PLACER SAMPLING REPORT
on the
NINES CREEK PROJECT

Nines 31 to 78 (P 50506-P 50557)

NTS: 115G/02

Latitude 61º 10’ 53” Longitude 138º 42’ 11”

Whitehorse Mining District

Work performed between August 30 - September 25, 2013
By
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February 18, 2014

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Item 1: Summary

Nines Creek project area lies on the south side of Kluane Lake approximately 25km southeast of the community of Burwash Landing, Yukon. The property is at the southern end of Kluane Placer District which has been producing significant placer gold for more than 100 years. Access to Nines Creek is from the Alaska Highway with a two-wheel drive trail at a point approximately 8km southeast of the community of Destruction Bay, Yukon. The claims lie in the Whitehorse Mining District and are administered out of Whitehorse, Yukon.

The 2013 season saw two major flood events at Nines Creek. High water in early spring and a mid-late July rainy period completely destroyed the dike system constructed by the Department of Highways to divert the creek flow from Nines Creek into the Mines Creek drainage. The access road into the property was partially washed out during the July event. Snow and freezing conditions in mid-September put an end to the trenching and sluicing portion of the program. All disturbances were reclaimed prior to leaving the site. Final processing of the placer concentrate samples was completed in Victoria, BC.

The overall exploration program was very successful in that six test pits were completed to bedrock on various targets below the canyon. Gravels were separated into 1.52m (5') intervals from surface to bedrock and processed as separate samples. There was very good correlation between alluvial magnetite recovered and the magnetic intensity shown in the detailed magnetic survey completed in 2009 over the lower Nines Creek claims. Interpretation of the resistivity transects completed in 2012 were found to be quite accurate and bedrock was generally located within a metre of where it was projected to lie. A surprising number of copper nuggets were recovered during the 2013 sampling program, primarily in areas of higher magnetite. Also of interest is that the greatest amounts of magnetite and copper did not often occur at the bedrock interface, possibly indicating an immature alluvial setting. Placer gold was recovered from all samples processed and also corresponded well with areas of higher magnetite and copper recoveries. A total of 415mg of placer gold, including a 233mg nugget, was recovered from the 5-10' interval of sample H5. Sample H4, situated at the most intense and widest magnetic anomaly tested, returned significant, yet sub-economic values from surface to the bedrock interface. Values of 23mg, 167mg, 291mg and 300mg of placer gold were recovered in each of the 5' intervals tested beginning at surface. Without the confining nature of the bedrock walls forming the gulch placer deposits on the lower Nines Creek, it is doubtful that any economic concentrations of placer gold will be found below the existing Nines 28 claim where the creek exits the valley and begins to form the broad alluvial fan.

The large and intense magnetic anomaly situated above the Nines Creek canyon remains a compelling target for a potentially economic placer gold deposit. The rock walls of the canyon would create a natural choke point for flood events and would create a large settling pond where heavy minerals would settle out of the

sediment load carried by the creek. The 2009 magnetic survey outlined an area 500m long and at least 140m wide (rim to rim) with a much higher magnetic intensity than that found downstream. A bench deposit situated on the right limit of the creek is suggested by a narrow 20-30m wide intense magnetic anomaly that parallels the present day creek. The magnetic intensity of the area decreases rapidly downstream as one approaches the canyon as would be expected with increased velocity of the creek flow and subsequent greater sediment carrying capacity. The area appears flushed of magnetic material. This could be the source of some of the alluvial magnetite and placer gold found below the canyon including the 997mg nugget found in 2011. The discovery of a large 75mm x 60mm x 10mm copper nugget lying on the surface at the downstream end of the canyon demonstrates the power of the periodic flood events that occur in the Nines Creek drainage.

It is the author's opinion that the work completed on the Nines Creek property in 2013 has demonstrated that the 2009 geophysical surveys outlined magnetic anomalies corresponding to concentrations of alluvial magnetite in the present day creek gravels. These same areas also showed a concentration of both copper nuggets and significant yet sub-economic placer gold values. The magnetic anomaly outlined above the Nines Creek canyon appears to be associated with much higher concentrations of alluvial magnetite and possibly placer gold. The Nines Creek property, registered to Ralph Keefe, is believed to be a placer gold property with significant potential worthy of further exploration.

Item 2: Introduction and Terms of Reference

2.1 Qualified Person and Participating Personnel

Mr. Kenneth D. Galambos, P.Eng. was commissioned by Ralph Keefe of Francois Lake, British Columbia to examine and evaluate the traditional placer gold potential associated with magnetite and other heavy minerals present in the creek gravels on the Nines Creek Project and to make recommendations for the next phase of exploration work in order to test the economic potential of the property. The author directly supervised and participated in the 2013 evaluation program.

