2017 Case

Rockies Gold Inc.
The Atmos Silver Opportunity

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Rockies Gold Inc.: The Atmos Silver Opportunity

Introduction

"We have come across a great near-term opportunity near Bell II, B.C.," said Shannon Hill, CEO of Rockies Gold Inc. ("RG"), an intermediate precious metals producer based in Calgary, Alberta. "Atmos Silver is a property that Lindisfarne Resources (LFR), a junior mining company, owns. There is an opportunity to buy this property and build a mine. The Internal Rate of Return, or IRR, as estimated by LFR in an internal scoping study, is in the mid-20's percentile."

Hill is optimistic as she looks forward to fiscal year 2017. The close of fiscal year 2017 (FY 2017) on June 30, 2017 marked RG's first year as a producer, with Q4 of FY 2017 being RG's first full quarter of production. Continued strong performance at Arthur Mine, and the addition of the Mary Mine during Q4 of FY 2017, led to increased production and substantial cash flow for both Q4 of FY 2017 and the full year. FY 2017 gold production of 111,739 ounces exceeded the Company's guidance of 100,000-110,000 ounces for that year.

"Our share price of $2.20 on October 20, 2017, undervalues our company, in our opinion," said Hill. "The market seems to be discounting the projects we have in hand – both operating and non-operating. Will the acquisition of Atmos Silver bring some renewed attention to us and, importantly, deliver profitable future growth greater than what we can find in our current group of projects?"

FY 2017 Full Year Highlights

RG started off as a junior mining company in 2011, and then raised cash to buy and to put two mines into production: Arthur Mine and Mary Mine. On June 30th, 2017, consolidated current fiscal year production from the two operations was 111,739 ounces of gold and 98,401 ounces of silver.

RG had consolidated co-product cash costs of USD$310 per ounce of gold, below FY 2017 guidance of USD$451 per ounce, and consolidated co-product all-in sustaining costs of USD$370 per ounce of gold, below FY 2017 guidance of USD$489 per ounce.

Cash flow from RG operating activities was $57.9 million

- EBITDA $77.1 million, or $.41 per share
- Net loss $727,447
- 166.7 million Diluted shares outstanding at the end of FY 2017.

Capital expenditures during Q4 of FY 2017 were $7.3 million and exploration, evaluation and pre-development expenses were $11.1 million. Capital expenditures during FY 2017 were $49.8 million and exploration, evaluation and pre-development expenses were $34.7 million.

Strong operating results from both mines contributed to an EBITDA of $96.8 million for Q4 of FY 2017 and $77.1 million for the year. Net income of $27.0 million was reported for Q4 of FY 2017, RG's first full quarter of production. A net loss of $0.7 million was recorded for the year due primarily to the expensing of exploration activities, depletion, depreciation and amortization

Operating Mines

Both of RG's two operating mines continue to require project capital investments to expand the mines over the next three years.

Arthur Mine

The Arthur Mine, which is 40% owned by RG and is operated by joint venture partner Yosemite Gold, was brought into production in Q3 of FY 2017 and has been a solid performer with industry comparable low production costs. The mine achieved commercial production on February 1, 2017 and has exceeded production guidance primarily due to a revised scheduling increase of ore through the roaster and positive grade reconciliation.

Performance for Q4 of FY 2017 and for the year was better than planned both in production and costs. Production attributed to RG was 59,030 ounces of gold compared to 30,228 ounces of gold for the prior quarter. Gold recovery of 90.6% was greater than anticipated. Lower cash costs compared to Q3 of FY 2017 were due to achieving full efficiencies after the production ramp up period.

Capital expenditures during Q3 of FY 2017 were $0.13 million. Capital expenditures totaling $42.3 million during FY 2017 consisted mainly of pre-production development costs.

The joint venture continues to advance additional development opportunities including a potential open pit (Phases 1&3) and an underground portion, Ekberg.

Earlier in FY 2017, Yosemite Gold submitted permits for potential underground mine development at Ekberg which would utilize a ramp from the bottom of the current open pit. Drilling to support initial planning at Ekberg is expected be completed in FY 2018 and 2019. An additional $10 million is required for this drilling as well as other engineering and development work in FY 2018, and $8.5 million in FY 2019.

Mary Mine

The acquisition of the Mary Mine located in near Guadalajara, Mexico was completed on March 30, 2017. Production during Q4 of FY 2017was 22,481 ounces of gold and 98,401 ounces of silver. Costs for the quarter, on a co-product basis, remained under budget with average all-in sustaining costs of USD$811 per ounce of gold and USD$11 per ounce of silver.

Mary Mine continued to deliver improved performance during Q4 of FY 2017as a result of revised mine planning, operational improvements and reductions in the mine's operating cost structure. At the processing plant, Mary Mine commissioned an oxygen injection system in the leach process, resulting in an increase in recoveries for gold of approximately 1% and silver of approximately 4%. With a continued focus on business optimization and operating efficiencies, Mary Mine delivered on expectations for FY 2017. Additional production initiatives, including delineation of the nearby Sanders deposit, are expected to positively impact the future mining rate at Mary Mine.

Capital expenditures totaling $7.1 million during Q4 of FY 2017 included $1.5 million in underground sustaining mine development, $0.7 million for heavy equipment, $1.5 million for underground project capital development and $2.8 million in capitalized exploration drilling.

Three drill rigs were active at site during the year, completing 27,442 metres in 135 holes, of which 8,532 metres in 44 holes were completed during Q4 of FY 2017. Sanders infill and extension drilling returned the best results. Several new vein zones that were identified proximal to existing mine workings will be the focus of early exploration during 2017. An additional $20 million is expected to be invested in Mary Mine in FY 2018 on development, infrastructure, and exploration.

Prospective Properties

Rankin

A total of 9,370 metres of drilling was completed on the Rankin property in Northern Ontario during Q4 of FY 2017; including 6,390 metres of core drilling in and near the GAP target area. A total of 22,199 metres of drilling was completed during the year.

Table 1 – Underground Mineral Resource Estimate, Rankin Property

Property Deposit Participating Interest	Mineral Resource Category	Tonnes (Mt)	Gold Grade (g/t Au)	Gold Ounces (000's)
Rankin 100%	Measured (M)			
	Indicated (I)	0.61	11.55	228
	Subtotal M & I	**0.61**	**11.55**	**228**
	Inferred	3.38	12.17	1,322

RG is working toward completing a Preliminary Economic Assessment ("PEA") in the second half of FY 2018. The Belletic Zone Underground Exploration Plan of Operations ("PoO"), which was approved in 2013, grants RG the option to pursue an underground exploratory drill program as well as test mining in the Belletic Zone. RG has initiated preliminary engineering, dewatering and baseline engineering studies to advance the underground exploration PoO toward development. Optimization and validation of the dewatering scenario is ongoing, and includes a pump test planned for the first half of FY 2018 to confirm dewatering rates prior to completing a PEA in the second half of FY 2018. There was one issue that the firm had not grappled with in that the property was proximal to a First Nations reservation and ongoing development at the mine could have an impact on First Nations' activities, including hunting and fishing.

