	45	-58	
	BC0018	444696	5513821	52	48	-55	
	BC0019	444677	5513725	43	44	-56	
	BC0020	444252	5513879	52	na	-90	
	BC0021	444171	5513728	52	na	-90	
	BC0022	444101	5513578	43	na	-90	
IMP Mining Corp. (1997)							AR 26413
	97-1	444862	5513964	71	na	-90	

	Drill hole	East (m)	North (m)	Length (m)	Az. degrees	Dip degrees	Reference
	97-2	444850	5513915	35	na	-90	
	97-3	444837	5513865	41	na	-90	
	97-4	444888	5513352	50	na	-90	
	97-7	444574	5513951	41	na	-90	
	97-8	444580	5513899	41	na	-90	
	97-9	444577	5513850	41	na	-90	
	97-10	444572	5513797	41	na	-90	
	97-11	444578	5513744	41	na	-90	
	97-12	444591	5513695	40	na	-90	
	97-13	444664	5513354	26	na	-90	
	97-17	444403	5513249	41	na	-90	
	97-18	444385	5513292	41	na	-90	
	97-19	444322	5513311	41	na	-90	
	97-20	444332	5513373	41	na	-90	
	97-21	444334	5513552	41	na	-90	
	97-22	444332	5513602	41	na	-90	
	97-23	444339	5513651	41	na	-90	
	97-24	444341	5513701	41	na	-90	
	97-25	444343	5513824	40	na	-90	
	97-26	444339	5513874	41	na	-90	
	97-27	444346	5513926	41	na	-90	
IMP Mining Corp / Black Crystal (1995)							Snell 1999
	DDH95-01	444339	5513859	na	na	-90	
	DDH95-02	444343	5513811	na	na	-90	
	DDH95-03	444340	5513763	na	na	-90	
	DDH95-04	444332	5513611	na	na	-90	
	DDH95-06	444676	5513745	na	na	-90	
	DDH95-07	444680	5513796	na	na	-90	
	DDH95-08	444698	5513839	na	na	-90	
	DDH95-09	444706	5513891	na	na	-90	
	DDH95-10	444711	5513942	na	na	-90	
	DDH95-11	444718	5513990	na	na	-90	
	DDH95-12	444742	5514030	na	na	-90	
	DDH95-13	444763	5514089	na	na	-90	
IMP Mining Corp / Black Crystal (1994)							AR 23754
	RC-1-94	444746	5514037	33	na	-90	
	RC-2-94	444701	5513850	46	na	-90	
	RC-3-94	444680	5513693	46	na	-90	
	RC-4-94	444689	5513650	31	na	-90	
	RC-5-94	444339	5513522	52	na	-90	
	RC-6-94	444342	5513658	43	na	-90	

na = not applicable, not available

In total, 12 NQ diamond drill holes were drilled. The holes were broadly spaced, with the aim of determining structural continuity. Graphite was encountered at depth and

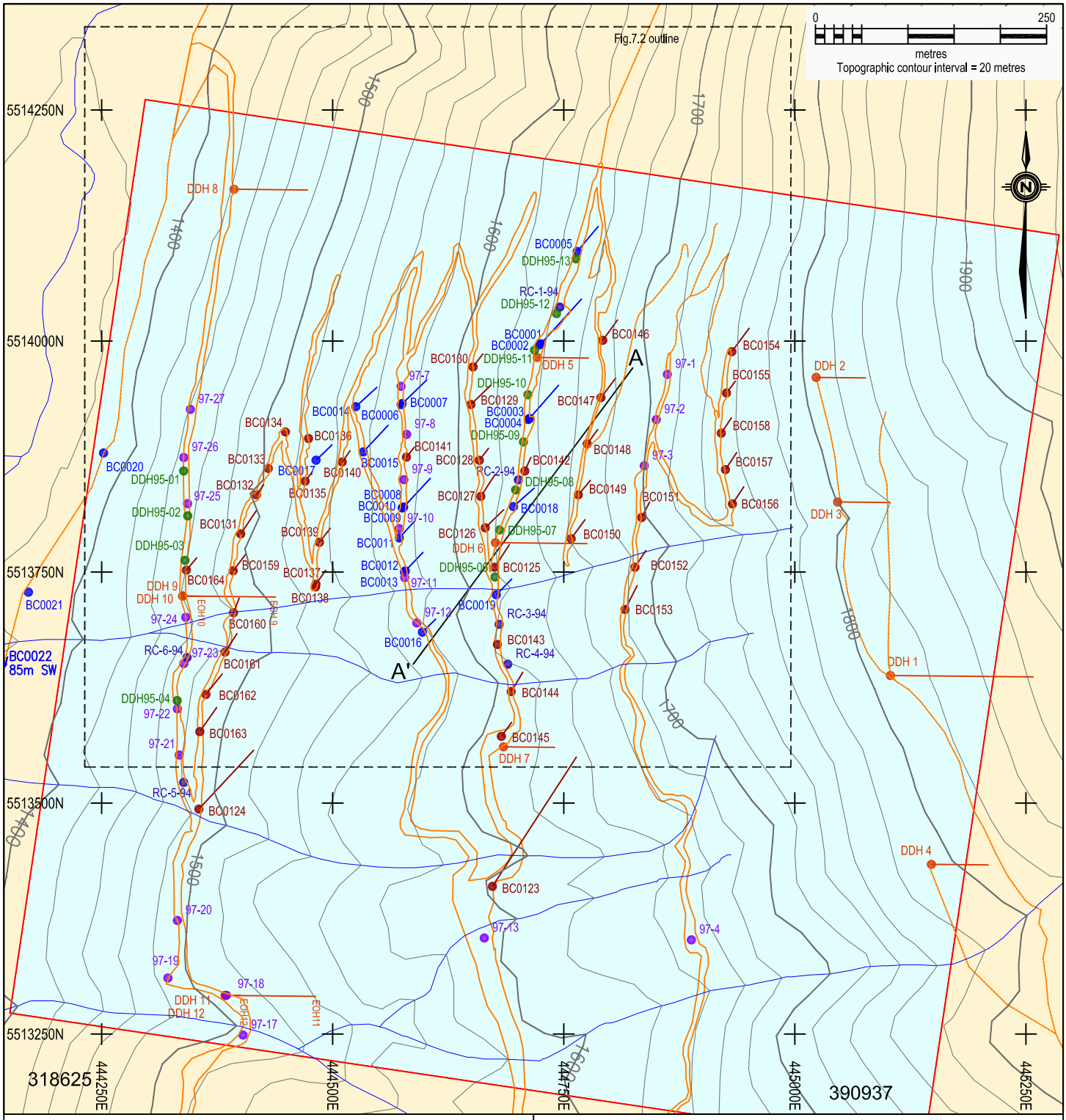
along structures considered to be continuous. Graphite grades from both the regolith and underlying calc-silicate rocks were confirmed, and consistent with previous work.