This report describes the property and is based on an examination and evaluation of the property by the author from August 30 - September 25, 2013. The author was assisted in the field by Mr. Ralph Keefe of Francois Lake, British Columbia, Gordy's Excavating (Bruce McMillan) of Whitehorse, Yukon and Chuck Exploration of Destruction Bay, Yukon.

2.2 Terms, Definitions and Units

- All costs contained in this report are denominated in Canadian dollars.
- Distances are primarily reported in metres (m) and kilometers (km) and in feet (ft) when reporting historical data.
- Volumes are expressed as bank cubic yards (bcy) which is the in-situ volume and loose cubic yards (lcy), the disturbed volume of material that is typically sampled.
- GPS refers to global positioning system.
- Minfile showing refers to documented mineral occurrences on file with the Yukon Geological Survey.
- The term ppm refers to parts per million, equivalent to grams per metric tonne (gm/t).
- ppb refers to parts per billion. 1000ppb is equivalent to 1 gm/t.
- The abbreviation oz/t refers to troy ounces per imperial short ton.
- The symbol % refers to weight percent unless otherwise stated. 1% is equivalent to 10,000ppm.
- Elemental and mineral abbreviations used in this report include: gold (Au), platinum (Pt), palladium (Pd), chalcopyrite (Cpy) and pyrite (Py).

2.3 Source Documents

Sources of information are detailed below and include the available public domain information and private company data.

- Research of the Minfile data available for the area at http://www.geology.gov.yk.ca/
- Research of mineral titles at http://www.yukonminingrecorder.ca/
- Review of company reports and annual assessment reports filed with the government at http://emr.gov.yk.ca/library/
- Review of geological maps and reports completed by the Yukon Geological Survey or its predecessors.

- Published scientific papers on the geology and mineral deposits of the region and on mineral deposit types.
- The author has previous independent experience and knowledge of the regional area having worked on the Frypan Creek placer property and having conducted regional hard rock exploration throughout the belt for Hudson Bay Exploration and Development Ltd. and Noranda Exploration Ltd. NPL.
- Work on the property by the author from September 25 to 27, 2008 and by Keefe and Sterling, August 22 to 28, 2009, by Keefe et al April 27 to September 16, 2010, by Keefe et al August 20-September 15, 2011 and by Keefe et al August 28-September 17, 2012.
- A review of the 2D geophysical survey method to map the bedrock/gravel interface can be found on the Arctic Geophysics website at http://www.arctic-geophysics.com/

2.4 Limitations, Restrictions and Assumptions

The author has assumed that the previous documented work in the area of the property is valid and has not encountered any information to discredit such work.

2.5 Scope

This report describes the current exploration programs, geology, previous exploration history and mineral potential of the Nines Creek Project. Research included a review of the historical work that related to the immediate and surrounding area of the property. Regional geological data and current exploration information have been reviewed to determine the geological setting of the mineralization and to obtain an indication of the level of industry activity in the area. The property was examined and originally evaluated by the author in late September, 2008 after the staking of the 5 mile placer lease by Mr. Keefe. Work consisted of limited geological mapping, rock and geochemical sampling of the heavy minerals in the creek. Following up on this initial visit, the owner of the property conducted geophysical surveys in 2009 and converted the 5 mile lease to claims. In 2010, an extensive trenching program of 3476 bcy was completed in an effort to determine the potential grade of the gravels. A sampling program completed in 2011 consisted of the processing of 2-4 lcy of gravel at 42 separate locations. The 2012 program consisted of trenching and processing of 70 lcy of gravel in four samples.

Item 3: Reliance on Other Experts

Some data referenced in the preparation of this report was compiled by geologists employed by the Yukon Geological Survey including its predecessor and the Geological Survey of Canada, both prior to and after the inception of National Instrument 43-101. These individuals would be classified as “qualified persons” today, although that designation may not have existed when some of the historic work was done. The author assumes no responsibility for the interpretations and inferences made by these individuals prior to the inception of the “qualified person” designation.

Item 4: Property Description and Location

The Nines Creek claim group consists of fifty-two contiguous placer claims located in the Whitehorse Mining District covering an area of approximately 1086ha. The claims lie in the front ranges of the Kluane Mountains near Kluane Lake and the community of Destruction Bay. The claims were staked by Ralph Keefe and have between 7 and 9 years total excess credit applied to them.