Gladstone Gold Mines

A Feasibility Study was released in May 2017. Approximately $31.0 million was spent by Gladstone Gold during FY 2017 on a range of exploration and project development activities including $2.8 million on exploration. Exploration activity during the year included orientation till sampling programs, line cutting, core re-logging and orientation geophysical surveys. A comprehensive review of historical geological, geophysical and geochemical datasets and an IP geophysical survey to supplement and upgrade existing data was also conducted.

Portes

A total of 2,974 metres of drilling was completed at Portes during Q4 of FY 2017, bringing the year to date total to 48,197 metres. In addition to drilling, a program of bulldozer stripping, mapping and channel sampling continued through the quarter.

An initial Mineral Resource Estimate (see Table 2 below) was released in July of 2017.

Table 2 – Pit Constrained Mineral Resource Estimate, Portes Property

Property Deposit Participating Interest	Mineral Resource Category	Tonnes (Mt)	Gold Grade (g/t Au)	Gold Ounces (000's)
Portes District 100%	Measured (M)			
	Indicated (I)	42.29	0.83	1,124
	Subtotal M & I	**42.29**	0.83	**1,124**
	Inferred	**25.14**	0.78	**631**

Quinn

Two holes were drilled for a total of 1,306 metres on the Quinn property during Q4 of FY 2017 and for the year. Both drill holes will be used to build a preliminary geological interpretation and model in advance of testing for high grade structures related to historical drill holes. Assay results included narrow high-grade silver in one drill hole.

Caramelo

Three holes were drilled for a total of 450 metres on the Caramelo property during Q4 of FY 2017 and for the year. These holes at 90 metre horizontal spacing were drilled to test the continuity of historical high-grade intercepts in the Chestnut and Brevin Vein structures. All drill holes intersected the target horizons and current drilling will continue to assess prospective veins on the property.

The Atmos Silver Opportunity

Hill was speaking to a colleague at Altus Partners (Altus), an investment bank in Vancouver, when she heard of a junior mining company – LFR - who own a promising project, named "Atmos Silver". Jeremy Sims from Altus has been working with LFR to explore an investment in the project. Altus has a junior mining fund that takes small equity stakes in projects.

Due to its high potential, LFR's Atmos Silver project is beginning to attract the attention of other investment groups and intermediate mining companies. Hill wants to conduct an analysis to see if the project is worthy of an investment and, perhaps, purchasing outright.

Hill is aware that there are internal projects competing for RG's limited cash resources. While it seems like the firm is generating cash flow, there were other capital projects in the pipeline to be funded:

- A $25 million investment in the Mary Mine would raise its IRR to 15% from 10%, delivering a NPV of $10 million
- $15 million was earmarked for exploration work at Rankin and Gladstone. Hill estimated that the Rankin and Gladstone mines could each deliver an IRR of 15-18%, but would require another $45 million on top of what was earmarked, over the next four years. While there was no reliable way to estimate a NPV for these two projects, Hill estimated that the NPV for each would be in the $20 million range.
- Hill wants to consider spending $15 million in exploration and engineering work at Portes since there is the potential, based upon an inferred resource, for a 500,000 ounce open pit gold mine. Additional work at Portes could cost another $30 million over three years and the project has an estimated IRR of 16-20% and a NPV of $50 million.
- There is a proposal to spend $10 million per year over four years to further explore the Quinn property. There is the potential for a high-grade mine at Quinn based upon an Inferred resource and exploration target of several hundred thousand ounces of gold. There is the potential for the Quinn property to deliver an IRR of between 8-20%, depending on the tonnes and grades delineated, and a NPV of $35 million.
- The drilling program at Caramelo is expected to cost $10 to $12 million in FY 2018. Caramelo would require another $25 million in investments and could deliver an IRR of 8-15% and a NPV of $20 million.

Financing Atmos Silver

To be clear, Hill wants to explore purchasing the Atmos Silver project from LFR. She has not considered making an offer for the publicly-traded entity. LFR had gone public in late 2015 at $5.00 per share, valuing the firm at $20 million. Its share price, as of October 20th, 2017, was $2.50 per share. Instead of just purchasing the Atmos Silver project, Hill wonders if making a bid for the entire publicly traded entity itself would be possible and/or advisable.

Hill wants to compare Atmos Silver's potential against RG's internal development projects, all of which have an IRR ranging from 8-20%. There are other additional sources of capital that she could tap into, including senior debt of about $80 million being offered at 6% per annum by a consortium of banks.

There is the possibility that RG could raise capital by selling some of its projects, however, the current demand for projects is low and each of its projects would likely sell for 50% of its current market value. "What's the value for each project," wonders Hill. "In the end, it depends on the purchaser, however, I feel that if we develop our projects more fully, we could realize full market value for them in 3-4 years."

Two investment banks have also brought Hill a "bought deal" offer for equity in RG: $50 million at $2.00 per share. A bought deal means that the banks have already pre-sold the order to their clients and the offer is active.

Hill wants to know what Atmos Silver could be worth and what a potential offer – if indeed RG decided to pursue the project - would look like.

Atmos Silver Vanguard Vein

The wholly owned Atmos Silver Property lies 30 km east of Bell II, BC, and is connected to Stewart-Cassiar Highway - Highway 37 - by a year-round all-weather logging access road (Figure 1). It lies east of Ningunsaw Provincial Park.