Four of the holes were located upslope and east of previous drilling, of which three intersected graphitic mineralization, as shown on Figure 10.1. This includes DDH-3, which intersected 16.70 m of 2.32 %C near the top of the hole; and DDH-1, which intersected 8.70 m of 1.88 %C. Significant drill intersections are given in Table 10.3.

Table 10.3 Significant Drill Intercepts – 2011 Drill Program

Company	Diamond Drill hole	From (m)	To (m)	Length (m)	C* %
Eagle Graphite Corp (2011)					
	DDH 1	11.80	20.50	8.70	1.88
		22.76	27.90	5.14	1.23
	DDH 3	10.30	27.00	16.70	2.32
		30.40	42.43	12.03	1.45
	DDH 4	19.78	28.75	8.97	1.3
	DDH 5	17.94	23.03	5.09	1.46
		30.20	36.00	5.80	1.36
	DDH 6	4.50	40.28	35.78	1.4
	DDH 7	29.73	45.59	15.86	1.84
	DDH 9	3.00	19.56	16.56	1.18
	DDH 10	5.58	19.57	13.99	1.66

The graphite mineralization is oriented sub-parallel to the slope of the hillside, and the drill holes were angled to intersect the mineralization at right angles to the dip of the mineralization. Thus the sample length represents the true thickness of the graphite mineralization, within 10%.



LEGEND

RC-5-94	RC drill hole (1994)
DDH95-13	Diamond drill hole (1995)
97-17	Diamond drill hole (1997)
BC0022	Diamond drill hole (2000)
BC0164	Diamond drill hole (2001)
DDH12	Diamond drill hole (2011)

A—A' Cross section location

To accompany a report by : T.Carpenter, P.Geo.
A.Koffyberg, P.Geo.

Base map after : Trim 082F.072 (1:20,000)

Eagle Graphite Corporation

Black Crystal Property

Drill Summary

Dwg. by	Discovery Consultants	Scale	1:6000
Date	November 24, 2014	Figure:	10.1

11.0 Sample Preparation, Analysis and Security

The 2002 Resource estimate by AMEC (2002) is the most current estimate available that is NI 43-101 compliant. It was based on data comprising composite samples collected from core drilling and trenching. The majority of the data was taken from the work done in 2000 and 2001; however a minority of samples are derived from the 1997 drill program. The sample preparation procedures presented below focus on the work done in 2000 and 2001.

11.1 Sample Preparation

11.1.1. 2000-2001 Core Drilling and Trenching Programs

For the 2000 and 2001 drill programs, drill core was transported by company personnel to CGC's core logging facility, located within the Plant facility, where geotechnical logging, geological logging, core splitting and sampling were done. Geotechnical procedures included recording core recovery, rock quality determination (RQD), joint number (Jn), joint alteration (Ja), joint roughness (Jr) and stress reduction factor (SRF). After geological logging, the core was sampled, split and bagged, and photographed. The core was stored on racks located within the Plant facility.

Core was generally sampled in 2-metre intervals in the year 2000 drill program, with 1-metre intervals given for lithology changes. Sampling for the 2001 drill program was done at 1-m samples. Core splitting was done using diamond bladed rock saws operated by CGC personnel. Half the core was sent for analysis; the other half was returned to the core box as a permanent record.

Linear trench sampling of the regolith was done in 2000 and 2001, and samples were incorporated into the 2002 resource estimate.

Slit trench sampling began at the contact below the "B" soil horizon. Sample widths were typically 0.5 to 2.0 m and were variable depending on local conditions.

The majority of the drill core and rock/till samples taken from trenches were prepared at the Plant facility, where they were crushed and/or pulverized. These samples were sent to Bondar-Clegg Laboratory (currently ALS) in Vancouver for analysis. This laboratory is an independent lab that is ISO/IEC 17025 certified for

Competence in Calibration and Testing. A portion of these pulverized samples was analysed in-house at the laboratory set up at the Plant facilities.

