096904

ASSESSMENT REPORT on YEAR-2015
Site Reclamation and Clean-up of Exploration Site
and Restoration of Drill Core

on the

NORTHERN DANCER PROPERTY

NTS Sheet 105B/4

Latitude 60°00'10"N; Longitude 131°37'00"W

for

Largo Resources (Yukon) Ltd.

in

Yukon and British Columbia, Canada

January, 2016

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1.0 Introduction

Largo Resources (Yukon) Ltd. (hereinafter referred to as "Largo") holds a 100% interest in a contiguous group of claims and tenures in the Yukon and British Columbia known as the Northern Dancer property. The property consists of 23 mineral claims and three (3) tenures totaling 1571 hectares in the Yukon Territory and British Columbia respectively. The property hosts the Northern Dancer tungsten-molybdenum deposit, located along the north side of the Yukon-British Columbia border about 240 kilometres east of Whitehorse, Yukon, Canada.

In 2015 Largo conducted an assessment of ongoing reclamation of the drill roads, former historic work areas including the adit and grinding circuits, and comleted clean-up and removal of all buildings related to the former exploration camp site. This work was done to complete the requirments associated with the Class 3 Yukon exploration permit as Largo has placed the project on temporary closure and maintenance due to low global commodity prices. Largo does not have an exploration or work permit with British Columbia.

This report will document the reclamation studies completed and detail all site clean up activities along with a detailing of expenditures of activities that took place within Yukon.

This report was written to satisfy requirements by the Whitehorse Mining Recorder Office of Yukon Energy, Mines and Resources, Whitehorse, Yukon and to inform the Mines Inspection Branch in order to ensure that Largo is in compliance with all exploration permit requirements and to obtain a temporary closure certificate for the site.

1.1 Underlying Agreements

On February 15, 2006, Largo entered into an option agreement with Strategic Metals Ltd, to acquire an initial 70% interest in the Dansar 1-23 claims and three land tenures through completion of CDN$5.0 million in exploration expenditures by the third anniversary of the agreement (April, 2009), including $1.5 million incurred by the first anniversary. The agreement included issuance of 2,000,000 common shares to Strategic Metals upon execution of the agreement, followed by a further 1,000,000 common shares for each of the next two anniversary dates, for a total of 4,000,000 common shares. Strategic Metals retains a 3% Net Smelter Royalty (NSR), 2% of which may be obtained by Largo. In 2011, Largo purchased the remaining 30% interest in the property from Strategic Metals Ltd. for $5.0 million.

1.2 Involvement of the Qualified Person

Kevin Brewer, a Registered Professional Geoscientist with the British Columbia Association of Professional Engineers and Gesoscientists, is the author of this report and the "Qualified Person". Mr Brewer was the General Manager for Northern Dancer on contract with Largo since 2008.Mr. Brewer managed the 2015 field program and was present during 100% of the field portion of the program, extending from May 15 to September 15, including supervision of subcotnractors and undertaking the other study and work activities. He has subsequently prepared the reports and compiled the expenditure summary for the 2015 field program.

2.0 Property Location and Claim Blocks

The Northern Dancer property consists of 23 full and fractional quartz mining claims covering roughly 420 hectares (1,037 acres) in Yukon and three land tenures covering 1150.8 hectares. The property is accessible by a rough road extending north from the Alaska Highway. Largo Resources is also the operator of three adjoining mineral tenures contiguous with the Dansar block; these extend aiong the access road within the British Columbia side of the border.

In Yukon, Largo holds 23 claims (including 7 partial claims, see Figure 1), called "Dansar" 1-23, with at the time of writing were asociated with the grant numbers listed in Table 1.

The three land tenures included within British Columbia are:

Name	Tenure No.	Ha
Logtung 1	509951	388.69
Logtung 2	527199	405.19
Logtung 3	527200	356.97

2.1 Claim Status

The clains status for the Dansar Claims in Yukon and the tenures in British Columbia are presented in Table 1.

3.0 Access, Physiography and Climate

The Northern Dancer property straddles a north-northeast trending ridge separating the headwaters of West Logjam Creek, flowing to the southeast, from a tributary of Two Ladders Creek, unofficially known as "Marilyn Creek", which flows to the northwest. The terrain is fairly steep, with some inaccessible areas particularly along the northwest side of the ridge, although most of the southeast facing side and lower elevations to the northwest at the headwaters of Marilyn Creek are accessible. Elevations within the Yukon property portion range from about 1,350 metres to roughly 1,750 metres towards the southwestern boundary. The ridgeline has an average height of about 1,600 metres. Stunted sub-alpine forest extends to about the 1,500 metre level along the southeast side; the rest of the property is covered by alpine tundra vegetation or is essentially un-vegetated. The entire area has been glaciated.

The climate is sub-alpine, with abundant rainfall and snowfall, particularly by Yukon standards. The area is covered by snow from late September to early June; snowfall amounts typical exceed 2.0 metres by late March.

The property is accessible from about early June to late September by a 13-kilometre access road extending north from the Alaska Highway at Km 1176. The Alaska Highway is a major roadway linking Alaska and the Yukon with southern Canada. The access road is somewhat rough, and is intended for 4 x 4 vehicles, although it has been improved through regular maintenance and at times may also be suitable for two wheel drive vehicles with good clearance. It is also usable by larger service vehicles. The road was upgraded somewhat in 2007, with the

Table 1: Claims and Tenure Status as of January, 2015

Claims Status - Dansar Claims, Yukon

District	Grant No.	Claim Name	No.	Claim Owner	Claim Expiry Date	Status	NTS Map No.
Watson Lake	YB91322	DANSAR	1	LARGO RESOURCES (YUKON) LTD. - 100%	2029-03-12	Active	105B04
Watson Lake	YB91323	DANSAR	2	LARGO RESOURCES (YUKON) LTD. - 100%	2029-03-12	Active	105B04
Watson Lake	YB91324	DANSAR	3	LARGO RESOURCES (YUKON) LTD. - 100%	2029-03-12	Active	105B04
Watson Lake	YB91325	DANSAR	4	LARGO RESOURCES (YUKON) LTD. - 100%	2029-03-12	Active	105B04
Watson Lake	YB91394	DANSAR	5	LARGO RESOURCES (YUKON) LTD. - 100%	2029-03-12	Active	105B04
Watson Lake	YB91395	DANSAR	6	LARGO RESOURCES (YUKON) LTD. - 100%	2029-03-12	Active	105B04
Watson Lake	YB93166	DANSAR	7	LARGO RESOURCES (YUKON) LTD. - 100%	2024-03-12	Active	105B04
Watson Lake	YB93167	DANSAR	8	LARGO RESOURCES (YUKON) LTD. - 100%	2024-03-12	Active	105B04
Watson Lake	YB93168	DANSAR	9	LARGO RESOURCES (YUKON) LTD. - 100%	2024-03-12	Active	105B04
Watson Lake	YB93169	DANSAR	10	LARGO RESOURCES (YUKON) LTD. - 100%	2024-03-12	Active	105B04
Watson Lake	YB93170	DANSAR	11	LARGO RESOURCES (YUKON) LTD. - 100%	2024-03-12	Active	105B04
Watson Lake	YB93171	DANSAR	12	LARGO RESOURCES (YUKON) LTD. - 100%	2024-03-12	Active	105B04
Watson Lake	YB93172	DANSAR	13	LARGO RESOURCES (YUKON) LTD. - 100%	2024-03-12	Active	105B04
Watson Lake	YB93173	DANSAR	14	LARGO RESOURCES (YUKON) LTD. - 100%	2024-03-12	Active	105B04
Watson Lake	YB93507	DANSAR	15	LARGO RESOURCES (YUKON) LTD. - 100%	2024-03-12	Active	105B04
Watson Lake	YB93508	DANSAR	16	LARGO RESOURCES (YUKON) LTD. - 100%	2024-03-12	Active	105B04
Watson Lake	YB93509	DANSAR	17	LARGO RESOURCES (YUKON) LTD. - 100%	2024-03-12	Active	105B04
Watson Lake	YB93510	DANSAR	18	LARGO RESOURCES (YUKON) LTD. - 100%	2024-03-12	Active	105B04
Watson Lake	YB93511	DANSAR	19	LARGO RESOURCES (YUKON) LTD. - 100%	2024-03-12	Active	105B04
Watson Lake	YB93512	DANSAR	20	LARGO RESOURCES (YUKON) LTD. - 100%	2024-03-12	Active	105B04
Watson Lake	YB93513	DANSAR	21	LARGO RESOURCES (YUKON) LTD. - 100%	2024-03-12	Active	105B04
Watson Lake	YB93514	DANSAR	22	LARGO RESOURCES (YUKON) LTD. - 100%	2024-03-12	Active	105B04
Watson Lake	YB93515	DANSAR	23	LARGO RESOURCES (YUKON) LTD. - 100%	2024-03-12	Active	105B04

Claims Status BC Tenures

Title Number	Claim Name	Owner	Title Type	Map Number	Issue Date	Good To Date	Status	Area (ha)
509951		235301 (100%)	Mineral	104O	2005/mar/31	2016/mar/14	GOOD	388.693
527199	LOGTUNG 2	235301 (100%)	Mineral	104O	2006/feb/07	2016/mar/14	GOOD	405.141
527200	LOGTUNG 3	235301 (100%)	Mineral	104O	2006/feb/07	2016/mar/14	GOOD	356.967

installation of culverts at all sizable stream crossings, and a clear-span bridge across West Logjam Creek about 1.5 km south of the Yukon-B.C. border.