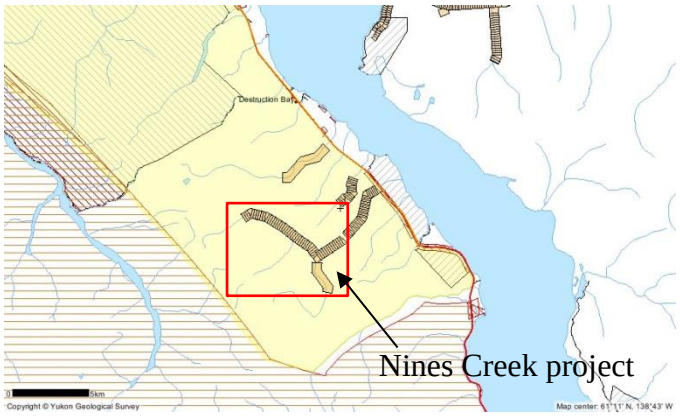

Figure 1: Claim location map

Table 1: Claim Data

Claim Name	Claim #	Grant Number	Claim Owner	Recording Date	Expiry Date
NINES	31	P 50506	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	32	P 50507	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	33	P 50508	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	34	P 50509	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	35	P 50510	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	36	P 50511	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES 36A		P 50512	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES 36B		P 50513	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES 36C		P 50514	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES 36D		P 50515	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	37	P 50516	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	38	P 50517	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	39	P 50518	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	40	P 50519	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	41	P 50520	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	42	P 50521	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	43	P 50522	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	44	P 50523	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	45	P 50524	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	46	P 50525	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	47	P 50526	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	48	P 50527	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	49	P 50528	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	50	P 50529	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	51	P 50530	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	52	P 50531	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	53	P 50532	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	54	P 50533	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	55	P 50534	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	56	P 50535	Ralph Keefe - 100%.	9/1/2009	12/1/2014

NINES	57	P 50536	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	58	P 50537	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	59	P 50538	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	60	P 50539	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	61	P 50540	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	62	P 50541	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	63	P 50542	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	64	P 50543	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	65	P 50544	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	66	P 50545	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	67	P 50546	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	68	P 50547	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	69	P 50548	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	70	P 50549	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	71	P 50550	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	72	P 50551	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	73	P 50552	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	74	P 50553	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	75	P 50554	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	76	P 50555	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	77	P 50556	Ralph Keefe - 100%.	9/1/2009	12/1/2014
NINES	78	P 50557	Ralph Keefe - 100%.	9/1/2009	12/1/2014

The claims comprising the Nines Creek property as listed above are being held as an exploration target for possible placer mining activities which may or may not be profitable. The owner of the claims is considering applying for a water license which if successful, will provide greater certainty that the claims could be mined at some point in the future. There is no guarantee that this application process will be successful.

Item 5: Accessibility, Climate, Local Resources, Infrastructure and Physiography

5.1 Location and Access

The Nines Creek project area lies on the south side of Kluane Lake in the Kluane Game Sanctuary. The centre of the area lies approximately 25 km SE of the community of Burwash Landing, Yukon on map sheets 115G02 and 115G07. The property is accessed through a Government gravel pit with a two-wheel drive trail at a point

Plate 1: Washout on access trail

approximately 8km southeast of the community of Destruction Bay, Yukon. The claims lie in the Whitehorse Mining District and are administered out of Whitehorse, Yukon.

5.2 Local Resources and Infrastructure

The nearby community of Destruction Bay hosts a hotel, café and nursing station. The small population could provide some or all of the manual labour and equipment operators required for a small placer operation.

5.3 Physiography

Nines Creek lies within the St. Elias Mountains in south western Yukon. The majority of the property has a moderate grade while the property is confined to a fairly tight creek channel. The creek channel is essentially barren with low scrub encroaching onto the creek banks. Below the property and once the creek has exited the front ranges, it has deposited significant quantities of gravel in a large alluvial fan deposit. The width of the fan where it exits the gulch is roughly 80m and from air photo interpretation the fan reaches a width in excess of 3km on the shores of Kluane Lake a distance in excess of 5km. Much of this area is barren with only scattered clumps of low shrubs and isolated trees. In areas of heavier vegetation, spruce and cottonwood predominated with alder and willow common in the wetter areas.