11.1.2 2011 Core Drilling Program

As in earlier programs, drill core was transported by Company personnel to the Plant facility where geotechnical logging, geological logging, core splitting and sampling were done. The core was stored on racks located within the Plant facility.

Selected intervals of drill core were sampled at 2-m intervals. It was then split using a rock saw, and quartered. Quartered core was sent to SGS Laboratories in Vancouver for geochemical analysis. SGS Laboratories is an independent laboratory that is ISO9001 certified in its Quality Management Systems.

11.2 Sample Analysis

11.2.1 2000-2001 Drill Core and Trench Samples

Sample preparation involved drying the samples, followed by crushing in a jaw crusher to produce a -6 mesh product. It was then riffle-split to produce a 200-gram ("g") sample, which was pulverized in a ring-and-puck pulverizer to produce a -150 mesh pulp. The crusher and pulverizer were cleaned with quartz sand between samples to prevent cross contamination.

A pulp sample having a mass from 0.01 to 0.25 g was placed in a LECO crucible, accurately weighed, followed by immersion in a dilute hydrochloric acid leach solution to remove any inorganic carbon present in the form of carbonate. The crucible was placed in a suction apparatus and the resulting chloride residue inside the crucible was removed with de-ionized water. The sample was then dried, leaving behind the leached graphite sample.

The crucible plus sample was placed in a LECO 200 analyser, where it was vaporized in a high-frequency induction furnace at temperatures approaching 1,500°C. A stream of oxygen was introduced, allowing for combustion of the sample. The gases produced were then passed directly into a cell through which infrared (IR) energy was transmitted, where the amount of carbon dioxide produced from the sample combustion was measured.

The absorption at the precise wavelength for carbon dioxide is related to the total FC content of the sample, and % FC can be determined. The quantity of FC represents the amount of graphite in a sample.

The LECO analytical procedure is the industry standard method for the analysis of graphite. It is an indirect method of analyses; no direct method exists. The method assumes that the carbon-bearing minerals in the sample occur either as graphite, a form of organic carbon, or as carbonates. Any carbonate mineral in the sample is removed by the acid-washing procedure, leaving behind solely organic carbon in the form of graphite, which is then analysed. However, carbonate minerals encased within graphite grains would not be removed by acid washing as they would not be exposed to the acid medium, and would end up reported as graphitic carbon. Secondly, the presence of other organic carbon such as plant matter or soil will cause erroneously higher analytical results. Care must be taken to submit for analysis samples devoid of plant or soil material.

For the 2000 drill program, all 2000 drill core samples were analyzed at International Metallurgical and Environmental Inc ("IME") in Kelowna, BC, an independent laboratory.

In 2001, laboratory facilities for both sample preparation and analysis were installed at the Plant. Qualified personnel from IME were hired to instruct CGC staff on how to handle, prepare and analyze samples. This protocol was standardized to follow the same protocol used at IME.

Of the 644 drill core samples produced from the 2001 drill program, the first 158 were analysed in-house at the CGC lab facility, using the same protocol as followed at IME. A portion of the pulverised samples was sent to Bondar-Clegg for duplicate analyses.

11.2.2 2011 Drill Core Samples

In total, 120 drill core samples were selected from graphitic intervals and sent to SGS Canada Laboratory in Vancouver, BC. The LECO method (SGS method CSA05V) was used for the determination of graphitic carbon.

11.3 Sample Security

During the 2000, 2001 and 2011 drill programs, drill core was transported by CGC/EGC personnel to the Plant facility, where geotechnical procedures and geological core sampling was carried out. Core was again stored in racks at the Plant.

In 2011, all drill core from past drill programs was placed in new, secure storage facilities at the Plant by EGC for future reference.

11.4 Quality Control and Quality Assurance Program

Quality Control and Quality Assurance ("QC/QA") work was only instituted during the 2001 exploration program. In total, 17 core duplicate samples were sent for analysis to Bondar-Clegg. The original samples had been previously prepared and/or analysed at CGC's lab facility. A blank sand sample from the borrow pit was also submitted to both CGC's lab and to Bondar-Clegg. The material for the sand was taken from a site near the Plant facility.

Duplicate field samples from the slit trenches were collected by excavating adjacent to trenches. In total, 43 samples were sent to Bondar-Clegg and to Acme Analytical Labs ("Acme") in Vancouver, BC. Acme at the time was accredited to ISO 9001 in its Quality Management System and to ISO/ IEC 17025 for Competence in Calibration and Testing. Poor agreement was obtained, likely due to grade variability within short distances or sample "impoverishment" (see note below from AMEC 2002 report).

During the linear trenching program, six samples were split and duplicates were analysed by CGC, Acme and Bondar-Clegg. The results showed that the CGC values were about 5% higher than the duplicate samples analysed at Bondar-Clegg, and about 15% higher than those analysed at Acme.

In 2002, an independent audit was done by Coal Marketing Services Limited ("CMSL") to investigate the analytical methods between the various laboratories. CMSL noted problems with the CGC in-house LECO instrumentation, sample preparation procedures, and lack of reproducibility (Coal Marketing Services Limited, 2002).

At the lab, SGS carried out its own in-house procedures for monitoring quality control, with the addition of its own laboratory blanks, pulp duplicates and standards. SGS is accredited to standards within ISO 9001:2008 certification.