The operations camp was located just north of the border in Yukon. The access road extends from this point to the deposit area, and extends across the ridge to the northwest side. The road is inaccessible until early June, with the northwest side inaccessible until late June unless plowed.

The property covers previous underground workings by Amax Potash Ltd, which excavated about 494 metres of underground workings. Tailings, sorted into several rows according to depth of excavations, are located along a flat area near the adit mouth. No visible acid mine drainage is emanating from the adit mouth, although a small amount of seepage of clear water does occur. No tailings areas occur on the property.

Flat areas within the property occur along both flanks of the ridge, although these are likely to be too small to host sizable mill and other infrastructure workings, and are certainly too small to host large tailings impoundments. The nearest electrical infrastructure is at the Village of Teslin about 75 kilometres to the west; however, this community obtains its power from an electrical grid based at Whitehorse. Electrical power is also available at Watson Lake, roughly 160 kilometres to the east. Neither source can currently supply adequate power for future mining operations. Water is fairly abundant within property boundaries, although no streams extend across the deposit itself, due to its location along a height of land. Some drill sites require water to be trucked, rather than pumped, to the site.

A limited work force is available in the Village of Teslin, population about 250-300. A much larger workforce, including skilled personnel, as well as complete service facilities, exists at Whitehorse, roughly 240 km west of the Northern Dancer site. Whitehorse has a major international airport, and is located along the Alaska Highway. It has a population of approximately 28.000 people and is also the main government and business centre in Yukon.

4.0 History of Exploration

The following section is based largely on the January, 2007 assessment report authored by D. Eaton on 2006 activities by Strategic Metals and Largo Resources. Additional information is provided in a 1984 report by Noble, Spooner and Harris.

Exploration in the Northern Dancer area focused initially on lead-zinc-silver veining roughly 3 km to the northeast, within the present "Logjam" property. The Hudson Bay Exploration and Development Company Ltd conducted 2,070 metres of diamond drilling and 763 metres of underground workings from 1944 through 1967 (Noble, Spooner and Harris, 1984).

Exploration within the present property boundaries began in 1975, when Cordilleran Engineering, in service to the Bath Uranium Partnership, identified anomalous tungsten values from stream sediment sampling along West Logjam Creek. The following year Bath traced the anomalies to the now-delineated Northern Dancer deposit and staked a large claim block straddling the B.C.-Yukon border. Following preliminary prospecting, ownership of the property was transferred to Logjam Resources Ltd., which optioned it to Amax Potash Ltd in 1977. Between 1977 and 1981 Amax built the road to the property and conducted geological

mapping, soil geochemistry, IP surveying, and completed 11,869 m of diamond drilling in 51 holes. Amax also excavated 496 metres of underground workings and, from this, obtained a bulk sample for metallurgical testing. Amax also released a resource estimate of 162 million tonnes grading 0.13% WO_3 and 0.052% MoS_2 (Noble, Spooner and Harris, 1984).

Although surface work was done on both sides of the border, only four holes totaling 474 m were collared on B.C. claims. Most of the drilling focused on the present deposit area about 300 metres north of the B.C.-Yukon (Eaton, 2007).

In 1983 Amax transferred its interest to Canamax Resources Inc. which then prepared a preliminary feasibility study that concluded the deposit was uneconomic. In 1984 airborne magnetic and electromagnetic surveys were conducted. Canamax dropped its option in 1986, allowing most of the Yukon and all of the B.C. claims to lapse (Eaton, 2007).

In 1993 NDU Resources Ltd. optioned the remaining claims for the bulk tonnage gold potential, modeled on the Fort Knox Deposit in Alaska (Eaton, 1994). That program consisted of soil geochemical surveys and prospecting on both sides of the border plus 234 metres of diamond drilling in two holes. Soil sampling outlined large areas of moderately to strongly anomalous tungsten, bismuth and gold values; however results from surface rock sampling and drilling were disappointing. The option was allowed to expire (Eaton, 2007).

In 1998 Nordac Resources Ltd. (renamed Strategic Metals Ltd. in 2001) re-staked the deposit and performed additional prospecting and limited rock sampling, directed primarily toward beryllium potential. Strategic conducted a digital data compilation and performed more prospecting in 2001 (Eaton, 2002), prospecting and hand trenching in 2003 (Eaton, 2004), and excavator trenching and road construction in 2004 (Eaton, 2005).

Largo Resources Ltd. entered into its current option agreement with Strategic Metals in February 2006. During the 2006 field season, Largo conducted a 17 hole, 3,943.8 m diamond drill program, focusing on upgrading of the resource estimate to be in compliance with standards of National Instrument 43-101. Following this program, Largo released an updated resource estimate consisting of an inferred resource of 242.0 million tonnes grading 0.10% WO3 and 0.047% MoS2 (Largo News Release April 2, 2007).

In 2007 Largo conducted a diamond drilling program of 8,494 metres in 26 holes, focusing primarily on upgrading of the resource classification of the deposit. As a result, on April 10, 2008, Largo released resource upgrade figures, consisting of an indicated resource of 140.8 million tonnes grading 0.10% WO_3 (tungsten tri-oxide) and 0.026% molybdenum (Mo), with an additional inferred resource of 253.2 million tonnes grading 0.10% WO_3 and 0.022% Mo. Largo initiated metallurgical testing through SGS Laboratories of Waterloo, Canada and other research on the potential economics associated with the project. They also made various improvements to the access road including the installation of culverts and minor creek crossings and a bridge crossing on the upper portion of Logjam Creek.

In 2008, Largo continued its advanced exploration effort. A diamond drilling program of 11,509 metres in 38 holes focused on continuing to upgrade the resource classification and overall grade/tonnage of the deposit, and as well to identify and delineate higher grade zones of tungsten and molybdenum mineralization. Other work conducted included the initiation of environmental baseline studies (water quality, fisheries and wildlife investigations), ongoing road maintenance and improvement, a preliminary evaluation of the access route and aggregate quality assessment, and an assessment of potential tailings sites.

A portion of these activities were conducted within the three tenures in British Columbia currently owned by Strategic Metals Ltd and option to Largo Resources Ltd. with the exception of the drilling which was completed in Yukon and will therefore not be detailed in this report.

This report is prepared to meet the reporting requirements of the branches of the Whitehorse Mining Recorder and Mining Inspections of Yukon, Energy, Mines and Resources both of which have offices located in Whitehorse, Yukon.

5.0 Geology

5.1 Regional Geology

The Northern Dancer property is located within a thrust-fault bounded package of Carboniferous volcanic and sedimentary rocks of the Quesnellia terrane. The Quesnellia terrane, an adjoining package of Yukon –Tanana Terrane immediately to the southwest, and a package of Slide Mountain terrane just to the northeast, form part of a major sequence of accreted superterrane along the southwest side of the Tintina Fault about 110 km to the northeast. The northwest-southeast trending Tintina Fault separates the accreted terrane from the Ancient North American Continent, with a dextral displacement of about 450 km. Tectonic activity within the accreted terrane, as well as deformation, commenced during the early Mesozoic; accretion onto the ancient continent occurred during early Tertiary time.

More specifically, the Northern Dancer property is underlain by the Mississippian Klinkit assemblage, consisting primarily of mafic volcanic, epiclastic sediments, phyllites and quartzites, and carbonate lenses (Open files 3754, 2001-1, GSC), the latter two categories underlying much of the immediate area. Carbonate units are comprised largely of sandy limestones and dolomites, interbedded with graphitic argillites and phyllites (Noble et al, 1984); quartzites also comprise a major constituent.

The Carboniferous stratigraphy has undergone intrusion by two major suites of intrusive rocks. The earlier suite consists of diorites to ultramafic intrusions given a Jurassic age based on K-Ar age dating of comparable intrusions in the Jennings River area (Gabrielse, 1968 and Abbott, 1981), although diorite dykes in the area were given a Triassic age of 245 +/- 32 million years (Stewart, 1983). The younger intrusions have been categorized as belonging to the mid-Cretaceous Cassiar Suite, consisting primarily of porphyritic quartz monzonite to monzodioritic intrusions (Noble, et al, 1084) with an age range of 100 to 120 million years. This suite includes the Seagull Batholith about 10 km to the northeast, which straddles the boundary between Quesnellia and Slide Mountain terrane rocks.

5.2 Property Geology

The property is located within a fault-bounded package of Quesnellia Terrane volcanic, limestone and calcareous clastic sedimentary rocks, comprising part of the accreted terrane bounding the southwest side of the Tintina Fault. Two major intrusive events resulted in emplacement of a suite of Jurassic ultramafic to dioritic intrusions, followed by the mid-Cretaceous Cassiar Suite of porphyritic quartz monzonite to monzodioritic intrusions, including the Seagull and Hake Batholiths.

Specifically, the property covers a package of limestone through silty limestone and calcareous fine clastics intruded by a Jurassic diorite stock in the southwestern area. A Cretaceous quartz monzonite stock occurs just south of the border, and is likely comagmatic with a felsic porphyritic dyke system northeast of the diorite stock. The porphyry dyke system is central to the deposit, which extends north-northeast from the diorite stock for roughly 1,200 metres along a northeast trending ridgeline. The deposit, essentially representing a porphyry-style setting, is hosted by several lithological settings, including the dyke system and adjacent "skarn" mineralization within altered calcareous sediments.

