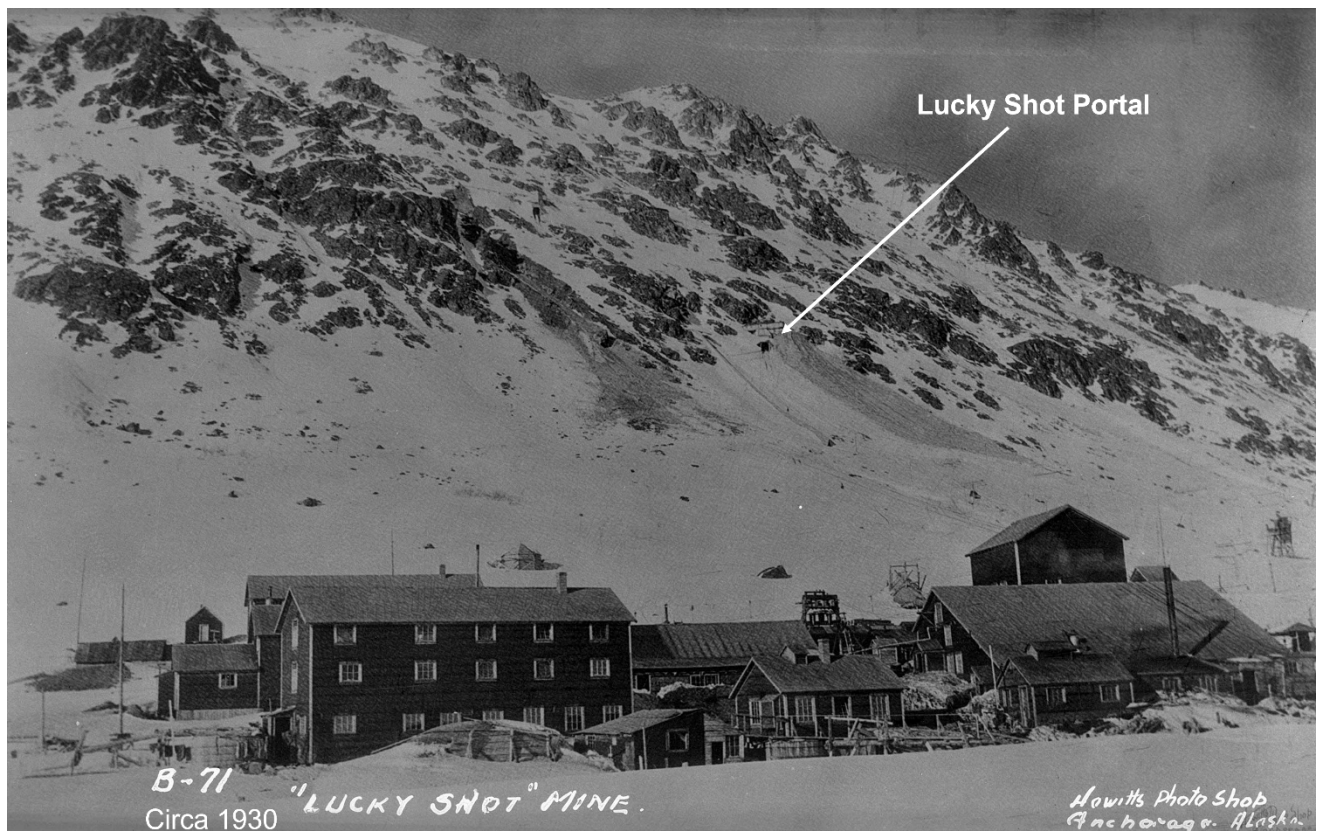


HISTORY

Gold was first discovered at Willow Creek in 1897 within placers at Grubstake gulch. A small amount of placer production was won from the creek until 1906. The first lode-gold quartz vein was discovered in 1906 by Bob Hatcher and named the Skyscraper vein and later became part of the Independence mine. This discovery formed the nucleus of the Alaska Free Gold Mining Company who began to develop the area that later became known as the Independence mine. By 1909, four companies were actively developing the district (primarily at the Independence and Gold Bullion veins) and had installed several stamp mills. By 1912, three gold mines were in operation; the Gold Bullion, Alaska Free Gold and Gold Quartz (Brooks and others, 1913). Initial development in the district was hampered by the lack of access into the Talkeetna Mountains. Most mines operated for only three to five months during the summer season since they relied on the river system to supply power (Chapin, 1920). Early operations were also hampered by the lack of water available at higher elevations to operate mills (Capps, 1914). The first prospectors and miners landed by steamboat at the head of Knik Arm and had to transport supplies over difficult wagon trails into the Willow Creek district (Capps, 1914).

The Lucky Shot vein system on the western side of the district was not discovered until 1918. Production first began in 1919 at the War Baby mine and continued under various operators until 1936. At that time the War Baby and Lucky Shot mines were consolidated and operated by Willow Creek Mines, Inc. New management began to focus more on exploration and development in 1938. Willow Creek Mines discovered the faulted-off western segment of the Lucky Shot vein in 1939, known as the Coleman area. Mining of the Coleman area was continued until 1942 with limited development work due to labor shortages.