AMEC, in its 2002 report, stated that, due to the coarse nature of the graphite on the Property, differences may result in the analytical procedure as "*Segregation may result within the sub-sample based on differences in specific gravity. Graphite may be concentrated at the top or surface of the sample, whereas typically for gold or base metals, settling occurs, resulting in concentration at the bottom of a sample. An awareness of this potential is necessary to ensure the sample is homogeneous and that a representative sample is selected.*

In conjunction with segregation and with the reported trend towards higher carbon grades associated with coarser graphite flakes, different sample sizes at the lower grades could create an "impoverished" sample if a smaller sample size is selected. Acme states that their sample size is 0.10 g, Bondar Clegg used 0.10 g to 0.20 g, and ALS Chemex used 0.02 to 0.10 g. (CGC previously used a sample size between 0.05 g and 0.10 g at their on-site laboratory, but recently upgraded their Leco machine and now use a 0.10 g to 0.15 g sample). The potential exists for a smaller sample size to contain fewer graphite flakes, resulting in a lower assay."

It is worthy of note that Acme and ALS now carry out analyses using a minimum of 2 g and 1 g of pulp respectively.

It is the authors' opinion that the analytical results from the certified laboratories cited above is accurate and that the data can be relied upon.

12.0 Data Verification

The 1997 drilling program was done under the supervision of G. Addie, PEng. Re-logging and analysis were carried out in 2000 under the supervision of B. Augsten, PGeo, and drill core was sent to IME in Kelowna, BC for analysis.

For the 2000 and 2001 exploration programs, CGC hired MDS to oversee and report on all aspects of the fieldwork. This included the 2000 drilling and trenching programs, supervised by B. Augsten, PGeo. It also included the extensive 2001

drilling and trenching programs. AMEC reviewed the 2000 and 2001 work pertaining to AMEC's 2002 resource estimate and agreed that the results were generally acceptable, while noting QC/QA protocols. Drill logs and analytical certificates, along with QC/QA procedures, have been reviewed by Koffyberg.

The 2011 core drill program was carried out by R. Munroe, PGeo, of Munroe Geological Services Ltd. Drill logs and analytical certificates have been reviewed by Koffyberg. The lack of field inserted certified standards, blanks and field duplicates has been noted.

13.0 Mineral Processing and Metallurgical Testing

13.1 Mineral Processing

The Company submitted an updated Mine Plan to the BCMEM on June 5, 2014 (Nunn, 2014). The purpose of the submittal is to keep the Company's current mine permit in good standing.

13.2 Metallurgical Testing

The first recorded metallurgical testing on material from the Property is reported by Howard (1995), who indicated that the bench tests conducted by Process Research Associates Ltd, of Vancouver, were generally positive. Testing at this point consisted of screening, and crushing, followed by flotation utilizing Dowfroth 250 and Varsol, and leaching in hydrochloric acid. Howard also mentions that a considerable amount of work was done during this time on material from the Property, at Quinto Mining's laboratory in Lumby, BC. Quinto Mining was an associate company of IMP – the predecessor to CGC.

At this facility, pine oil was utilized as a frother, and some preliminary investigations were conducted into the proportions of graphite of varying mesh sizes, which were recovered in the processing. Snell's report (1998) indicates that research into various aspects of optimizing grade and recovery by flotation, as well as various other tests were conducted at the Lumby facility, under the direction of metallurgist Dusan Milojkovic between 1994 and 1996. Snell's report also indicates that a representative of Asbury Carbons of New Jersey visited the property in 1997 and did some initial testing of the graphite in two samples.

Snell reported that work continued into the late 1990s, and that beside Mr. Milojkovic's involvement, IME became involved in flotation testing, and process planning.

After 2000, CGC continued metallurgical test work, utilizing IME and substantially completed the construction of a pilot beneficiation plant and a complete laboratory facility. The Plant has been capable of extracting graphite since August 2001.

14.0 Mineral Resource Estimate

In 2002, AMEC Americas Ltd ("AMEC") calculated a mineral resource estimate ("Resource") on the Deposit for CGC, based on the interpretation provided by the MDS resource assessment (AMEC, 2002), (Technical Report, Black Crystal Graphite Project, British Columbia, AMEC Americas Ltd, dated July 2, 2002). This report was subsequently filed on SEDAR by CGC on August 7, 2002 and is publicly available. This Resource is considered a current NI 43-101 compliant resource for the Deposit. Co-author Carpenter has no reason to not rely on the accuracy of this material as it was carried out by Qualified Professionals under the provisions of NI 43-101 regulations. Co-author Carpenter therefore considers the AMEC Resource the current mineral resource for the Property.

AMEC's estimates were made from 3D block models utilizing commercial mine planning software (MineSight®). The Black Crystal Graphite project exists in a single geologic block model. Cell size was 5 m east x 5 m north x 2 m high.

The assays were composited into 2 m down-hole composites, reflecting the predominant assay sample length. The compositing honoured the modelling domain codes by breaking the composites on the domain code values. AMEC reviewed the compositing process and found it to have been performed correctly. Various coding was done for the block model in preparation for grade interpolation. The block model was coded according to "ore" domain (calc-silicate and regolith). "Percent below topography" was also calculated into the model blocks.

Modelling consisted of grade interpolation by ordinary kriging (OK). Nearest-neighbour (NN) grades were also determined for validation purposes. The grade

interpolation used an ellipsoidal search of 65 to 150 m x 65 to 150 m x 10 to 20 m in an NW-SE trending, westerly dipping ellipse. These parameters were based on the geological interpretation and variogram analysis.