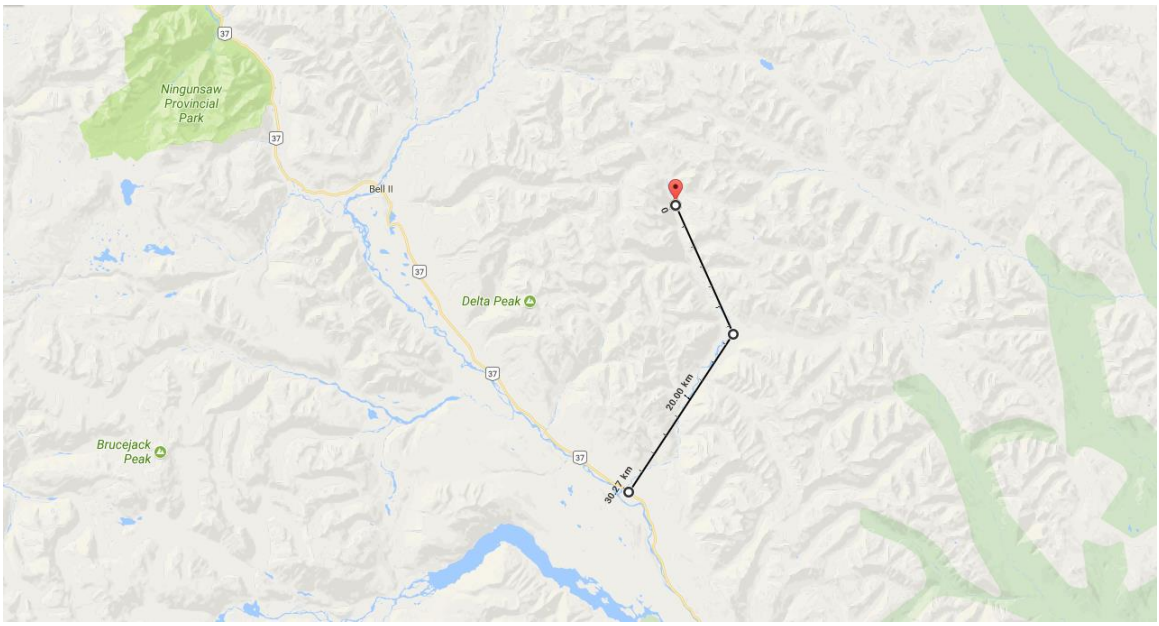


Figure 1- Location of the Atmos Silver property

The Atmos Silver has numerous well-defined polymetallic epithermal vein deposits and a recently discovered nearby porphyry type Cu-Au-Mo deposit. LFR's is currently conducting a drilling program to further delineate the recently identified porphyry system although senior management is split as to if the priority should be to advance exploration and development of the high-grade vein deposits or to focus exploration and development on the larger porphyry system.

200,000 tons were mined from the veins during 1972-73, producing a zinc concentrate and a bulk Cu-Pb-Zn-Au-Ag concentrate. The project was uneconomic because of poor recoveries and low metal prices. Numerous drilling programs were subsequently carried out and in 2014 LFR estimated 500,000 tons of minable

material in the Vanguard Vein based upon a 43-101 non-compliant polygonal resource and subsequent reserve estimate.

A "Scoping Study" on the Atmos Silver and a recommended geophysics and drilling program that led to discovery of the porphyry deposit.

In 2011-13, additional drilling was carried out on the porphyry and in FY 2017 a possible high-grade extension of the Vanguard Vein was located within the porphyry.

Shield Mining Consultants reviews the information

In July 2017, Shield Mining Consultants (Shield) reviewed the data and, basing their analysis on 460 diamond drill holes, estimated a NI 43-101 non-compliant Mineral Resource of 2,297,000 tonnes above a NSR cut-off of $100/ tonne. Only the Vanguard Vein was included in the evaluation although the project contains other vein structures as well as the nearby porphyry system.

All drilling and sampling data were supplied electronically by LFR.

The supplied drillhole database contains 235 surface collar records and 223 underground collar records, drillhole survey information, and associated Au, Ag, Cu, Pb, Zn, Cd, Ga, Ge and In assay information.

Shield noted that no bulk density information was supplied. Since the deposit under review appears to be primarily a sulphide rich Ag-Pb-Zn system, a nominal bulk density of 3.0 tonnes per cubic metre was adapted.

DOMAIN MODELING

Based on the information supplied by LFR, Shield generated a three-dimensional wireframe representation of the identified vein system (Figure 2). The wireframe was constrained by high-grade drillhole intervals of the Vanguard Vein. The high-grade intervals selected in general meet or exceed a nominal $100 NSR value, but where appropriate the wireframe was also extended through lower grade intervals in order to maintain zonal continuity.

Shield noted that the north-eastern section of the wireframe representation appears to indicate a hanging wall fault block. In addition, multiple instances of high-grade mineralization outside the modeled wireframe representation were noted, suggesting that additional veins may also be present.

A 3D PDF including the vein model, block model drillhole distance and the drillholes has been included in the data package delivered to RG for consideration.

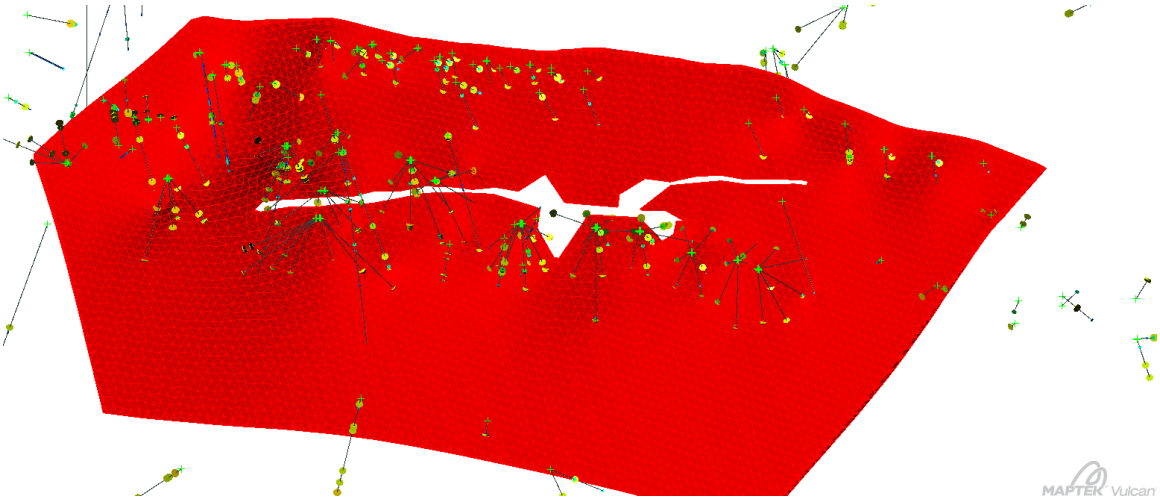


Figure 2- Modeled wireframe representation. View looking south.