In addition to the further upgraded resource estimate of April 10, 2008, Largo concluded that potential remains for enlargement of the known deposit dimensions, particularly along flanks of the ridge. Several holes also returned higher grade tungsten intercepts at shallower depths than expected, indicating potential for shallow higher grade zones. Mineralogy, occurring within four vein sets, is influenced by host lithology. The skarn setting is the only one to host an abundance of all four vein sets. Molybdenum, occurring primarily as quartz-molybdenite veins, is controlled by the central porphyry dyke system, with Mo grades increasing with depth. Mineral potential also occurs in areas outside of the deposit, including the vicinity of the Marilyn Creek occurrence identified in 2007.

As previously noted, the primary focus of the 2008 program was on a diamond drilling program of approximately 11,509 metres, designed to confirm and up-grade the classification of the existing resource base to the Measured and Indicated categories. In 2009, Largo also completed a Preliminary Economic Assessment with associated metallurgical reviews, project engineering, and marketing studies, to determine future or advancement of the project. The Preliminary economic evaluation included an examination of all main project parameters ranging from actual mining to marketing and sale of products, and conceptual engineering and site layout. In 2011 Largo initiated efforts towards a preliminary feasibility study and detailed environmental baseline studies to advance project permitting. Due to Largo's focus on supporting mine developments in Brazil, Largo decided to suspecnd the prefeasibility study effort in 2012.

5.3 Mineralization

The Northern Dancer deposit forms a kidney-shaped zone centered on a porphyritic quartz monzonite dyke system north of the Yukon – BC border, roughly 500 metres outbound of the Cretaceous quartz monzogranite stock. The zone extends north-northeast from the earlier Jurassic diorite stock a distance of roughly 1,200 metres, somewhat beyond the limits of the porphyry dyke system. Earlier workers state the porphyritic dykes are Cretaceous, and thus coeval with the stock (Noble, et al, 1984) although later workers ascribe an early Tertiary age

for both intrusive systems (Eaton, 2007); both estimates indicate the dykes and stocks are comagmatic. The essentially unmineralized monzogranite stock contains highly anomalous levels of primary tungsten, averaging 111 ppm (9 determinations) and attaining 510 ppm, and molybdenum, averaging 46 ppm, up to 235 ppm. This strongly suggests the stock is the source of W-Mo mineralization, hydrothermally transported from it into the porphyry dyke system and adjacent reactive sediments (Noble et al, 1984).

Mineralization is hosted largely by the multi-episodic vein system crosscutting the stock and calc-silicate-altered calcareous units. Much of the veining comprises a sheeted vein system, oriented at about 020°E, and dipping steeply southward. Veins are largely of centimeter to sub-centimeter scale, although thicker veins in the 5-10-cm range are common, particularly within the Jurassic diorite stock in southwestern areas. One vein averaging about 30 cm in thickness extends north-northeast for several hundred meetings from the diorite stock north-northeast into the calcareous sediments.

At least four major episodes of veining, caused by repeated pulses of hydrothermal fluid emplacement following fracturing of the host stratigraphy, have been identified.

Largo has released three resource estimates on the Northern Dancer deposit in April 2007, April 2008 and as recent as July, 2009. The latest release noted that at a cut-off grade of 0.06% WO3, **Measured** mineral resources were estimated at 30.8 million tonnes grading 0.114% WO3 and 0.030% Mo, and **Indicated** mineral resources of 192.6 million tonnes grading 0.100% WO3 and 0.029% Mo. The Measured and Indicated mineral resource estimate contains 500.1 million pounds of WO3 (226.9 k tonnes) and 143.8 million pounds of Mo (65.2 k tonnes). Inferred mineral resources were estimated to be 201.2 million tonnes grading 0.089% WO3 and 0.024% Mo containing 393.1 million pounds of WO3 (178.3 k tonnes) and 107.7 million pounds of Mo (48.9 k tonnes). The Qualified Person as defined under National Instrument 43-101 responsible for the scientific and technical work associated with the resource estimate was Mr. Andy Campbell, Vice President of Exploration for Largo Resources Ltd.

The 2008 - 2010 drilling programs have provided Largo with a much better definition of the higher grade zone within the deposit, which is estimated to contained a Measured and Indicated resource of 60.3 million tonnes grading 0.137% WO3 and 0.045% Mo (WO3 equivalent 0.215%) and an Inferred mineral resources of 5.4 million tonnes grading 0.134% WO3 and 0.047% Mo (WO3 equivalent 0.214%) at a 0.17% equivalent WO3 cut-off grade.

The drilling conducted in that period, indicated that the higher grade zone averages 50 metres in width, extends along strike for approximately 1,200 metres and extends from surface to an average depth of 350 vertical metres. This higher grade zone is consistently mineralized over the full extent drilled to date and is open along strike to the southwest and at depth. Soil geochemical work indicates that the mineralized system likely extends for at least a further 400 metres along strike.

6.0 Work Program

6.1 Personnel

39627 Yukon Inc. managed logistics, on-site operations (reclamation and clean-up), supervision of subcontractors and conducted reclamation assessments of the Northern Dancer exploration

site, under the direction of Mr. Robert Campbell, Vice President - Exploration and Qualified Person for the Northern Dancer project.

The following personnel were employed by or sub-contracted to Largo Resources Ltd.:

Kevin Brewer, MBA, BSc.(Hons), PGeo:	General Manager
Nicholas Campbell	Field assistant

Subcontractors who provided heavy equipment and related logisitcs for the site clean up included Tescon Construction Ltd. of Teslin.

Grocery services were provided by Superstore and Nisutlin Trading Post of Teslin; some other expediting was provided by Small's Expediting Services of Whitehorse.

6.2 Work Program

The work program in 2015 included an:

- Design and implementation of a reclamation plan for the temporary closure of the Northern Dancer site;
- Site clean-up including removal of the former exploration camp, core cutting and exmaination facilities, first aid building, generator building, and remnants of a grinding circuit possibly used by AMAX in the 1980's;
- A site visit by Largo's Chief Operating Officer and VP-Exploration to conduct a review of the project status and examine the potential viability for further engineering and metallurgical studies; and,
- An assessment of the entire exploration site examining the progress of reclamation of former drill roads and pads.

6.2.1 Temporary Closure Plan

In order to be in total compliance in terms of site conditions and closure issues with its class 3 Yukon exploration permit Largo initiated the development of a temporary closure plan for the site. This included plans for clean up of the entire site including removal of previous materials such as remanants of a grinding circuit thought to be the remainder of an old grinding circuit possibly used by AMAX in the 1980's when they constructed the 496 meter adit, timbers and other materials from the collapsed cover of the adit, and determination of a method to provide for a temporary closure of the adit.

The adit at Northern Dancer is 99.5% water filled. The only concern is the entrance of the adit prior to the initial decline which occurs within 10 meters of the entrance. Concerns initially arose by Largo after the timber covered entrance to the adit collapsed in 2011, thought to have resultewd from a combination of snow loading and the age of the entrance cover. As a result of that event, Largo initially removed the timber cover and replaced it with a temporary plywood cover that secured the entranceway. The temporary cover was done to avoid any possible accident. Even though there is limited access to the adit when fully exposed, it still presents the possibility for persons to enter the adit entranceway and therefore be exposed to rock debris from the adit roof and/or walls. The roof adit is securely bolted and rock conditions of the adit walls and roof are sound and were regulalry inspected by officials from Largo.

But with the possibility that the adit would no longer be inspected annually, it became necessary to install another adit cover. In consultation with officials from Energy, Mines and Resources Yukon, the most viable and safe option for an adit cover was to backfill then entranceway with aggregate materials.

Largo hired Tescon Construction who provided the excavator, tandem truck and tractor used to gather aggregate materials to plug the entranceway. The foundation of the cover comprised of 0.25-0.5 meter diameter boulders backfilled into the adit and up to the roof level. A sump drain was constructed to allow for the continued drain of free flowing water from the adit so that the plug would not build up water pressure inside the tunnel. The boulder cover was then backfilled with smaller coarse gravels and sand as infill material and to provide an additional 3 meters of cover over the initial rock foundation. This material extended approximately 5 meters over the roof of the adit to provide extra precaution and fill cover in the case of possible slumping or settling of the aggregate cover. Further details and pictures are presented in Appendix 3.

In the future, if the site is to be permanently closed, it may be necessary to eventually construct a concrete plug for the adit. However, within the foreseeable future, Largo wishes to have the option to possibly dewater the adit for engineering, geotechnical, and/or geological studies of the deposit. Therefore an aggregate cover that could be removed with minimal effort but that would also serve to secure the adit entranceway was constructed. This clearly resolves any issues of adit security until such time that it may be eventually replaced if the project is put on permanent closure.

6.2.2 Site Clean-Up

As previously noted an extensive site clean-up program was conducted during the 2015 season. This included, but was not limited to:

- Removal of all tent platforms
- Removal of the dry and kitchen platforms
- Removal and backfill of outhouses. (One outhouse was left at site at the request of members of the Teslin Tlingit Council who occasioanlly use the area to camp and conduct activities such as berry picking, hunting, or general recreational purposes).
- Removal of the site office, core examination and cutting facilities, safety building, and generator building. The safety building was disassembled, moved to Largo's core storage yard in Whitehorse and re-assembled and is now being used for general storage purposes.