A two-pass strategy was used in both mineralized domains. The number of composites used in estimating a model block grade followed a strategy that matched composite values and model blocks sharing the same ore code or domain. The first pass allowed composites from only one drill hole to be used (longer search distances) and the second pass, run at the shorter search distances, ensured that composites from at least two drill holes were used. Estimates for the calc-silicate unit used a maximum of eight composites per model block, with a maximum of two composites and a minimum of three permitted per drill hole.

The graphite mineralization is found in both unconsolidated material (regolith) and in hard rock (calc-silicate). Data analysis demonstrated that the regolith and calc-silicate should be treated as separate domains for the purposes of resource modelling. However, the two calc-silicate units (Cs1 and Cs2) were not distinguished from each other. The data comprised samples and geological information from 64 drill holes, which were used for the Calc-silicate Resource; and 176 slit trenches and 1,855 m of linear trenches, which were used for the Regolith Resource calculation.

The mineral resource calculations for the Regolith and the Calc-silicate Resources, are separately shown on Table 14-1 below.

TABLE 14.1: Resource for the Black Crystal Deposit

Regolith Resource Calculation
(Effective Date of Mineral Resources: November 24, 2014)

Description	Tonnage	% Fixed Carbon
Measured	292,000	1.95
Indicated	356,000	1.71
Measured and Indicated	648,000	1.82
Inferred	516,000	1.69

Calc-Silicate Resource Calculation
(Effective Date of Mineral Resources: November 24, 2014)

Description	Tonnage	% Fixed Carbon
Indicated	4,763,000	1.21
Inferred	4,591,000	1.24

Note: The Resource was calculated with a 0.7% Fixed Carbon cut-off grade. The bulk density values that were used are: Regolith = 1.67 and Calc-silicate = 2.80

A 0.7% FC cut-off grade was to reflect preliminary metallurgical work and the expected long-term pricing for high purity graphite. This cut-off is still valid as AMEC recognized that the actual deposit % FC cut-off grade would vary depending on graphite products and the achieved market prices. Table 14-2 shows the mineral resource calculations for tonnage and grade based on variable % FC cut-off grades.

Note that the mineral resources have not been demonstrated to have economic viability.

TABLE 14.2: Mineral Resource - Graphite Mineralization at Variable % Fixed Carbon Cut-Off Grades
(Effective Date of Mineral Resources: November 24, 2014)

	Cut-off (% Fixed Carbon)	Tonnage	% Fixed Carbon
Regolith			
Measured and Indicated			
	≥2.0	230,000	2.70
	≥1.5	384,000	2.30
	≥1.0	556,000	1.98
	≥0.7	648,000	1.82
	≥0.5	726,000	1.69
	≥0.0	748,000	1.65
Inferred			
	≥2.0	150,000	2.46
	≥1.5	289,000	2.11
	≥1.0	457,000	1.80
	≥0.7	516,000	1.69
	≥0.5	566,000	1.59
	≥0.0	585,000	1.55
Calc-silicate			
Measured and Indicated			
	≥2.0	70,000	2.30
	≥1.5	757,000	1.70
	≥1.0	3,461,000	1.34
	≥0.7	4,763,000	1.21
	≥0.5	5,150,000	1.17
	≥0.0	5,391,000	1.13
Inferred			
	≥2.0	71,000	2.13
	≥1.5	1,004,000	1.69
	≥1.0	3,376,000	1.38
	≥0.7	4,591,000	1.24
	≥0.5	5,094,000	1.18
	≥0.0	5,469,000	1.12

The terms Mineral Resource, Measured Mineral Resource, Indicated Mineral Resource, and Inferred Mineral Resource and their usage have the meaning ascribed by the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Standards on Mineral Resources and Reserves Definitions and Guidelines adopted by CIM Council on May 10, 2014. The above Resource is in accordance with the CIM definitions and guidelines. The above Resource was determined by qualified professionals and the authors have no reason to not rely on the accuracy of the resource calculation. The resource is therefore considered current.

The 2011 drill program by EGC was largely carried out outside the area containing the resource calculation and QA/QC measures were not sufficient to allow update of the report to include mineralization intersected in 2011. Production from the pits on the Property, as outlined in Table 6.2, has not been sufficient to materially affect the above resource calculation.

15.0 Mineral Reserve Estimate

Insufficient work has been completed to upgrade the current mineral resources on the Property into mineral reserves, as defined by National Instrument 43-101. Therefore, there are no mineral reserves on the Property.

16.0 Mining Methods

Not applicable

17.0 Recovery Methods

Not applicable

18.0 Project Infrastructure

Not applicable

19.0 Market Studies

Not applicable

20.0 Environmental Studies, Permitting and Social or Community Impact

Not applicable

21.0 Capital and Operating Costs

Not applicable

22.0 Economic Analysis

Not applicable

23.0 Adjacent Properties

Fortune Graphite ("Fortune") a publicly traded company, owns mineral tenures adjoining the Property along the inferred graphitic-bearing trend to the southeast. Fortune acquired the mineral tenures from Worldwide Graphite Producers Corp ("Worldwide"), a private company, under an agreement dated January 20, 2011 (Butrenchuk, 2012).

Worldwide actively explored the property from the date of its acquisition in 1997 to 2004. This exploration consisted of prospecting and sampling, core drilling, reconnaissance mapping, and metallurgical testing (Butrenchuk, 2005).

Fortune has not reported any work or investment on its property to date of which the authors are aware.