COMPOSITING

Assay interval lengths within the modeled wireframe representation range from 0.09 metres to 3.81 metres, with an average length of 1.09 metres. Due to the high variance in sample lengths, assay intervals were composited to 2.0 metre lengths. Historical assay results also indicate a variety of sampling protocols, and not all intervals were assayed for the total suite of minerals. Missing samples intervals within the modeled wireframe representation were assigned a nominal value of 10 g/t for Ag, 0.01 g/t for Au, 0.01% for Cu, 0.01% for Pb and 0.10% for Zn, which may under-represent the potential mineralization.

Length-weighted composites were calculated within the modeled wireframe representation for Au, Ag, Cu, Pb and Zn. The compositing process started at the first point of intersection between the drillhole and the wireframe, and halted upon exit from the wireframe. Composites that were less than 1.0 metres in length were discarded so as to not introduce a short sample bias into the estimation process. The composite data were then exported to extraction files for grade estimation.

SUMMARY STATISTICS

Shield generated summary statistics for the resulting composite samples within the modeled wireframe representation (Table 1).

Shield also noted a reasonable degree of correlation between Au, Ag, Pb and Zn (Table 2).

Table 1- Composite summary statistics.

	Au g/t	Ag g/t	Cu %	Pb %	Zn %
Count	349	349	349	349	349
Minimum	0.001	0.001	0.001	0.001	0.001
Maximum	17.86	796.32	3.65	4.57	26.15
Mean	1.52	86.62	0.14	0.43	2.76
CV	1.70	1.46	2.38	1.59	1.48

Table 2- Correlation matrix for composites.

	Au	Ag	Cu	Pb	Zn
Au	1	0.50	0.22	0.55	0.54
Ag	0.50	1	0.27	0.46	0.29
Cu	0.22	0.27	1	0.33	0.22
Pb	0.55	0.46	0.33	1	0.69
Zn	0.54	0.29	0.22	0.69	1

TREATMENT OF EXTREME VALUES

The presence of high-grade outliers for the composite data was evaluated by review of the summary statistics and probability plots, which suggests that minimal capping is required at this stage. The following composite capping thresholds were applied prior to estimation:

- Au: 15 g/t
- Ag: 500 g/t
- Cu: 3.0 %
- Pb: 4.0 %
- Zn: 20.0 %

BLOCK MODEL

The resource model consists of separate block models for estimated grade, rock code, percent, density and classification attributes. Block grade estimates were also used to generate a calculated NSR block value. A volume percent block model was used to accurately represent the volume and tonnage that was contained within the constraining grade domains. The volume represented by historical underground workings was depleted from the model after estimation. Extents and dimension for the block model are detailed in Table 3.

Table 3- Block model setup

Dimension	Minimum	Maximum	Number	Size (m)
X	0	2,500	250	10
Y	0	2,800	560	5
Z	500	1,000	50	10
Rotation	-45 DEG			

ESTIMATION

Inverse distance cubed (ID3) linear weighting of capped composite values was used for the estimation of block grades, with the anisotropy defined by the orientation of the modeled wireframe representation. A single pass was used for sample selection, grade estimation and classification. Between four to twelve composites from two or more drillholes were used for estimation.

NSR CALCULATION

Since the deposit contains multiple payable metals, a NSR value was calculated for use in stope optimization and financial modelling. Modelled NSR values were calculated based on the following formula:

NSR (CDN) = (Cu% * $51.24) + (Pb% * $18.04) + (Zn% * $28.09) + (Au g/t * $40.46) + (Ag g/t * $0.49) - $75.97

A view of the calculated NSR is shown in Figure 3**Error! Reference source not found.**. A portion of the block model that has been mined previously has been depleted and shows a NSR of zero. The legend used for colouring the block model is shown in Figure 4.

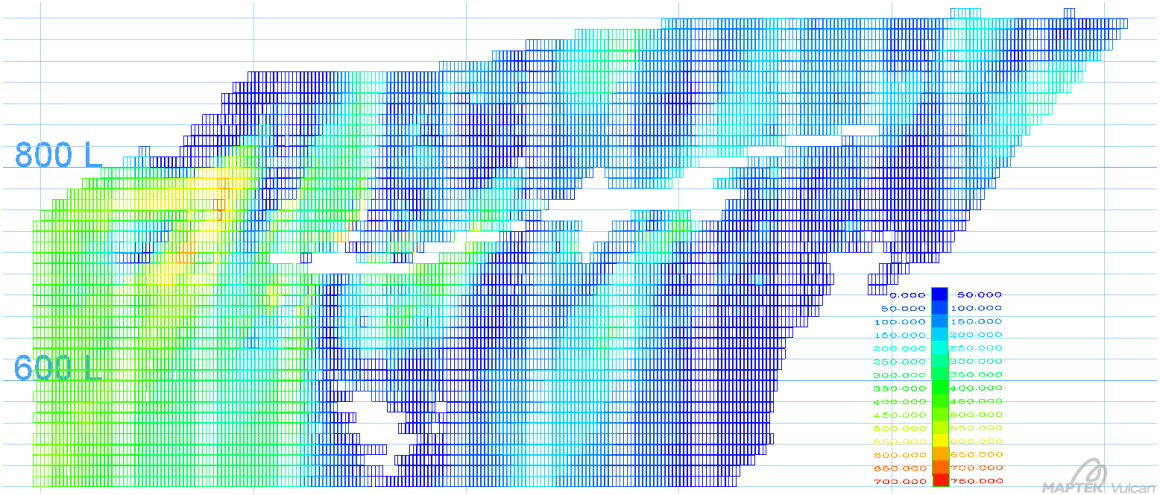


Figure 3- View of block model NSR looking South

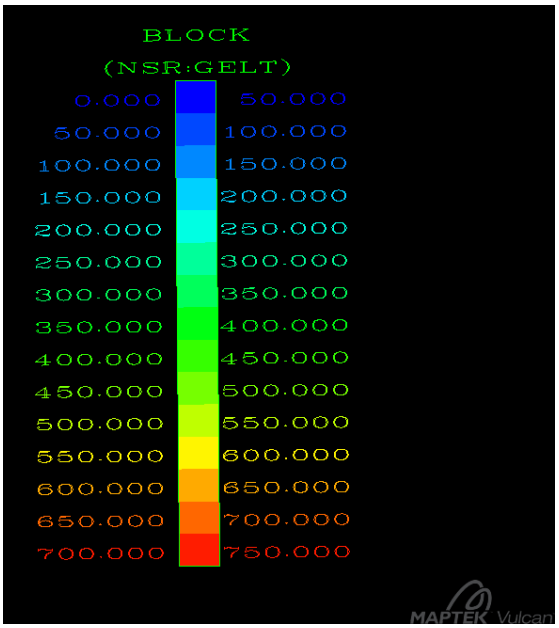


Figure 4- NSR legend for viewing the Vulcan block model

MINERAL POTENTIAL

Shield notes that the mineral potential with the modeled wireframe representation can be divided into areas of a high drilling density (defined as two of more drillholes within 35 metres) and areas of sparse drilling density (Figure 5). A 3D PDF including a view of the block model showing the drilling density has been included in the data package delivered to RG for consideration.