Item 6: History

Only limited exploration has been completed on Nines Creek prior to 2008. The area was initially withdrawn from staking during the time leading up to the creation of Kluane National Park in 1972 and again prior to the settlement of the Kluane First Nations Final Agreement on October 18, 2003. The area was open for development for a brief time during the late 1980s as evidenced by old claim posts near the lower canyon on Nines Creek. Claim tags revealed the creek had been staked by William M. Blahitka and recorded as Frija with tenure # P 27510 on August 26, 1988. The claim expired the following year without any work being filed for assessment. The alluvial fan on Nines Creek had also been tested by a local Destruction Bay equipment operator at one point as well, with only a few colors being recovered. (pers com). The surface gravels of the lower Nines Creek alluvial fan target was also systematically evaluated in September of 2008 by Nines Creek Gold Corp. with limited success.

Plate 2: Historic claim post

In 2008, Mr. Ralph Keefe staked a five-mile prospecting-lease on the upper Nines Creek. Mr. Keefe initially evaluated his lease using a backhoe test pitting program of the creek gravels. In an attempt to focus exploration, a detailed magnetic survey was completed on the claims in 2009 in an attempt to map alluvial concentrations of magnetite. A total of 8.5 line km of survey was completed using stations with 5m separation along lines spaced 20m apart. A trenching program to test the magnetic anomalies identified in the 2009 survey and to determine potential mining grades was initiated in late August of 2010. A total of 3476bcy were dug in the program, however the onset of winter conditions did not permit the sampling of any of the gravels. A follow-up program in 2011 sluiced a total of 109.5 lcy in 41 separate samples.

During the wet and windy 2012 season, the area planned for bulk sampling was only partially trenched, with approximately 14% tested. The bulk sampling consisted of sluicing 70 bank yd^3 in 4 samples and returned mixed results. Late in the season, Resistivity surveys were completed over three transects on the lower Nines Creek Valley. The surveys indicated that bedrock was located generally between 3 and 6.5m in areas showing possible concentrations of alluvial magnetite and that bedrock paleo-channels existed in the same areas.

Item 7: Geological Setting and Mineralization

7.1 Regional Geology

The bedrock geology in the area is as follows:

NW1: WRANGELL LAVAS
rusty red-brown, phyric and non-phyric basaltic andesite flows (minor pillow lava), interbedded with felsic tuff, volcanic sandstone and conglomerate; acid pyroclastics related to intra-Wrangell intrusions; thin basaltic andesite and andesite flows **(Wrangell Lavas)**

MW: WRANGELL SUITE
fine to medium grained, hornblende +/- biotite granodiorite and porphyritic (K-feldspar) hornblende granodiorite; medium grained, uniform biotite diorite and pyroxene gabbro; subvolcanic hornblende +/- biotite rhyolite, rhyodacite, dacite, and trachyte **(Wrangell Suite)**

CPS1: SKOLAI
volcanics succeeded upward by clastic strata, tuff, breccia, argillite, agglomerate, augite-phyric basaltic to andesitic flows (Station Cr. Fm); succeeded by thin-bedded argillite, siltstone, minor greywacke and conglomerate and local thin basaltic flows, breccia and tuff (Hasen Cr. Fm) **(Skolai Gp., Station Creek and Hasen Creek)**