24.0 Other Relevant Data and Information

Although the Property does not meet the definition of a NI 43-101 "Advanced Property", the Property has been under the ownership of various private companies, and has undergone mining operations pertaining to small industrial mineral quarries. Important milestones have included:

- On 4 July 2002, CGC received a Mine Permit (M-211) approving the Work System and Reclamation Program for the Deposit, as required in the British Columbia Mines Act and Regulations.
- CGC exercised due diligence and commissioned reports to study the project area. The nature of these studies involved environmental, First Nations, and archaeological concerns, water availability and treatment, terrain stability,

road transportation, groundwater, flora and fauna, health & safety, and socio-economic impacts.

- In January 2006, EGC purchased all of the assets of CGC's Black Crystal flake graphite project, including mineral claims, mining leases and Plant facilities.

The Company submitted an updated Mine Plan to the BCMEM on June 5, 2014. The purpose of the submittal is to keep the Company's current Mine Permit M-211 in good standing.

Relevant data and information pertaining to past ownership and mining operations are included in the following subsection.

24.1 Mining Methods

The mining methods as laid out in the 2002 Mine Plan involved a Quarry to be a small seasonally run operation, with work being performed during the snow free portions of the year, commencing in early June and normally ending around mid-November.

Weathered graphitic calc-silicate material would be extracted and transported to the Plant facility. Quarrying would utilize open pit extraction methods.

At present, under Eagle Graphite's recently submitted Mine Plan, mining would continue to be carried out by open pit methods. The regolith material would be excavated, screened and crushed and transported to the storage transfer station at the base of the mountain. From the station, the material would be transported to the Plant facilities for processing.

24.2 Recovery Methods

The recovery methods laid out in the 2002 Mine Plan incorporated an outdoor screening operation, a flotation circuit, a grinding and leach circuit, and drying and bagging facilities that could operate as either a batch or continuous basis.

At present, under Eagle Graphite's recently submitted Mine Plan, the recovery process would sort and size the unconsolidated material using screens and separators. The material would then undergo a flotation process, whereby graphite

floats to the top of the slurry where it would be skimmed and removed from the circuit. It would then undergo additional upgrading, processing and drying. Recoveries with this process are estimated to be in the order of 85% at 95% fixed carbon.

24.3 Project Infrastructure

Infrastructure was constructed on the Plant mining lease by CGC under the 2002 Mine permit. The infrastructure currently in place and owned by Eagle Graphite is listed in Section 5.4.

24.4 Market Studies and Contracts

In 2008, Eagle Graphite commissioned a market study by George C. Hawley and Associates. The report included estimates of consumption (in tonnes) of flake graphite in Eagle Graphite's size and purity range by geographical region, summarized below in Table 24.1:

TABLE 24.1 World markets for graphite having size and purity similar to Black Crystal Graphite

Annual Requirements	NAFTA	Europe	Asia	Price US$/tonne
Refractories	16,000	30,000	100,000	700-1,400
Crucibles	1,000	2,000	6,000	700-2,000
Hot Topping	10,000	20,000	50,000	600-2,000
Rubber and Plastics	1,000	1,000	1,000	1,000-2,000
Friction Products	10,000	11,000	17,000	1,000-1,400
Expandable Graphite	4,000	5,000	7,000	3,500-6,500

The Hawley report, entitled "Markets for natural graphite", also identified a number of applications for which the Company's flake graphite, with additional processing, could be a suitable raw material. The combined consumption estimates for these applications were 12,000 to 15,000 tonnes per year in NAFTA countries, and 107,500 to 122,500 tonnes worldwide.

Note that this study is not current, and should not be relied upon. A current market study and economic analysis has not been carried out.

The Company has a contract in place with a recognized customer for a long term supply of flake graphite. The negotiated prices are within industry norms.

24.4.1 Graphite

For most of the past two decades, global production of flake graphite has been dominated by Chinese producers. During most of this time, Chinese mining companies were able to realize enormous cost advantages over their global competitors. Besides enjoying an abundance of high grade deposits, these producers had the benefit of extremely low labour costs, lax environmental and safety standards, and, at times, export subsidies provided by the Chinese government. By the early 2000s, only a small fraction of flake graphite mines outside China remained in operation. For most mines in the industrialized world, flake graphite for conventional industrial purposes, such as refractories, was simply too cheap to justify extraction. However, some emerging niche applications, such as Polymer Electrolyte Membrane (PEM) fuel cells, which require an exceptionally high quality graphite flake, could still command a premium price. It was in this context that the Property was first developed. Demand for graphite still continues to grow within these applications, albeit at a much slower pace than envisioned ten years ago.

During 2007, the graphite market began to alter fundamentally due to changes in China. China's economy had for some years been shifting from primary industries to manufacturing. In the area of steel production, which indirectly accounts for the greatest amount of flake graphite consumption, China had quickly overtaken steel production more than any other nation, and has since approached the output of all other nations combined. China is now the world's biggest consumer of flake graphite, in addition to being its main supplier. The export of raw materials was no longer considered as desirable as value added domestic manufacturing, and then the Chinese government began levying export taxes on graphite, which remain in place today. Concurrently, increasing labour costs, and more stringent enforcement of safety and environmental regulations in China made graphite mining either more expensive, or in some cases, entirely uneconomic. As a result, global graphite prices in recent years have ranged between 50% higher and 200% higher than their typical pre-2007 levels.

The flake graphite historically produced from Eagle Graphite’s Deposit was high quality. A simple flotation circuit produced graphite ranging in purity from 94% to 97.5%. With the addition of a mild treatment to leach away residual carbonates, purities of 98% to 99% had been achieved. By contrast, a considerable fraction of

the world's graphite mines have difficulty producing any meaningful volumes of graphite with purity exceeding 90%. The high quality of the graphite makes it suitable for a wide variety of applications that may not necessarily be accessible to other graphite producers.