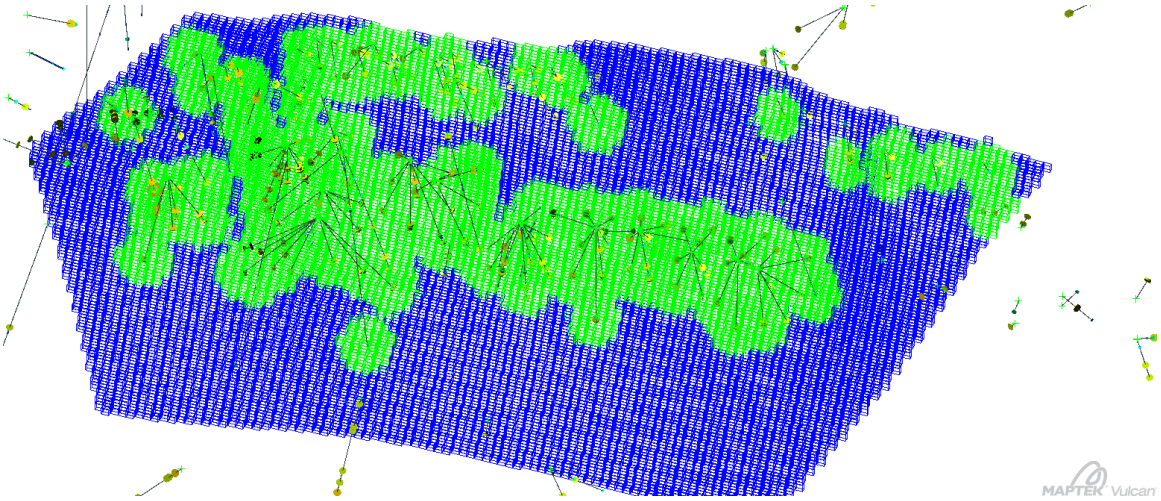


Figure 5- Drilling density: green for high and blue for sparse.

Based on the observed drilling density and a $100/ tonne cut-off, and a $100/ tonne cut-off, approximately 49% of the total mineral potential occurs in the area of dense drilling.

Table 4- Mineral potential, Vanguard Vein

LOW DENSITY						
Cutoff NSR $/t	1000 t	Ag (g/t)	Au (g/t)	Cu %	Pb %	Zn %
200	596	181	4.89	0.40	0.99	4.52
180	699	170	4.47	0.36	0.95	4.51
160	837	158	4.04	0.33	0.91	4.44
140	951	150	3.75	0.31	0.88	4.36
120	1,056	143	3.55	0.30	0.84	4.24
100	1,179	137	3.34	0.28	0.80	4.08
80	1,292	131	3.18	0.27	0.77	3.93
HIGH DENSITY						
Cutoff NSR $/t	1000 t	Ag (g/t)	Au (g/t)	Cu %	Pb %	Zn %
200	683	183	4.35	0.34	0.99	5.16
180	750	178	4.15	0.33	0.96	5.05
160	842	171	3.91	0.32	0.92	4.89
140	916	166	3.74	0.30	0.90	4.76
120	1,025	158	3.53	0.29	0.86	4.56
100	1,118	152	3.38	0.28	0.83	4.38
80	1,206	147	3.24	0.27	0.80	4.22

EXPLORATION TARGET

Recent exploration activity has identified a porphyry target that has been drilled and remains open as indicated in Figure 6. The boundary of the porphyry mineralization, as shown in Figure 6, encloses an area of approximately 700,000 metres square. Initial drilling of the porphyry stockwork verified extensive copper, gold, silver, and molybdenum mineralization that was generally lower grade. Higher grade targets closer to surface have been identified and are being drilled this season. Several promising contacts have been drilled with summary statistics as outlined in Table 5.

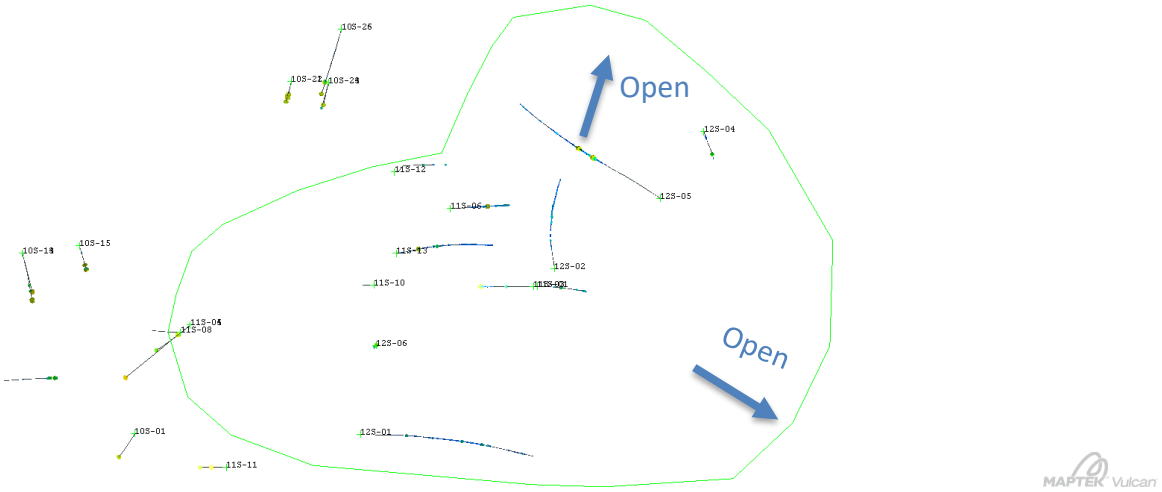


Figure 6- Porphyry mineralization

Table 5-Exploration target, porphyry

	Ag (g/t)	Au (g/t)	Cu %	Pb %	Zn %
Cutoff	1	0.1	0.1	0.1	0.1
Max	14,400	39.57	19.80	32.10	50.80
Min	1	0.11	0.10	0.10	0.10
Average	13	0.32	0.19	0.42	0.48

POTENTIALLY MINEABLE MINERALIZATION

Based on a longhole open stope mining method, Shield utilized stope optimization and level development tools in Vulcan to produce an initial estimate of the Atmos Silver Vanguard Vein's potentially mineable mineralization. The results of the stope optimization and level development are shown in Figure 7. A 3D PDF including the stope solids and development triangulations has been included in the data package delivered to RG for consideration. It was noted that the Vulcan stope optimizer did not generate stope solids at depth where the thickness of the wireframe was approximately 1.2 metres even though the NSR averaged $400/ tonne.