All sites with buildings were regraded. Garbage and waste disposal was taken to the Teslin waste disposal facility. All fuel drums were removed and taken to General Waste Management's facility in Whitehorse for disposal. Re-useable timber was given to Teslin Tlingit members for personal buidling purposes. Other re-useable materials or equipment was transported to Largo's storage facility in Whitehorse.

6.2.3 Engineering Assessment

Mr. Michael Mutchler, P.Eng and Chief Operating Officer and Mr. R.A. Campbell, P.Geo and Vice President of Exploration visited the Northern Dancer site in 2015 to conduct a site assessment. The primary purpose of the visit was to familiarize Mr. Mutchler with the site and

for the team to assess the merits of examining alternate production optiosn to those previously investigated during the preliminary economic assessment of the project.

From this visit it was determined by the corporate team that further investigations in the mine plan and associated resource should be evaluated to determine whether there were more economically attractive options for project development given the current low commodity prices. In this regard a mine planner and a metallurgist have been contrated to further evlauate options for Largo.

6.2.4 Reclamation Study

The Project Manager and author of this report helkd detailed discussions with officials from Mines Inspection and Corporate Energy, Mines and Resources Yukon, regarding the overall requirements to place the site on temporary closure and to meet the conditions of the permit. A challenge within the current Yukon regulatory regime is there are no provisions in policy and/or regulations relating to possible requirments or standards to facilitate temporary closure of the site.

Mines Inspection and the author also had a joint visit to the site to exchange opinions on what would be required for full compliance of the permit. Discussions focussed on:

1. Removal of the camp site and buildings;
2. Removal of the grinding circuit and former adit cover:
3. Removal and replacement of the plywood adit cover with an aggregate cover;
4. Grading of the stored ore materials that were originally from the adit; and,
5. Reclamation of drill roads and pads, with possible scouring to promote vegetation.

As previously noted, Largo completed the requirments 1-3 during the 2015 field season. However, Largo did not agree that it should be necessary to complete items 4 and 5.

The stored ore materials have a significant inherent value as it may be possible to use the materials to conduct detailed metallurgical testing of the orebody should Largo decide to proceed with an on-site bulk metallurgical test. This type of test has been dicussed with various consultants as a possible way to compliment detailed laboratory scale metallurgical tests that have already been conducted, and that could serve to have a significant impact on the determination of project viability given the fact that the mineralogy of the ore deposit and the ability to recover both tungsten and molybdenum for the deposit is a complex processing issue yet to be fully resolved.

Largo has also been in pursuit of an historic report that may link the ore piles to the specific source location in the adit. EMR Yukon does not appear to have a copy of this report that if it exists would probably have been prepared and submitted by AMAX, as they constructed the adit in the 1980's. Another possible source of the report has been identified by Largo. In either instance, the ore piles have the potneital to be of significant value and contribution to metallurgical testing of the orebody. Therefore, if graded as was suggested by the Mines Inspection Branch, this material would no longer be available for future testing and a significnat value of material would essentially be destroyed. In this regard, Largo decided that as the site is not being permanently closed and it is their full intention to resume advanced exploration

efforts in the medium term, the ore piles would not be graded. If necessary, to avoid a possible non-compliance issue with EMR Mines Inspection, Largo will renew the exploration permit at site.

Largo also conducted an assessment of current revegetation and the potential ability for drill roads and pads to naturally relcaim. The issue of full clsoure of the drill roads is also a sensitive issue with the Teslin Tlingit Council as the main drill road on the southern side of the Northern Dancer deposit, links into an extended network of former drill roads and trails that extends northwards to other exploration sites. This trail system is now used for both recreational and hunting purposes. Mines Inspection Branch of EMR requested that these drill road, and all of the drill roads and pads at site be scoured, regraded and closed to promote revegetation at the site.

This requirement was then discussed with members of the Teslin Tlingit Council and the Mineral Resources Branch to discuss possible options to full closure of the roads. In addition Largo conducted a detailed assessment of the current condition of all drill roads and pads through a detailed visual and mapping assessment of the current estimated degree of natural reclamation and provide a preliminary evaluation of the likelihood of natural reclamation of the entire site (see report, Appendix 3).

It is important to understand that many of the drill sites and roads are located in areas where there is no natural vegetation. The terrain is fairly steep, with some inaccessible areas particularly along the northwest side of the ridge, although most of the southeast facing side and lower elevations to the northwest at the headwaters of Marilyn Creek are accessible. Elevations within the Yukon property portion range from about 1,350 metres to roughly 1,750 metres towards the southwestern boundary. The ridgeline has an average height of about 1,600 metres. Stunted sub-alpine forest extends to about the 1,500 metre level along the southeast side; the rest of the property is covered by alpine tundra vegetation or is essentially un-vegetated. Over 75% of the site is naturally non-vegetated and consists of a rubble cover, with aggregate and/or rock of less than 0.25 meters in size that is prone to small scale rock slides and will therefore regrade over time to the natural slope gradient of the mountain. The remainder of the site (approximately 25%) consists of sparely vegetated areas with alpine tundra vegetation and stunted jack pines that are typically less than 5.0 meters in height, with less than 0.2 meters of soil cover.

Members of the Teslin Tlingit Council apprached on this matter by Largo, unofficially requested that ATV access continue to be provided on the main drill road on the southern side of the deposit.

An official from the Mineral Resource Branch noted that the primary drill road was providing access to other trail networks and as such ATV access should be maintained.

As a compromise position on this issue, Largo dug two 3.0 meter by 5.0 meter trenches on the main drill road to prevent vehicular access but to continue to facilitate ATV access. It also blocked access to the northwestern drill road on the southern portion of the property. On the northern drill roads, due to the steepness of those areas and naturally occuring rock slippage, the drill road is naturally regrading rapidly and is currently impassable by vehciular access, and before the expiry of the current exploration permit, there is a very high probability that those roads will even be impassable by ATV.

The reclamation assessment aslo concluded that in places where there is a limited degree of natural revegetation, due to the limited original organic cover, there was limited to no possibility of replacing the organic material removed to establish the drill roads and if that was undertaken the effort would only result in further distrubance of the natural landscape and therefore not be productive to undertake. In addition, the assessment concluded that all of these areas were starting to naturally relcaim with the growth of grasses, moss, and/or bushes. The assessment included an examination of older drill roads on the British Columbia portion of the property that could provide insight into what is likley to occur if the areas are left to naturally revegetate. It was found that those drill roads now are naturally reclaiming, with 30-60% vegetative cover in the lower reaches, and above the 1,500 meter level where vegetation is non-existent, natural regrading of the slopes is occuring and roads will soon be impassible even by ATV. It was therefore concluded that the level of disturbance of areas already naturally reclaiming, along with the related level of disturbance that would be created by the use of heavy equipment to scour the ground, and the associated expense was not warranted. In fact, the assessment concluded that the rationale for scouring to mitigate compaction resultant from the industrial activity at site could not be justified as compaction in these areas was very limited and was not deterring in any manner natural revegetation of the drill roads or pads.

Largo has therefore concluded that the drill roads and pads at site should be left totally alone to naturally reclaim and regrade.

7.0 2015 Expenditure Summary

In Yukon, Largo expended $188,603 during the 2015 field season to undertake reclamation and clean-up of the Northern Dancer site and to retain the significant drill core holdings at its storage facility in Whitehorse. A detailed summary of these expendiures are presented in Appendix 2.

In British Columbia, Largo expended $7,027 during the 2015 field seson conducting an assessment of the progress of reclamation on former drill roads and pads associated with the histroric exploration activities undertaken within British Columbia.

8.0 Recommendations

Due to a combination of low current global commodity prices for tungsten and molybdenum and the projected forecast that price recoveries for those metals will likely not occur in the short term, it is recommended that the Northern Dancer project be placed into temporary closure.

However during this period, there is merit in assessing whether the project could be undertaken at a lower production volume accessing higher grade material within the deposit to intiate phase 1 of production and development at the site.

Should this preliminary evaluation be deemed potentially viable, the option to reinitiate environmental and engineering studies should be examined considering the potential timeframes to conclude project feasibility and to prepare a project description for application of an environmental assessment of the project by all regulatory authorities.

9.0 Conclusion

The following conclusions may be made from the 2015 program:

- Largo's significant efforts to complete site reclamation and clean-up of the Northern Dancer property, including reclaiming areas affected by historic exploration efforts is a leading example of sound corporate and social responsibility in terms of land management, First Nations and community relations, environmental health and safety, and responsible business practices.
- Yukon should work to develop standards and policies for temporary closure of exploration sites. Without standards and policies it is difficult for companies and regulators to reach agreement on site requirements for temporary clsoure given the lack of flexibility within the current regulatory regime.
- An assessment of natural reclamation occuring on the Northern Dancer site has clealry concluded that the entire site if left to nature, will reclaim naturally within the short to medium term and it is best left for nature to take its own course. In a majority of instances, if efforts were undertaken to recover minimal organic material, regarding of material, and scouring efforts were undertaken, these efforts would only serve to create further ground disturbance and in fact delay the current natural regrowth occuring at the site.
- The adit cover should be examined annually until settling on the aggregate cover has occurred. This will likely only take one to two years. But until it is determined that further settling of the cover is unlikely, an annual inspection of the aggregate cover will ensure that the adit entrance is fully secured and therefore does not present a potential safety and/or liability issue at the site.

