KEMESS UNDERGROUND PROJECT

SCHEDULE A

CERTIFIED PROJECT DESCRIPTION FOR AN ENVIRONMENTAL ASSESSMENT CERTIFICATE

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INTERPRETATION

In this Certified Project Description, terms that are capitalized but not defined have the same meaning as those terms defined elsewhere in this Certificate, including in the Table of Conditions.

This Certified Project Description describes the Project authorized by this Certificate, but does not obligate the Holder to construct or operate any aspect of the Project unless otherwise stated.

1. PROJECT LOCATION

The Kemess Underground Project (KUG Project) is located at 56° 59' 51.55' North latitude and 126° 45' 29.27" West longitude, at the former Kemess South (KS) mine approximately 430 kilometres (km) northwest of Prince George and 250 km north of Smithers (Maps 1 to 4). The KUG Project is located within the Peace River Regional District.

2. PROJECT COMPONENTS AND ACTIVITIES

2.1. Use of Existing Infrastructure

The KUG Project is located at the former KS mine and will use existing KS infrastructure including the process plant, which contains a grinding circuit, flotation circuit, and concentrate truck loading facility. Other existing infrastructure that will be used by the KUG Project includes ore stockpile areas, administration building, workshop, warehouse, laydown areas, electrical substation, camp, airstrip, diesel storage tanks, explosives magazines, site roads, water management infrastructure and related facilities.

KUG Project access for bulk materials and concentrate transport is via the existing Omineca Resource Access Road that joins the British Columbia highway system (Hwy 97) south of Mackenzie. Personnel access to the KUG Project is via chartered aircraft to the existing on-site airstrip.

Electricity is provided by an existing power line from the Kennedy substation near Mackenzie with back-up power provided by existing diesel generators.

Use of existing infrastructure includes upgrades, modifications and refurbishments to the existing process plant, administration building, camp facilities, and potable water and domestic sewage treatment infrastructure.

2.2. Underground Mine

- Underground mine using panel caving to produce up to 110 million tonnes of copper and gold ore over the life of the KUG Project.
- Up to three decline tunnels to provide access for personnel, equipment and materials, intake ventilation, and conveying;
- Hydraulic bulkheads on the three decline tunnels installed at closure.
- Underground crushers, equipment maintenance facilities, electrical substation, water pumping station and dewatering line, explosives magazines, fuel storage, ventilation raise to surface and related fans, conveyors, electrical reticulation and ancillary facilities for emergency, offices, first aid, and lunch rooms.
- Construction of up to 2 km of the northern segment of the road to the exhaust ventilation raise.
- Upgrades to portions of an existing surface exploration road that is the southern segment of the road to exhaust ventilation raise.
- A surface subsidence zone up to 112.4 hectares (ha) in area above the underground mine.

2.3. Kemess Lake Valley Area

- Up to four portal entrances: three decline portals and one access tunnel portal.
- Temporary waste rock and ore stockpile areas, overburden stockpile, propane tank farm, electrical substation and a section of the 25 kilovolt (kV) electrical transmission line, ventilation fans and air heaters, equipment and supply laydowns, workshop and stores facilities, access and service roads, and office trailers.
- Water handling facilities, including mine dewatering facilities, non-contact diversion ditches, contact water collection ditches, and contact and non-contact water collections ponds.
- Conveyor transfer station that connects the underground mine conveyor to the surface conveyor.
- Surface conveyor.

2.4. Kemess Underground Access Corridor

- An up to 100 metre (m) wide access corridor from existing infrastructure at the KS Mine Site area northwards to the Kemess Lake Valley area, including an up to 1,000 m long access tunnel.
- Access road, surface conveyor system, 25 kV electrical transmission line, and underground dewatering pipeline within the corridor allowance.
- Facilities at the south end of the access tunnel to support access tunnel development including laydowns for equipment and materials, temporary waste

rock stockpile, overburden stockpile, ventilation fans, water handling infrastructure, electrical infrastructure, compressors, stores and offices.

• Upgrades to existing surface exploration road to support construction of access tunnel and Kemess Lake Valley infrastructure and to provide on-going access during operations.

2.5. Kemess South Mine Site Area

- Concrete-shotcrete batch plant.
- Expansion of the existing borrow 10 of up to 42 ha and the east pit quarry of up to 12 ha, and use of KS non-acid generating waste rock dumps for construction material.
- Access road, surface conveyor, electrical transmission line, and underground dewatering line to the Kemess Underground access corridor.
- Kemess Underground waste rock and tailings storage facility (KUG TSF) in the existing KS open pit with tailings beach upstream of an earth-fill dam (KUG TSF east dam), and closure spillway from the tailings storage facility to Waste Rock Creek.
- Water management infrastructure associated with the KUG TSF and east dam.
- Selenium and metals removal water treatment plants.
- Upgrades to the existing water pipeline from the existing selenium collection pond to both the KUG TSF and to the selenium removal water treatment plant.
- KUG TSF water discharge pumps and pipelines.

2.6. Discharge Pipeline Corridor

- Discharge pipelines to Attichika Creek.
- Discharge pipelines outlet in Attichika Creek.
- Maintenance right-of-way with a maximum width of up to 40 m including maintenance road.

APPENDIX A: CERTIFIED PROJECT DESCRIPTION MAPBOOK

Figure 1: Overall layout of the Kemess Underground Project GIS # KUG-15-093 Figure 2: Kemess Underground Project North Detail GIS # KUG-15-095a Figure 3: Kemess Underground Project East Detail GIS # KUG-15-095b Figure 4: Kemess Underground Project South Detail

GIS # KUG-15-095c

Map 1 Overall Layout of the Kemess Underground Project



Map 2 Kemess Underground Project North Detail



Map 3 Kemess Underground Project East Detail



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Map 4 Kemess Underground Project South Detail