During stope optimization, stope heights were limited to 20 metres based on preliminary geotechnical design criteria and the minimum stope width was set to three metres. Ramp systems were developed at a 12 percent gradient to provide access to the mining levels from the existing ramp decline. Level development includes footwall development to access cross cuts to the stope areas. Cross cuts are nominally located 100 metres apart such that longitudinal stope lengths do not generally exceed a 50 metres strike length.

The Mineral Resource contained within the stope solids contains 1,531,000 tonnes with grades as indicated in Table 6.

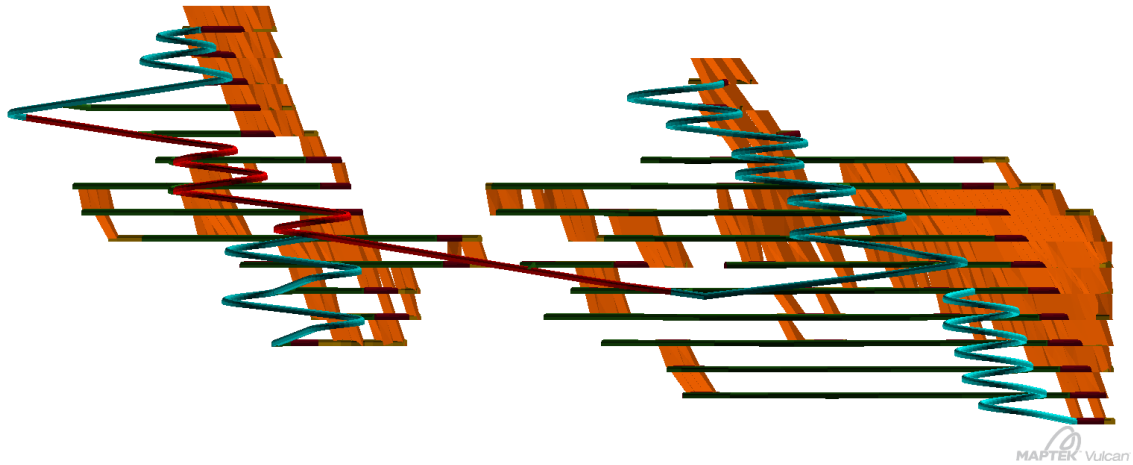


Figure 7- Stope and development solids, looking North

Table 6- Mineable resource

	1000 t	Ag (g/t)	Au (g/t)	Cu %	Pb %	Zn %
Vanguard Vein	1,531	188	4.94	0.42	1.03	4.69

The potentially mineable mineralization is intended as a preliminary indicator of the resource that may be extractable through mining activates. Further analysis is required to validate the optimization results for stope locations as well as the development design for these stope areas.

PROCESS IMPROVEMENTS

While additional metallurgical test work is required to reassess the processing of the mineralization from the Atmos Silver property there has been at least one area of potential process improvements identified. It is anticipated that the mineralization will respond favourably to sorting technologies that will allow for the rejection of mined material before it enters the processing circuit.

Considering a bid for Atmos Silver

Hill requires a valuation price for the Atmos Silver property and a buy or pass recommendation along with a suggested offer price, if RG should bid on it. This recommendation should include financing recommendations if a bid is warranted. As

a part of this recommendation, Hill would like the Atmos Silver Property to be ranked against existing RG assets to assist with prioritizing future development.

Hill has retained your firm to consider the financials related with developing the Atmos Silver property from its current state through to a producing operation. As RG is publicly traded on the Canadian exchange, all future work must be done in compliance with NI 43-101 requirements. An information package has been provided by LFR for the Atmos Silver property including a financial model, production and development schedule, and 3D PDFs detailing the vein structure, stope locations, development locations, block model details, and drill hole locations. These files should be reviewed to assess the validity of assumptions used in generating the baseline financial model. Hill has also asked that the viability of sorting technologies be investigated and a recommendation for the technology to use and the associated inputs to the financial model be provided. Hill is intrigued by the potential to add resources to the project and would like the value of surrounding mineralization in the other vein structures and the newly discovered porphyry assessed and included in the project valuation.

Preliminary review of the LFR information package has highlighted several additional areas that may add value to the project and should be considered if time permits. It was noted that an area of the wireframe appears to be economic despite no stope solids being produced by the software and inclusion of this area could add to the mine life if it can be economically developed. The schedule logic appears very simplistic, it may be possible to improve cashflows through optimization. An excel model showing the derivation of the values used in the NSR calculation has been included in the data package delivered to RG for consideration. Some of the input parameters used by Shield in the derivation of the NSR value may be outdated and are believed to have improved with the advent of more recent concentrate treatment contracts.

Exhibit 1
Rockies Gold Inc.
Income Statements

For the year ended June 30,	2016 $	2017 $
Revenue	-	150,510,221
Cost of sales	-	(39,106,925)
Depletion, depreciation and amortization		(67,664,777)
Mine operating income	-	43,738,519
Expenses		
Exploration, evaluation, and pre-development	27,144,627	34,656,916
Property maintenance	724,024	793,672
General and administrative	8,090,492	11,422,886
Share based payments	3,717,277	3,945,716
Depreciation	265,178	195,038
Remeasurement of environmental rehabilitation	-	(682,225)
Loss before the following	(39,941,598)	(6,593,484)
Investment and other income / (expense)	485,211	(37,690)
Unrealized gain / (loss) on derivatives	(135,034)	3,251,270
Unrealized net gain on investments	820,898	8,451,396
Unrealized foreign exchange gain	268,942	715,767
Realized foreign exchange gain	1,518,599	3,767,755
Realized loss on derivatives	-	(4,366,507)
Realized net loss on sale of investments	(1,406,079)	(6,299,295)
Gain on disposal of equipment	-	17,129
Gain on divestment of mineral property interests	45,886,656	-
Transaction costs on the acquisition of Mercedes Mine	-	(5,179,431)
Gain attributable to Greenstone Gold development commitment	12,643,620	15,555,501
Other income	60,082,813	15,875,895
Environmental rehabilitation accretion	(76,132)	(190,255)
Interest paid	-	(2,041,652)
Amortization of finance costs	-	(1,523,500)
Amortization of gold prepay interest	-	763,205
Amortization of discount	(601,521)	(137,518)
Finance expense	(677,653)	(3,129,720)
Income before income taxes	19,463,562	6,152,691
Current tax expense	-	(5,163,149)
Deferred tax (expense)/recovery	5,326,037	(1,716,989)
Income / (loss) for the year	24,789,599	(727,447)
Other comprehensive income / (loss)		
Exchange difference on translation of foreign operations	18,445,332	(7,484,498)
Current tax recovery / (expense)	(5,346,782)	809,976
Total comprehensive income / (loss) for the year	37,888,149	(7,401,969)
Basic and diluted income / (loss) per share	**0.15**	-