Applications for graphite include:

- Refractory bricks for blast furnaces
- Auto parts, such as brake linings and clutch facings
- Hydrogen fuel cells
- Graphite foil for gaskets
- Expandable fire retardant
- Lithium-ion battery anodes
- Carbon brushes in electric motors
- Pencils
- Lubricant powders
- Hydrophobic absorptive foams for oil spill remediation
- Graphene, graphite nanotubes, and other nano-scale graphite derivatives
- Solar energy storage units

24.3.2 Sand and Aggregate By-products

The graphite in the Deposit is hosted in mildly alkaline carbonaceous material, which poses little risk of acid contamination of the environment, and yields middling products that have a market value in their own right.

Historic production on the Property has demonstrated that the middlings, derived from the processing of the graphitic rock, fall into various size fractions ranging from fines up to 10 mm aggregate. The larger aggregate is suitable for, and has been sold for such uses as drain rock, nursery rock, and as a pebble underlay for patio stones. The mid-size sand, being considerably more angular than typical Quarry sand, is ideal for golf courses, so much so that nearly all golf courses within a 100 km radius order their sand from Eagle Graphite's aggregate division.

24.5 Environmental Studies, Permitting, Social and Community Impact

Although the Property does not meet the definition of a NI 43-101 "Advanced Property", the following summarizes the work pertaining to environmental, social and community issues addressed by CGC and later by EGC.

24.5.1 Environmental Studies

The environmental issues addressed in the 2002 Mine Plan included topography and surface drainage features, hydrogeology, climate, fisheries, wildlife, ecology and vegetation and soils.

Baseline water quality monitoring sites were established on Little Slocan River, Koch Creek, Hoder Creek and an ephemeral creek on the Quarry Block that drains into Hoder Creek. A baseline groundwater study was established to model the flow of groundwater at the Plant and Quarry sites.

Site specific fish and fish habitat assessments were conducted along Hoder Creek, Koch Creek and the Little Slocan River. Possible impacts to populations of ungulates (elk and deer) and grizzly bears were studied along with mitigation measures.

An inventory of soils and vegetation was completed for use in reclamation planning. Ecological maps were constructed for the footprint area at the Plant and Quarry sites. In addition, predictive ecosystem mapping was combined with field observations to extend mapping beyond the expected footprint.

Trace metal levels in plant tissue and soils indicated that all were well below the critical level for detrimental effects. Nutrient and other analyses indicated that the top 40 centimetres of soil at the Quarry site rates as fair to good for suitability for use in reclamation.

At the Plant site, it was determined that there were no surface water drainage channels and that the soils were very porous and permeable to water.

At present, under Eagle Graphite's recently submitted Mine Plan, the Company has a water license to draw water from Koch Creek if necessary. Water sources for the Plant site can be drawn from two wells. All Plant discharge water is to be recycled from the settlement pond.

In addition, the Quarry access road has a system of ditches and appropriately placed culverts that meet the Forest Practices Code. Water from the ditches will go to a settlement pond, however, it is noted that almost all the water naturally infiltrates into the glacial till. Groundwater is minimal to non-existent as the Quarry is located along the steep terrain of the Hoder Creek valley.

The end land use at the permitted mine is forested wildlife habitat. The end land use at the Plant is a mix of commercial forest and ungulate range. In addition, under Eagle Graphite's Mine Plan, any developed areas that are no longer in use will be reclaimed as soon as possible and environmental integrity at the site will be maintained.

24.5.2 Permitting

As required under the BC Mines Act, mine plans, reclamation programs, and any design reports associated with a mine permit on a mining lease must be renewed every five years to account for changes to mine and reclamation plans. The proponent may also apply, of their own accord, to the Chief Inspector to extend the term of a Mine Permit. Such renewals are obtained by submitting a permit renewal application in the same manner as the original Mines Act permit application. The new permit is called an 'amended permit' and it supersedes all previous permits. In dealing with renewal applications, the Chief Inspector has broad powers to impose changes on existing conditions, including Mine Permit terms, where the Chief Inspector considers it necessary. A new Mine Plan was submitted to the BCMEM by the Company on June 5, 2014.

As required on a 5-year basis the Company submitted an updated Mine Plan to the BCMEM on June 5, 2014. The Mine Permit would allow for production of up to 250,000 tonnes a year, although at this time no production decision has been made by the Company. The small production size falls within the threshold of a small industrial mineral quarry under the BC Environmental Assessment Act, and is thus not subject to the BC environmental assessment process.

Mineral exploration on the Property outside of a mining lease would follow procedures as outlined in Section 4.4 of this Report.

24.5.3 Social and Community Impact

The social and community impact addressed in the 2002 Mine Plan included public and First Nation consultation. An open house informal meeting was held at the Slocan Park Hall for the public at large. Special interest groups were also contacted, and included the Slocan Valley Watershed Alliance, the Valhalla Wilderness Society, the Slocan Valley Wildlife Association, Winlaw Fire Department, Passmore Fire Department, Mountain High Recreation (a heli-ski lodge) and the Kootenay Mountaineering Club.

The Okanagan Nation Alliance and the Westbank First Nations were contacted, and representatives visited the project site and toured the Plant facilities. In addition both groups participated in an Archeological Impact Study, conducted in 2001.