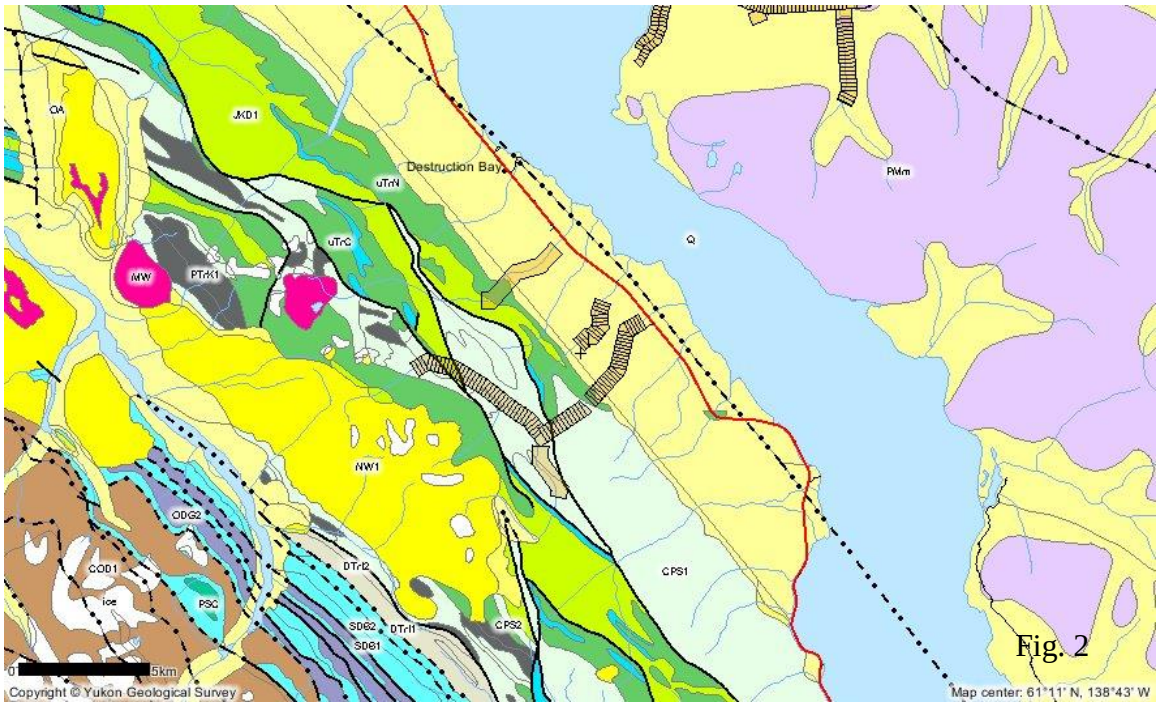

Fig. 2: Regional Geology

JKD1: DEZADEASH
interbedded light to dark buff-grey lithic greywacke, sandstone, siltstone, thin dark grey shale, argillite, phyllite and conglomerate; rare tuff **(Dezadeash)**

uTrC: CHITISTONE
thin interbedded light to dark grey argillaceous limestone and dark grey argillite; massive light grey limestone, limestone breccia and darker grey, well-bedded limestone; white to creamy-white gypsum and anhydrite **(McCarthy, Chitistone and Nizina limestones)**

uTrN: NICOLAI
amygdaloidal basaltic and andesitic flows, with local tuff, breccia, shale and thin-bedded bioclastic limestone; volcanic breccia, pillow lava and conglomerate at base; locally includes dark grey phyllite and minor thin grey limestone of Middle Triassic **(Nicolai Greenstone)**

PTrK1: KLUANE ULTRAMAFIC SUITE
medium grey-green, massive, medium grained, pyroxene gabbro and greenstone sills; sheeny black peridotite, rare dunite **(Kluane-type Mafic-Ultramafics; Squaw Datlasaka Ranges Gabbro-Diabase Sills)**

7.2 Property Geology

The placer claims comprising the Nines Creek property overlie only a few of the regionally present units but the alluvial deposits are composed of a mix of most of the rocks in the area including a few erratic boulders of granitic composition. Rocks that have been mapped in the immediate area include:

CPS1: SKOLAI
volcanics succeeded upward by clastic strata, tuff, breccia, argillite, agglomerate, augite-phyric basaltic to andesitic flows (Station Cr. Fm); succeeded by thin-bedded argillite, siltstone, minor greywacke and conglomerate and local thin basaltic flows, breccia and tuff (Hasen Cr. Fm) **(Skolai Gp., Station Creek and Hasen Creek)**

JKD1: DEZADEASH
interbedded light to dark buff-grey lithic greywacke, sandstone, siltstone, thin dark grey shale, argillite, phyllite and conglomerate; rare tuff **(Dezadeash)**

uTrN: NICOLAI
amygdaloidal basaltic and andesitic flows, with local tuff, breccia, shale and thin-bedded bioclastic limestone; volcanic breccia, pillow lava and conglomerate at base; locally includes dark grey phyllite and minor thin grey limestone of Middle Triassic **(Nicolai Greenstone)**

7.3 Mineralization

Nines Creek is known to contain flakes and small nuggets of placer gold from at least two, if not three different sources. Very small to medium sized flakes of bright yellow gold are mixed with medium sized coppery or rusty gold flakes. Larger grains, flakes and small nuggets are often dull including one weighing 997mg. There has been no attempt made to determine the purity of the placer gold collected to date. A number of small, silvery-grey and blue-grey metallic grains, possibly platinum have been recovered at various points on the creek. Numerous copper nuggets up to 30mm in size have been recovered in the sampling programs and one nugget 75mm x 60mm x 10mm in size was found on surface at the outlet of the Nines Creek canyon.