Prior owners and operators historically associated with the Project are summarized below:

- 1919 to 1921 - Bartholf & Company
- 1921 to 1928 - Willow Creek Mines, Ltd
- 1928 to 1939 - Willow Creek Mines, Partners Mines
- 1939 to 1942 - Willow Creek Mines, Conwest Exploration
- Early 1940's to 1979 - Alaska Pacific Consolidated Mining Company
- 1979 to Early 1990's - Enserch Exploration, Alaska Gold, Solomon Resources
- Early 1990's - Present - Alaska Hardrock, Inc.
- 2004 to 2010 - Full Metal Minerals as leased from AHI
- 2012 - Miranda Gold Corporation
- 2014 - Gold Torrent, Inc./Miranda Gold Joint Venture
- 2018-2021 – Alaska Gold Torrent/Cartesian Royalty Holdings
- 2021 to present – Contango Ore, Inc.

Historical Exploration

In the 1980's Enserch Exploration conducted an extensive exploration program which included soil sampling, drilling, and underground exploration. The only available data from Enserch's exploration is the drillhole information, which is discussed in detail in report Sections 10 and 11. FMM acquired the Project in 2004, and subsequently moved forward with well-planned helicopter supported drilling exploration from 2005 to 2010. FMM completed seven (7) NQ2 size core drill holes in 2005 and intercepted significant gold mineralization. The drilling tested and confirmed earlier Enserch drill intercepts in the Coleman area. The majority of seventy-three (73) core drill holes drilled in 2006 tested the central Coleman area with step-out fan drilling. Also, the Murphy area and the Nippon mine were drill tested in 2006. Encouraging results from drilling in the Coleman and Murphy areas prompted additional drilling in 2007 in these areas. Drilling during 2007 was concentrated northeast and southwest up and down dip from the historic Coleman workings and extended mineralization to the west both above and below the historical Coleman workings. Other drilling verified Enserch intercepts down dip from the Lucky Shot workings and expanded the mineralization in the Murphy area. In 2008 ten core drill holes were completed in the War Baby mine area. Two of ten drill holes intersected gold mineralization with the best intercept of 0.4 m @ 33.75 g/t gold.

In 2008 work focused on rehabilitation of the Coleman portal and underground access to mine a bulk sample from the Coleman resource area. A total of 42.6 m (140 ft.) of a planned 143 m (470 ft.) bulk sample access was completed.

In 2009 an additional 29 core drill holes were designed to precede possible commercial development of the property by FMM. This drilling was designed to infill the northeast trending upper "Golden Egg" mineralization. The "Golden Egg" was a small high-grade shoot without 43-101 compliant resources, only a rough estimate of size and grade potential for the purpose of designing drilling.

By the end of 2009, FMM was in financial distress and announced an option agreement with Harmony Gold. As part of the agreement Harmony Gold could earn a 60% interest in the Lucky Shot Property. Through 2010, Harmony continued permitting, geological studies, mine planning metallurgical work, and mill and tailings design and. On November 18, 2010, Harmony Gold and FMM terminated the Lucky Shot agreement. Harmony fulfilled its obligations under the option agreement, but due to various difficulties and a decision to focus on other projects, decided to terminate the agreement (FMM News Release, 2010).

Historical Production

Historical production from the Project is taken from anecdotal data summarized by various sources since production was halted due to World War II. Gold was discovered in the Lucky Shot area in 1918, with subsequent mining from 1922 to 1942. Most of the historic production (1923 to 1928) came from the Hogan Stope at the Lucky Shot mine. During the 1922 to 1951 era, the Lucky Shot and War Baby mines produced about 252,000 ounces of gold (Stoll, 1997). War Baby, located just east of Lucky Shot, reported production from 1922 to 1927 with an average grade of 74.7 g/t (2.18 opt) from veins varying in thickness from 25.4 to 381 mm (1 to 15 in.). The average vein width in the Lucky Shot mine was 1.52 m (5 ft.) wide with workings extending to a depth of 152 m (500 ft.) down dip. In 1979, Enserch Exploration Inc. completed extensive activities inclusive of drifting, drilling (18 holes), and geochemical sampling. A 100-ton-a-day mill was built in the early 1980's. Approximately 9,091 tonnes (10,000 tons) of material was processed from various sources. Into the 1990s, a few companies explored the property and mined another 1,000 tons (Hawley and Visconty, 1982b).

The principal gold-recovery period for the Gold Bullion was 1911 to 1927, milling 50,900 tonnes (56,000 tons). Toward the end of these years, reports indicate about 435 kg (14,000 ounces) were recovered by 1915.

Willow Creek Mines operated the Project until 1927, recovering about 1,866 kg (60,000 ounces). Plans were made to treat 3,636 tonnes (4,000 tons) of tailings in a 30-ton per day cyanide plant in 1914, in addition to continuing underground mining through the winter. In 1929, Willow Creek Mines used the Gold Bullion mill to process the Lucky Shot material. Later in 1938, leasers reworked some of the tailings with a cyanidation process. The property produced a rough total of 2,395 kg (77,000 ounces) of gold (Stoll, 1997; Capps, 1915; Grybeck, 2008).