Exhibit 2
Rockies Gold Inc.
Balance Sheets

	June 30, 2016 $	June 30, 2017 $
ASSETS		
Current assets		
Cash and cash equivalents	73,056,817	119,704,386
Other receivables	1,167,199	11,922,271
Inventory	-	8,204,574
Prepaid and deposits	861,546	1,948,931
Other assets	5,932,812	5,358,855
Total current assets	81,018,374	147,139,017
Non-current assets		
Restricted cash and cash equivalents	4,244,632	4,307,417
Property, plant and equipment	227,919,564	351,155,152
Total non-current assets	232,164,196	355,462,569
Total assets	313,182,570	502,601,586
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	5,859,702	29,195,179
Taxes payable	-	4,978,806
Deferred premium on flow-through shares	876,689	1,295,452
Current portion of deferred revenue	-	18,507,784
Current portion of long term debt	8,237,115	2,743,479
Current provision for environmental rehabilitation	-	10,946,969
Current portion of other liabilities	-	2,578,387
Total current liabilities	14,973,506	70,246,056
Non-current liabilities		
Deferred taxes	7,661,549	21,096,206
Deferred revenue	-	2,001,149
Long term debt	112,500	8,065,312
Provision for environmental rehabilitation	10,119,557	19,886,135
Other liabilities	-	7,797,785
Total non-current liabilities	17,893,606	58,846,587
Total liabilities	32,867,112	129,092,643
EQUITY		
Share capital	477,146,257	576,763,422
Reserves	55,786,311	50,090,078
Deficit	(252,617,110)	(253,344,557)
Total equity	280,315,458	373,508,943
Total liabilities and equity	313,182,570	502,601,586

Exhibit 3
Rockies Gold Inc.
Mines and Mineral Properties

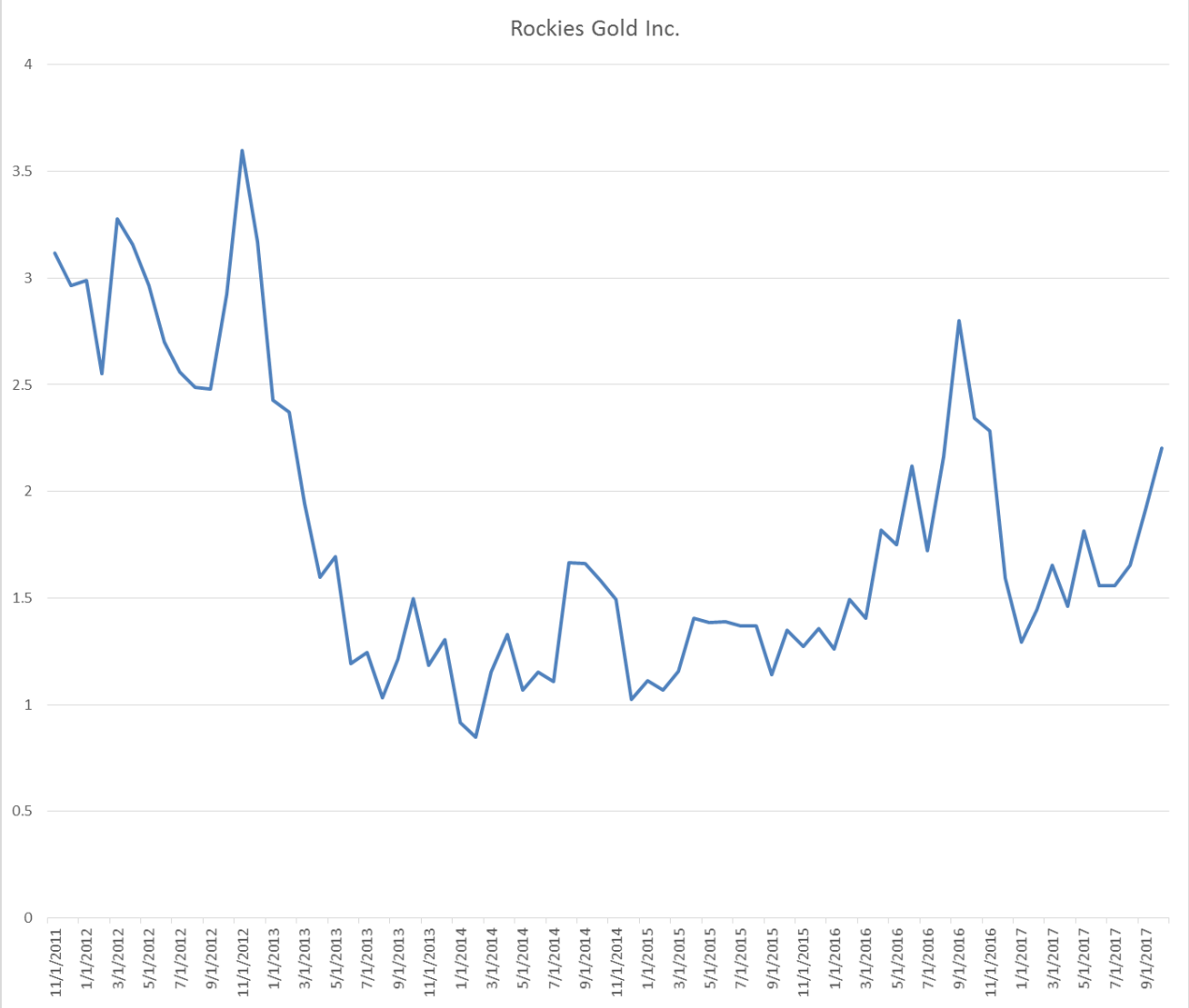
For the year ended June 30, 2017					
	Mary	Arthur	Exploration	Corporate and other	Total
Mine operating revenue	9,495,053	34,243,466		--	43,738,519
Exploration, maintenance and rehabilitation	(423,482)	(651,503)	(33,883,633)	-	(34,958,618)
Depreciation on property, plant and equipment	-	-	(107,896)	(87,142)	(195,038)
Long term debt accretion	-	-	(19,705)	(2,919,760)	(2,939,465)
Overhead costs	64,264	(2,003,069)	(1,802,598)	(11,627,199)	(15,368,602)
Other income	3,739,260	-	15,602,682	(3,466,047)	15,875,895
Income / (loss) before income taxes	12,875,095	31,588,894	(20,211,150)	(18,100,148)	6,152,691
Current tax	(882,825)	(3,978,587)	-	(301,737)	(5,163,149)
Deferred tax recovery / (expense)	(1,575,424)	-	(270,945)	129,380	(1,716,989)
Income / (loss) for the year	10,416,846	27,610,307	(20,482,095)	(18,272,505)	(727,447)