The Ktunaxa Kinbasket Treaty Council was contacted, and representatives visited the site in 2001, conducting a preliminary inventory of vegetation. Seeds were collected for the possibility in the future of developing a native seed mix for reclamation purposes.

The Shuswap Tribal Council, the Spalumcheen Band and the Sinixt Nation were also contacted; the latter group sending representatives to tour the site during the fall of 2001.

24.6 Capital and Operating Costs

No capital and operating costs have been determined for the Property.

24.7 Economic Analysis

No economic analysis has been completed on the Property.

While the Plant is not currently operating, it has historically operated at an equivalent output of 4,000 tonnes per annum. Recent production at the Plant included truckload quantities of finished graphite in 2013 and smaller quantities of finished graphite in 2014 for applications such as paints and graphene production. An estimated 1,000 tonnes of graphite-bearing feed material is reported as stockpiled at a transfer station at the base of the quarry.

Pit operations to obtain additional graphite-bearing Plant feed could be resumed following routine equipment servicing. The Plant remains in a ready state to re-commence operations upon a production decision being made by management once necessary financing is in place.

25.0 Interpretations and Conclusions

The graphite mineralization found at the Property is best categorized as a disseminated flake graphite deposit. The graphite mineralization on the Property is particularly amenable to extraction by quarry methods as it is lying sub-parallel to slope of the hillside in the Quarry Block and offers the benefits of a low stripping ratio.

The Deposit has road access and is located in an area of excellent infrastructure and resources. The Deposit has an NI 43-101 compliant Resource, which co-author Carpenter believes can be relied upon.

The Property has a Mine Permit from the BCMEM and a fully permitted Plant, the latter supplied with power from a hydro substation at Passmore. The 11 km long power line follows the right-of-way of a BC Hydro high-voltage power line that passes within 400 m of the Plant site.

In 2010, the Company signed an off-take agreement to supply graphite material to an end-user and has supplied 120 tonnes of graphite since that time derived from stockpiled regolith material. This agreement has subsequently been extended.

26.0 Recommendations

Eventual production on the Property will be carried out from a number of benches in rotation to allow weathering processes to liberate graphitic material from the host rocks. To facilitate placement of these benches the following exploration programs are recommended:

(i) Phase I GPR Survey

It is recommended that a ground-based ground penetrating radar survey be conducted along the topographic contours over the Quarry area and immediately adjacent mineralized area to the south and southeast where recent logging has exposed additional graphitic material. This non-invasive system is expected to define with accuracy the various stratigraphic zones to a depth of roughly 20 m and should differentiate between overburden, regolith and transition zone and allow the planning of extraction to maximize production.

(ii) Trenching and diamond drilling

The GPR survey alone will not allow the delineation of graphite bearing bedrock. A series of trenches is therefore recommended to be developed across the logged zone to expose graphitic strata and permit detailed sampling and mapping which should provide additional data for eventual resource modeling. A surficial model will be developed in conjunction with the ground penetrating radar system (GPR) program across portions of the Deposit. The GPR and trench work, once complete, will not be sufficient to allow a third dimension to mineralization, and additional diamond drilling will be done to further delineate near-surface graphite rich zones and structural controls at depth below the regolith and transition zones.

Drilling will be done within the resource area in two areas selected along current access roads within the Quarry Lease and/or within trenches constructed as part of Phase I. Drilling will comprise 20 diamond drill holes spaced at 20 metre intervals. Ten drill holes per area will be selected. The location of the areas for testing and the location of the drill holes will be more fully defined once the Ground Penetrating Radar survey is completed. Generally, shallow holes are recommended during the Phase I program. Since the mineralized zone, as determined from cross sections of previous work, is within 50 m of surface, a program of shorter drill holes with a maximum depth of 50 m is recommended. QC/QA procedures should be rigorously

applied for future sampling of all drill core and trench material. The use of an independent laboratory is recommended for analyses.

Phase II

Core Drilling

Contingent on the successful completion of the Phase I program, additional drilling (and trenching) would likely be required to provide sufficient data for an updated resource estimate. In addition to new drilling and trenching, re-sampling of the 2011 drill core would be necessary to conform with industry-accepted QC/QA procedures.

A general budget for **Phase I** includes:

Ground Penetrating Radar Survey and interpretation	30,000
Drilling (1,000 m @ $120/m)	120,000
Mob and Demob	3,000
Trenching costs	10,000
Field Crew (geologist/ assistant)	30,000
Field Costs (food, accommodation, vehicle rental etc)	15,000
Analytical (200 samples @ $50/sample)	10,000
Head Office costs, report	10,000
Sub total	**$228,000**
Contingency (~15%)	$34,000
Total	**$262,000**

A general budget for **Phase II**, contingent on results of Phase I, includes:

Drilling (2,000 m @ $120/m)	240,000
Mob and Demob	3,000
Field Crew (geologist/ assistant)	40,000
Field Costs (food, accommodation, vehicle rental etc)	30,000
Analytical (400 samples @ $50/sample)	20,000
Mineral Resource Estimation Update	40,000
Head Office costs, report	10,000
Sub total	**$383,000**
Contingency (~15%)	$57, 000
Total	**$440,000**

The reader is cautioned that in the event of positive results from the proposed programs, much more exploration and investment will be required to properly evaluate the Property.

IT IS THE OPINION OF THE AUTHORS THAT THE CHARACTER OF THE PROPERTY IS OF SUFFICIENT MERIT TO JUSTIFY THE RECOMMENDED PROGRAMS.

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