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Appendix 1. Certificate of Author

I, Kevin J. Brewer, PGeo, hereby certify that:

1) I am a self-employed Consulting Geologist and sole proprietor of:
39627 Yukon Inc. 6 Carnelian Court, Whitehorse, Yukon Y1A 6A3

2) I graduated with a Bachelor of Science (Honours) Degree in geology from Memorial University Of Newfoundland (MUN), St. John's, Newfoundland, in 1984.

3) I am a member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia (APEGBC).

4) I have worked as a geologist for a total of 20 years since my graduation from MUN.

5) I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

6) I am responsible for preparation of all sections of this assessment report titled "Assessment Report on Environmental Baseline Investigations and other work Completed on Property Access Route" comprising the Northern Dancer project. I was active on-site during the majority of the 2008 exploration program.

7) I have not had prior involvement with the property that is the subject of the Assessment Report.

8) I am not aware of any material facts or material changes with respect to the subject matter of the assessment report not contained within the report, of which the omission to disclose makes the report misleading.

9) I am independent of the issuer applying all of the tests in section 1.5 of National Instrument 43-101.

10) I have read National Instrument 43-101 and Form 43-101F1; however, this Assessment Report has not been prepared in compliance with that instrument and form.

11) I consent to the filing of the Assessment Report with the British Columbia Mineral Titles, Ministry of Energy, Mines and Resources, Government of British Columbia.

12) The effective date of this report is February 9, 2009.

Dated this 6th day of February, 2009.

"Kevin Brewer"

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Appendix 2: Statement of Expenditures

Expenditures Summary - Yukon

Year: 2015

Project: Reclamation and Temporary Closure at Northern Dancer

Claims: Dansar 1-23

Largo Resources (Yukon) Ltd.

Project Manager: Kevin Brewer P. Geo

Item	*Rate*	*Units*	*Subtotal*
Engineering Assessment			
COO	650	4	$ 2,600
VP Exploration	650	4	$ 2,600
Expenses			$ 2,221
NORTHERN DANCER RECLAMATION			
Payroll			
Geologist			$ 90,000
Field Asst			$ 15,256
Project Mgmt - Toronto	1833.33	12	$ 22,000
Field Expenses			$ 16,178
Subcontractors			
Tescon Dev Corp			$ 15,000
Smalls Expediting			$ 113
Office Supplies and Report Materials			
supplies			$ 200
Mileage			
Whitehorse and area	0.625	3600	$ 2,250
Whitehorse - Core Yard and Storage			
Core Yard	750	12	$ 9,000
Storage	750	9	$ 6,750
Electrical - Storage			$ 705
Legal			$ 2,230
Project Administration			$ 1,500
Total			**$ 188,603**

Expenditures Summary - British Columbia

Year: 2015
Project: Reclamation at Northern Dancer
Tenure Applicable:
Company: Largo Resources Ltd.
Project Manager: Kevin Brewer P. Geo

	Item	*Rate*	*Units*	*Subtotal*
Personnel				
	Geologist	500	6	$ 3,000
	Field Asst	250	4	$ 1,000
Accommodations				
	Crew	120	6	$ 720
Meals				
	Crew	100	8	$ 800
Mileage				
	Whse-Teslin	0.625	720	$ 450
	Teslin-Site	0.625	332	$ 208
Field Equipment				
	ATV	40	4	$ 160
	ATV trailer	16	4	$ 64
	Other	25	4	$ 100
Office Supplies and Report Materials				
	supplies			$ 25
Project Administration				$ 500
Total				**$ 7,027**

Appendix 3:

Report on the Temporary Closure of the Northern Dancer Exploration Site and An Assessment of Reclamation

Report on Temporary Closure of The Northern Dancer Exploration Site And An Assessment of Site Reclamation

Submitted to: Mr. R.A. Campbell, P. Geo
VP-Exploration, Largo Resources Ltd

Prepared by: Kevin Brewer, P.Geo.
General Manager, Northern Dancer Project

February, 2015

Table of Contents

1.0 Introduction

This report provides further description of the temporary closure activities undertaken by Largo Resources (Yukon) Ltd. at the Northern Dancer exploration site that straddles the Yukon-BC border in the Logjam Creek area. In addition, the author conducted a detailed evaluation of site reclamation which involved a detailed examination of site facilities, drill roads and pads, and all areas of previous disturbance.

2.0 Temporary Closure

Temporary closure of the site involved removal of all camp and office facilities, other structures including a former grinding circuit, industrial waste (i.e., steel piping, timbers, etc,.), and fuel. Additional closure activities included the backfilling of the adit entrance and closure of the primary drill access roads to vehicular traffic.

2.1 Removal of Camp and Office Facilities

Camp facilities only comprised of tent platforms. These were removed and the sites were regraded.

Office facilities included a core examination office, core cutting building, first aid building, and a main generator building (see photos 1 and 2). These buildings were dismantled and removed from the site. The fuel tank and all drums were also removed from site. The outhouse was left at the site as a result of request from members of the Teslin Tlingit Council and other locals who use the area for recreational and hunting purposes. The site was then regraded (see Photo 3).

2.2 Removal of Grinding Circuit and Other Waste

Part of a grinding circuit was left at site from previous site operators (see Photos 4 and 5). The steel structures were removed by Tescon Development Corporation, a First Nations construction company based in Teslin, Yukon. The site was then regraded.

Other industrial waste including drill pipe, other steel, and miscellaneous timbers were removed from the site and disposed of at the waste disposal facility in Teslin.

2.3 Backfilling of Adit

In the early 1980's AMAX constructed an adit into the Northern Dancer deposit. The adit is reported to be a total of 496 meters. From the entrance the adit is thought to branch to the northwest and southeast, providing an underground cross section of a majority of the deposit trending in the same direction as the hill.

In 2011, the timber cover of the adit entrance collapsed. For safety reasons, the former timber cover was removed and plywood cover was placed over the adit entrance (see photos 6 and 7). In 2015, the plywood cover was removed and replaced with an aggregate cover.

An initial step of the cover was to construct a French drain to facilitate the continuous free drainage of water from the adit (see photos 8 and 9. Quality testing of this water has indicated that the water has a pH in excess of 7.0 and has minor elevations of tungsten, molybdenum and

cadmium which is totally dissolved by creek systems to the south prior to entering any fish-bearing systems. The adit was then backfilled with boulders ranging on size from 0.25-1.5 meters until it covered the entire adit entrance. The boulders were then covered with a coarse granular material and more boulders from the surrounding area (see photo 10).

2.4 Temporary Closure of Drill Roads

In consultation with members of the Teslin Tlingit Council and other locals it was noted to Largo that they wanted to ensure continued use of the primary drill road to enable access to other trial systems that extend northwards. It was indicated by these persons, that it was important to them to have continued access to the trial systems by ATV for recreational and traditional activities such as hunting.

In addition, Largo is only temporarily closing exploration activity at the site and has full intention to conduct further advanced exploration activities when commodity prices improve.

In consideration of these issues, Largo decided to trench the primary drill road in two locations in a manner which allowed for continued ATV usage (see photos 11 and 12). However the main access road to the drill roads on the southern side of the hill that extends westwards was closed with a trench across the entire road preventing any further access by ATV or vehicles (see phot 13). In addition, the access road on the northern side is already naturally regrading and as a result, access is already limited to ATV usage only. Locals also use that route to hunt marmot for traditional purposes north of the deposit.

3.0 Assessment of Site Reclamation

A site inspection was completed by the Yukon Mines Inspection Branch of Yukon Energy, Mines and Resources. The inspector conducted an independent tour of the site prior to meeting with the General Manager to discuss options for site reclamation. The inspector noted that to help promote natural revegetation Largo should consider regrade and scour all drill roads. It was considered that regrading of loose material on the sides of the roads back into the roads and subsequent scouring would help promote vegetation as it would reduce compaction.

Largo considered this request and as a result decided to undertake an assessment of the progress of natural revegetation and sloping at the site to help determine whether scouring and regrading of material would be required. The primary rationale being that because the past natural state of a majority of the site was characterized by steep slopes of talus coarse material 0.05-0.25 meters in size, sparsely vegetated slopes with minor grasses and/or stunted pines in the lower reaches and valley areas, and minimal to no organic cover, Largo was not convinced that the activities requested by Mines Inspection Branch would result in a significant enhancement of the naturally occurring reclamation already evident at the site.

The following documents the methodology and approach of this assessment along with the findings supported by photographs and a map included in the Appendix of this report detailing the photo locations.

3.1 Approach and Methodology

Exploration at the Northern Dancer site has been active on several occasions since the 1970's. This has created a variety of land disturbances at the site arising from different activities including several drilling campaigns within Yukon and British Columbia ("BC"), and activities associated with the development of an adit and associated testing of materials.

Largo's involvement on the site commenced in 2006. Since then they have undertaken drilling activities at the site which have been limited to the Yukon portion of the property.

The hypothesis of the current assessment was to examine if natural reclamation of historical drill sites and roads was occurring this could be used as a possible predictive model for future reclamation within Yukon given that the terrain characteristics are similar and they are very proximal.