For the year ended June 30, 2016					
	Mary	Arthur	Exploration	Corporate and other	Total
Exploration, maintenance and rehabilitation	-	(727,042)	(27,217,741)	-	(27,944,783)
Depreciation on property, plant and equipment		--	(191,626)	(73,552)	(265,178)
Long term debt accretion		--	(24,916)	(576,605)	(601,521)
Overhead costs	-	(1,727,535)	(1,487,120)	(8,593,114)	(11,807,769)
Other income		--	61,662,343	(1,579,530)	60,082,813
Income / (loss) before income taxes	-	(2,454,577)	32,740,940	(10,822,801)	19,463,562
Deferred tax recovery		--	(580,155)	5,906,192	5,326,037
Income / (loss) for the year	-	(2,454,577)	32,160,785	(4,916,609)	24,789,599

As at June 30, 2017					
	Mary	Arthur	Exploration	Corporate and Other	Total
Capital expenditures	7,107,128	42,288,039	365,687	7,966	49,768,820
Mineral properties	76,647,144	8,056,710	147,116,809	-	231,820,663
Total assets	238,371,732	92,384,248	148,952,902	103,892,704	583,601,586
Total liabilities	43,174,422	14,828,085	16,383,297	135,706,839	210,092,643

As at June 30, 2016					
	Mary	Arthur	Exploration	Corporate and Other	Total
Capital expenditures	-	53,219,366	172,182	-	53,391,548
Mineral properties	-	80,942,965	146,299,942	-	227,242,907
Total assets	-	93,122,153	154,046,938	66,013,479	313,182,570
Total liabilities	-	8,894,472	14,013,399	9,959,241	32,867,112

Exhibit 4
Rockies Gold Inc.
Stock Price*



*Rockies Gold's stock reached a high of $3.15 on July 1st, 2011. Its historical low was $0.8475 on May 1st, 2013. Rockies Gold closed at $2.20 on October 20, 2017.

Exhibit 5
NSR Assessment template

Zn Concentrate	Metal Price	Concentrate	Smelter	Refining Chg.	Average Ore Grade
Element	$US/lb or oz	Recovery	Payable	$US/lb or oz	% or g/t
Cu	$2.99	19%	0%	$0.10	0.20%
Pb	$1.06	10%	0%	$0.00	0.80%
Zn	$1.42	94%	85%	$0.00	4.80%
Au	$1,287	10%	0%	$8.00	3.20
Ag	$17	11%	0%	$1.00	157
C$: US$		$0.80			
Concentration Ratio		11	9.09%		
Concentrate Freight C$/t per WMT		200			
Ocean Freight /Unloading $C/t per WMT		0			
Smelter Treatment Charge C$/t per DMT		200			
Humidity Factor		8.0%			
	NSR				
Element	C$ Val/tonne				
Cu	$0.00				
Pb	$0.00				
Zn	$150.08				
Au	$0.00				
Ag	$0.00				
Subtotal	$150.08				
Less Smelter Charges C$/t	$22.73				
Less Concentrate Freight C$/t	$24.55				
Subtotal NSR C$/tonne of ore from Zn Concentrate	$102.80				

Cu/Pb Concentrate	Metal Price	Concentrate	Smelter	Refining Chg.	Average Ore Grade
Element	$US/lb or oz	Recovery	Payable	$US/lb or oz	% or g/t
Cu	$2.99	73%	95%	$0.10	0.20%
Pb	$1.06	75%	85%	$0.00	0.80%
Zn	$1.42	4%	0%	$0.00	4.80%
Au	$1,287	35%	90%	$8.00	3.20
Ag	$17	62%	80%	$1.00	157
C$: US$		$0.80			
Concentration Ratio		68	1.47%		
Concentrate Freight C$/t per WMT		200			
Ocean Freight /Unloading $C/t per WMT		0			
Smelter Treatment Charge C$/t per DMT		100			
Humidity Factor		8%			
	NSR				
Element	CDN $ Val/tonne				
Cu	$11.05				
Pb	$14.90				
Zn	$0.00				
Au	$51.82				
Ag	$50.29				
Subtotal	$128.06				
Less Smelter Charges C$/t	$1.84				
Less Concentrate Freight C$/t	$3.97				
Subtotal NSR C$/tonne of Ore from Cu/Pb Concentrate	$122.25				

Pyrite Concentrate	Metal Price	Concentrate	Smelter	Refining Chg.	Average Ore Grade
Element	$US/lb or oz	Recovery	Payable	$US/lb or oz	% or g/t
Cu	$2.99	8%	0%	$0.10	0.20%
Pb	$1.06	5%	0%	$0.00	0.80%
Zn	$1.42	2%	0%	$0.00	4.80%
Au	$1,287	44%	95%	$8.00	3.20
Ag	$17	18%	90%	$1.00	157
C$: US$		$0.80			
Concentration Ratio		20	5.00%		
Concentrate Freight C$/t per WMT		200			
Ocean Freight /Unloading $C/t per WMT		0			
Smelter Treatment Charge C$/t per DMT		150			
Humidity Factor		8%			
	NSR				
Element	CDN $ Val/tonne				
Cu	$0.00				
Pb	$0.00				
Zn	$0.00				
Au	$68.76				
Ag	$16.43				
Subtotal	$85.19				
Less Smelter Charges C$/t	$9.38				
Less Concentrate Freight C$/t	$13.50				
Subtotal NSR C$/tonne of ore from Pyrite Concentrate	$62.31				