3.2 Reclamation on Historic Drill Roads and Pads in British Columbia

In this regard, the author inspected and recorded the natural reclamation occurring on the former drill roads and pads within BC that traverse a variety of terrain ranging from valley floor, talus slopes and vegetative cover to the top of the tree line.

On the BC portion of the property, all of the former drill roads are demonstrating that in all areas with land disturbance form drilling activities are naturally reclaiming. Drill roads that were subjected to compaction from industrial vehicular activity in the lower reaches are 60-80% reclaimed. Natural growth includes mosses, grasses, flowering plants, bushes and trees. In areas of talus slopes, natural regrading of the slopes is occurring as a result of natural gravitational activities associated with loose material present on steep talus slopes. In the valley areas, formerly compacted roads are naturally revegetating. Although the location of the trails is still visible, in several years it is evident that the location of these roads will eventually be difficult ot discern as the vegetation advances from mosses and grasses to being more dominated by scrub brush and stunted tree growth. This is clearly evident in photographs 1 to 4 which will now be further described.

3.3 Reclamation Status - Southern Side of the Northern Dancer Deposit

Photograph 1:

This photograph was taken from approximate location 3547000 Easting/6654400 northing towards the northeast. It depicts an overall view of all of the drill roads located on the southern portion at the Northern Dancer site within Yukon.

The photo shows that a majority of the southern slope comprises of non-vegetated to sparsely vegetated ground cover. In the northeastern portion of the southern slope, stunted trees are more common. In the lower valley floor, land disturbance from the construction of the adit is evident and appears as a light grey colored area.

The drill roads in the foreground in the upper reaches are already demonstrating that the talus slopes are naturally regrading.

Photograph 2:

This photograph was taken northeast of the weather station in the center of the valley south of the adit at 355350 easting/6654650 northing. The drill road looking westwards across the valley is showing good reclamation with the integration of grasses and short bushes now starting to grow. Note the lack of organic material on the sides of the trail.

Photograph 3:

This photograph was approximately 100 meters south of Photograph 2. Natural reclamation is at a similar stage with bushes starting to develop and general coverage of the trail at approximately 70-75%.

Photograph 4:

This photograph is approximately 25 meters north of the borderline with BC looking eastwards towards the weather station at 355325 easting/6654400 northing. The trail at this location is practically fully reclaimed and is difficult to discern from the surrounding topography.

Photographs 5-7

These photographs are all taken on the main drill road within BC that extends to the top of the mountain immediately southwest of the Northern Dancer deposit. It is estimated that these roads were used approximately a decade or so. According to the hypothesis, these areas would be showing advanced revegetation on the trails, and also exhibit possible erosional features and natural re-sloping. And this is exactly what you see on these photographs. Local vegetation now covers 50-90% of the former dill trails and pads within the region of the tree line. IN places there are now bushes that are a meter in height demonstrating advanced regrowth. Like the remainder of the Northern Dancer property there is little to no original organic cover. Drill roads that were once compacted are now naturally loosed by erosional factors and regrowth and are sustaining natural reclamation. Photograph 6 even shows that trees are now developing on the trails. Even though photographs above the tree line are not presented, observations of those areas demonstrate that in the areas characterized with more talus and coarser subsoils, the slopes are naturally regrading and on the top of the mountain the drill road is barely discernible.

Photograph 8

This photograph is taken at 354935 easting/6654720 northing. It is within the region that appears as a lighter grey color in Photograph 1. This area comprises of a series of piles of material that was removed from the adit in the 1980's. Each pile comprises of a coarser fraction and a finer fraction which is thought to have been subjected to grinding at site. This material has potential significant value for Largo as if the sources of the piles can eventually be traced this material presents an excellent representative sample and cross section of the inner portion of the deposit for metallurgical testing. Even without knowledge of its exact source. This material provides an excellent source for an on-site bulk processing test that has been previously recommended to Largo as a possible way to undertake detailed ore recovery tests. Mines Inspection officials

failed to understand the possible value of this material and proposed that all of the piles be regraded and contoured.

In examining the piles, Photograph 8 shows that they revegetation in this area is already quite advanced. Bushes one meter high and several meters in diameter have been established. Mosses and grasses are ubiquitous in the area. And without further disturbance it is predicted that the piles will eventually not be visible but appear merely as mounds of vegetative growth.

Considering the revegetation of the piles and their possible value, Largo is not planning to undertake re-contouring or regrading of the piles.

Photographs 9-11

Photographs 9-11 are taken along the main drill road that provides access to the remainder of the drill roads on both the southern and northern portions of the property. As previously noted, this drill road is also used by locals to access other trail systems to the north of the Northern Dancer property for recreational and hunting purposes.

Locations of the photographs are:

Photograph 9: 355250 easting/6654935 northing

Photograph 10: 355580 easting/6655290 northing

Photograph 11: 355480 easting/6655275 northing

Despite the high level of vehicular and ATV traffic on this road, natural revegetation is already starting to occur. The banks of the road show the very thin (less than 0.1 meter thick) original organic cover. They are starting to collapse and naturally re-contour. The road surface is relatively loose and is being further de-compacted by natural erosional events. This is clearly shown in Photograph 11. The side banks on the southern side constructed for safety purposes are revegetating and tree growth is occasionally evident. Digging these up and placing the material back on the road for re-contouring and regrading would create further ground disturbance and destroy the regrowth that has already started.

Photographs 12-14

These photographs are all taken along the drill roads that transect the southwestern portion of the Northern Dancer deposit.

Locations of the photographs are:

Photograph 12: 355210 easting/6655110 northing

Photograph 13: 355080 easting/6654990 northing

Photograph 14: 354080 easting/6654680 northing

These roads initially transverse one of the more vegetated portions of the southern face of the deposit. Original grasses and with occasional stunted trees and brush are evident on the banks.

These banks are eroding and natural slumping is taking place. However natural regowth is ubiquitous on the bank and one can predict that within a couple of years these banks will start to progressively re-contour and reclaim. Compaction of the roads is decreasing with erosion and further westwards on the trails that have been less used in recent years, natural regrowth of the road surface is evident (see Photograph 13). The trails eventually extend above the tree line where coarse and loose talus slopes are present. The center of Photograph 14 shows that the talus slopes are re-contouring and at this location the road is no longer passable as the slope has already re-contoured to its natural state.

3.4 Reclamation Status - Northern Side of the Northern Dancer Deposit

Photograph 15: This is taken from the top of the western bank of the mountain looking eastwards across the network of drill roads on the northern side of the Northern Dancer deposit. It is located approximately 354200 easting/6654840 northing. From this photograph a majority of the northern side of the deposit is very steep and is predominantly characterized by minimal vegetation, cliffs and/or extensive talus slopes. Drill roads extended northwards into the start of the valley area where scrub vegetation is existent. On the far eastern portion, the trails used by locals for recreational and hunting purposes that extend northwards to the CMC metals claims can be seen. Two major fault systems in the eastern slope of the mountain are evident. The valley is also transected by a stream that originates at the base of the southeastern faul and transects the valley in a northwesterly direction.

Photograph 16

On main drill road on northern side of mountain at 354780 easting/6655080 northing. This road was actively used a couple of years ago. Slumping of the talus slopes is very active in this region depicting that over a short period of time if not further used this road will naturally re-slope in a few years. The road base is already revegetating. This provides also a good view of the talus slopes and cliffs that are more predominant on the northern side of the Northern Dancer deposit.

Photograph 17

Main branch of the drill road to the northwestern section at approximately 354780 easting/6655080 northing looking westwards. This area is predominantly talus slope. Mosses, grasses and low flowering bushes are starting to re-vegetate the base of the road The side banks are depicting talus slumping. There is little to no natural organic cover.

Photograph 18

In the southwestern corner of the northern side looking eastwards at 354610 easting/6654940 northing. Talus slopes are very steep in this area and re-grading. Cliff faces are predominant. There was minimal natural vegetation. There is no possible reclamation of roads in this area.

Photographs 19 and 20

Both of these photographs are taken along the drill roads that transect the northwestern side of the Northern Dancer deposit. The area has little or no vegetation. Mosses are occasional. Base

material is predominantly boulders typically ranging from 0.1-0.4 meters in size that form the base of the talus slope. There is no possible reclamation of roads in this area.

Photograph 21

Further down the slope looking towards the central portion of the drill roads on the northern side but within the talus slope region at 354630 easting/6655030 northing. This provides a good view of the lower portion of the talus slopes.

Photograph 22

In the start of the valley floor on the north-central side of the deposit at approximately 354790 easting/6655150 northing looking eastwards. The drill road transected a vegetated hump. A thin (less than 0.1 meter) thick organic cover is present. Mosses, grasses and low flowering bushes are evident. The drill road is progressively reclaiming and cover is greater than 50%. Any regrading of the organic material on the sides of the road would only serve to create further ground disturbance. Minimal ground compaction is not preventing re-vegetation.

Photographs 23 and 24

These photographs are taken looking eastwards along a drill road that extends eastwards in the northeastern portion of the drill area. The road extends to the creek which on Photograph 24 would be just past the drill pad and before the wooded section.

The approximate location of these photographs are:

Photograph 23: 354790 easting/6655370 northing

Photograph 24: 354850 easting/6654800 northing

These drill roads transect a vegetated area of the valley. Even though this area is vegetated with grasses and low scrub firs and black spruce, the organic cover is typically less than 0.1 meter. The roads and drill pads are actively re-vegetating. Ground compaction is not preventing re-growth of the roads or drill pad. The drill pad exhibits advanced revegetation with bushes and trees.

Photograph 25

Taken on the northwestern-most drill road at approximately 354600 easting/6655420 northing. Organic material in this area consists of clays mixed with gravels. The area is actively reclaiming with grasses, mosses and scrub flowering plants.

4.0 Summary

The Northern Dancer exploration site is naturally reclaiming. Evidence from older drill roads and pads within the BC portion of the property clearly demonstrates that natural revegetation is occurring at a reasonable pace without any mechanical or human intervention. The hypothesis of the project was proven correct through visual inspection and documented photographs of the site.

Overall the site has minimal vegetation even in the most vegetated areas of the region and organic cover is minimal to non-existent. Any regrading of side banks of roads in a majority of the site would only serve to create significant additional ground disturbance and possibly further delay natural revegetation already in progress. Ground compaction from past industrial activities is not preventing re-growth of any of the drill roads. It is therefore not necessary to scour the drill roads to induce less compaction and furthermore that would only serve to destroy vegetation that is already starting to occur throughout a majority of the drill roads. The talus slopes have a high potential to re-slope to natural gradients.

The adit piles should be left alone. They have significant possible value to Largo and re-contouring them will ultimately provide minimal benefit to the overall esthetics or appearance of the region.

Just prior to the location of photograph 12, the southwestern drill road has been closed with a trench dug across the entire road. The main drill roads on the southern side just 200 meters east of photograph 9 in both levels have been also partially closed with trenches. These trenches have been constructed to permit ATV traffic but to prevent vehicular access.

The camp and office areas have been fully reclaimed.

The adit has been effectively covered with an aggregate cover and remains free draining via the construction of a French drain. Water quality at this site is not of any concern as pH levels have been consistently recorded at 7.0 or above. It should be monitored for the first two years to ensure that if material slumping occurs it has not resulted in any minor opening of the adit entrance.

The site will reclaim to a level possible with no further human intervention. Any human or further mechanical intervention would only result in further ground disturbance and ultimately delay current natural processes.

5.0 Conclusion

The Northern Dancer site has been effectively temporarily closed. No further work should be required at this time.

Appendix 1:

Photos for Section 2.0

Camp and Office Facilities

Grinding Circuit and Other Waste

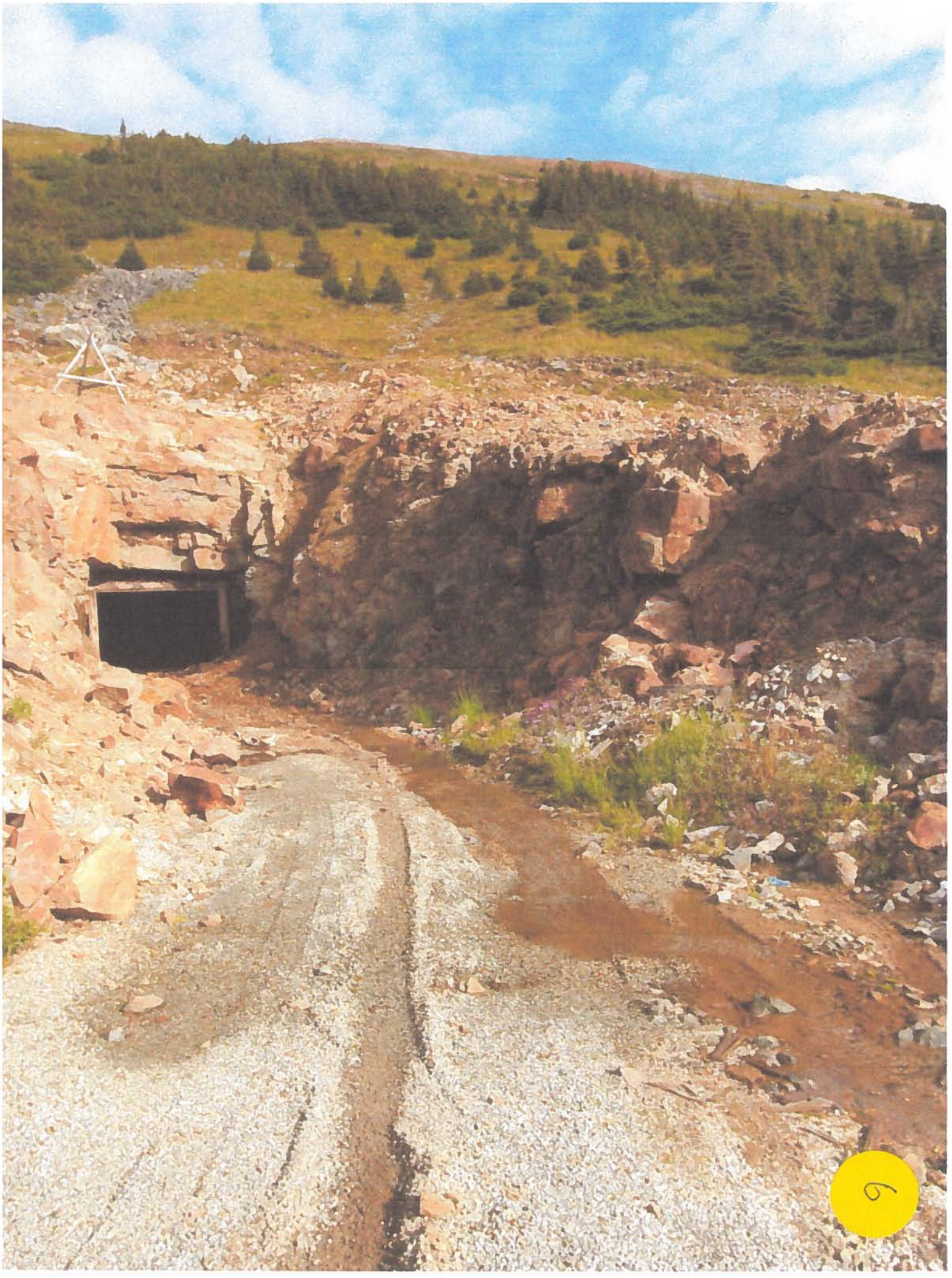
Backfilling of Adit


1


3


4


5


9


7


8


9


10


11


12
KUBOTA


KUBOTA

Appendix 2:

Photos of Reclamation Status

British Columbia

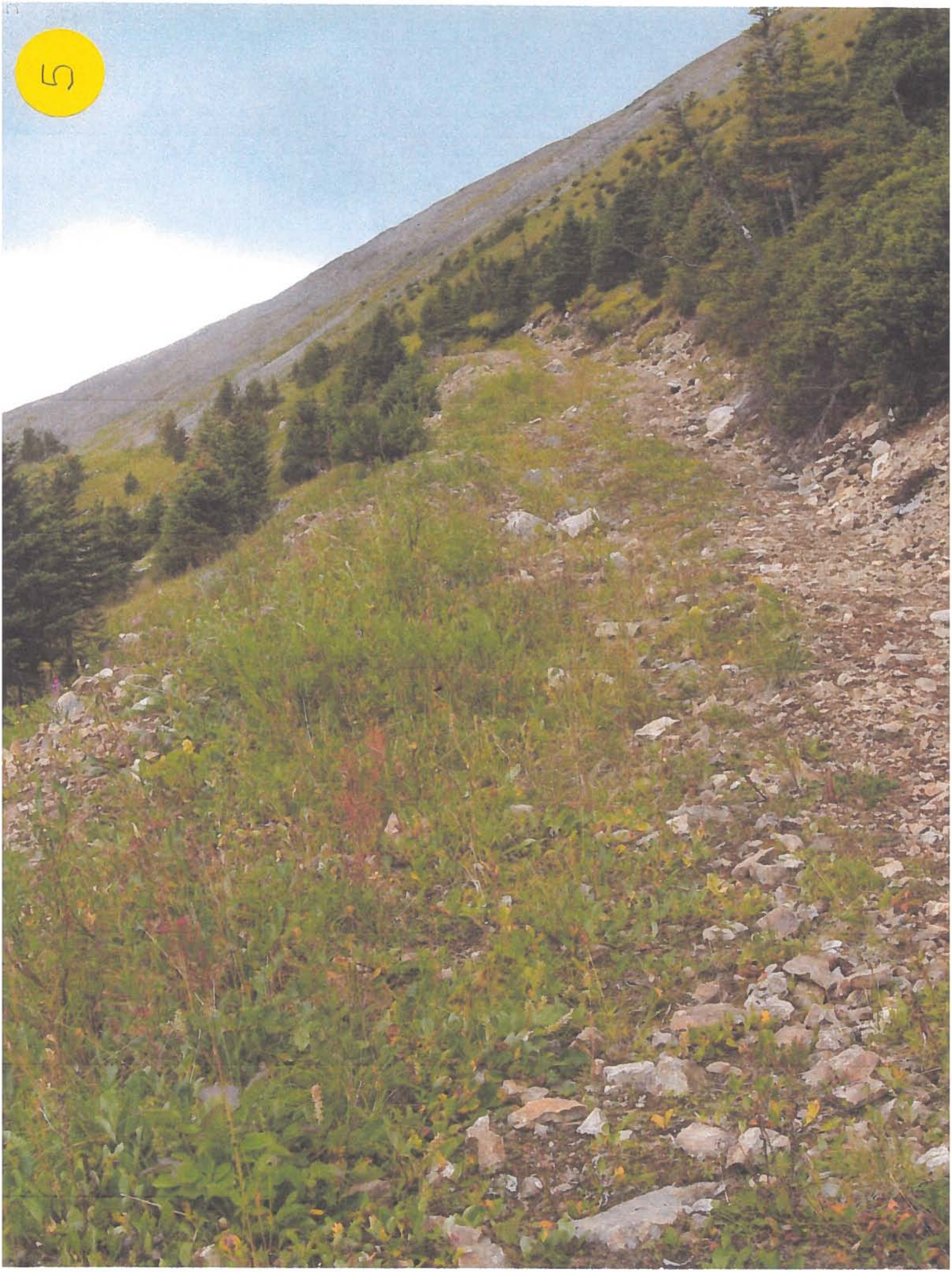
Yukon

Southern side of the Northern Dancer Deposit

Northern side of the Northern Dancer Deposit


2


3
SPORTSMAN
850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9


8

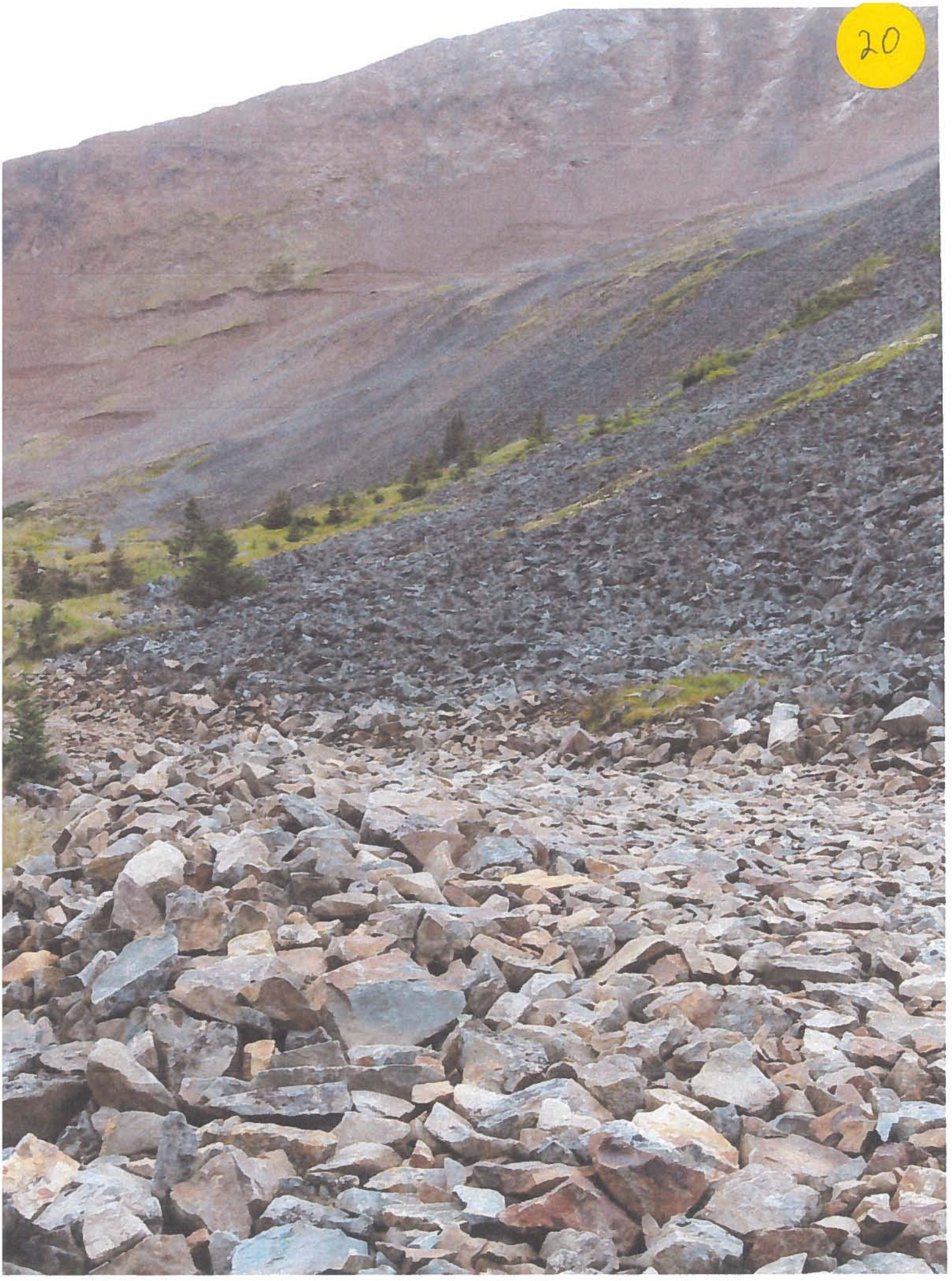

9


10


11


17


18


20


12


13

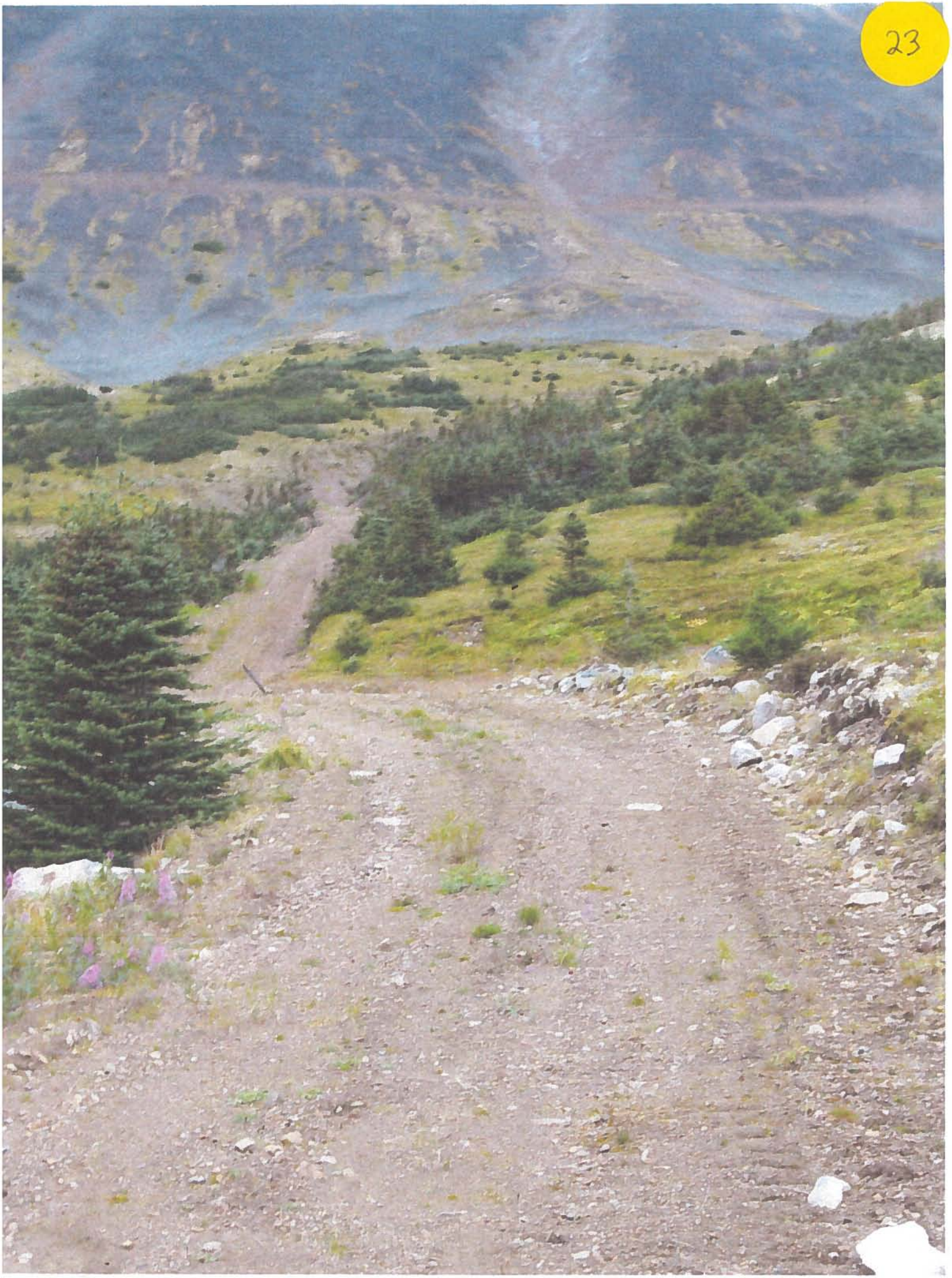

14


extent of talus slopes
faults
trail to CMC Metals
creek


16


21


22


23


24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Costs associated with this report have been approved in the amount of $ 9,200.00 for assessment credit under Certificate of Work No. QL27192

Mining Recorder
Watson Lake Mining District