Plate 3: 997mg nugget found in 2011

Significant amounts of alluvial magnetite have been recovered during the various sampling programs in areas identified as having anomalous magnetic signatures. Several kilograms of magnetite were recovered from an average of 8.25 lcy of material at depths of 5-10' and 10-15' in test site H4.

Plate 4: Magnetite, copper and gold recovered from sample H4 10-15'

One magnetite cobble found in 2008, on surface within metres of the location of the large copper nugget, contained pyrite, minor chalcopyrite and assayed 9.61ppm gold.

Item 8: Deposit Types

8.1 Gulch Placers

Gulch placers are very high energy lag systems that exist in confined drainages. As with all lag deposits, they are poorly sorted and contain angular to sub-rounded particles ranging from silt to boulder in size. Boulder clusters exist within the drainage and protect poorly sorted material which acts like natural riffles that collect gold particles. The deposits can be quite rich, but may be spotty with localized concentrations of gold. Pay zones are typically narrow and range from a few inches to several feet and are normally located at or near bedrock or false bedrock within the sediment package. The source for the gold particles is quite close and the deposit forms more from the removal of lighter material than the lengthy transportation of the heavy minerals. Gold particles in a pure gulch placer will exhibit little rounding or folding and tend to be crystalline, flat, wire or shot like as found in the lode source.

8.2 Glacial Placers

Glacial movement tends to smear any existing placer or lode deposits in a down ice direction and generally results in poorly sorted moraine containing abundant clay or rock flour. The glacial deposits rarely concentrate any heavy minerals and can often bury existing gulch placers beneath barren sediments. Placer deposits that form from gold bearing glacial sediments are typically gulch and alluvial deposits that have formed from the reworking of these glacial sediments.

8.3 Volcanic Massive Sulphide Deposits

The primary model suggested by Steve Israel of the Yukon Geological Survey for the mineralization found on the Nines Creek property is that of a volcanic massive sulphide deposit. Examples in similar settings would include the Besshi

deposits in Japan, Windy Craggy located in British Columbia and Greens Creek deposit in Alaska. Noranda/Kuroko type VMS deposits found in similar terranes include Tulsequah Chief, Kutcho Creek and Myra Falls in British Columbia.

Israel has noted VMS style mineralization in the Lower Station Creek formation volcanic rocks which have returned a 320 Ma age which coincides with VMS mineralization that has recently been found in the upper portion of the Sicker Arc on Vancouver Island. Massive magnetite deposits and magnetite-bearing jasper form as exhalative lenses up to a metre thick and several tens of metres in strike length elsewhere in the Station Creek basalts.

The Besshi type deposits generally form as thin sheets of massive to well layered iron sulphides (pyrrhotite and or pyrite) with chalcopyrite, sphalerite and minor galena interlayered terrigenous clastic rocks and calcalkaline mafic to intermediate tuffs and flows. The deposits generally form in extensional environments such as back-arc basins, rift basins in the early stages of continental separation and oceanic ridges proximal to continental margins. Deposits are generally a few metres thick and up several kilometers in strike length and down dip though they can occur as stacked lenses. Primary mineralization generally consists of pyrite, pyrrhotite, chalcopyrite, sphalerite, cobaltite, magnetite, galena, bornite, tetrahedrite, cubanite, stannite, molybdenite, arsenopyrite and marcasite. As such, copper, gold, silver, zinc and lead are the main commodities found in Besshi type deposits although the relative amounts of each mineral may vary widely. Alteration generally consists of quartz, chlorite, calcite, siderite, ankerite, pyrite, sericite and graphite.

The grade and tonnage potential for these types of deposits varies considerably from an average of 0.22Mt, containing 1.5% Cu, 2-9g/t Ag and 0.4-2% Zn for the type-locality Besshi deposits to the very large Windy Craggy deposit which has reserves of more that 113.0 Mt containing 1.9% Cu, 3.9 g/t Ag and 0.08% Co. (Cox and Singer, 1986). Associated deposit types are generally confined to Cu and Zn veins.

Item 9: Exploration

9.1 Current Exploration

The 2013 exploration program on Nines Creek was completed to determine the source of magnetic anomalies identified in a 2009 geophysical survey and to determine if concentrations of gold were associated with the suspected placer magnetite accumulations. The trenching program was successful in identifying significant magnetite and copper nugget accumulations at test sites targeting the magnetic anomalies. On those sites targeting the upstream end of the magnetic anomalies or in areas of magnetic low signatures, only minor magnetite and copper was found.

The program entailed the digging to bedrock of creek gravels at six locations using a Kabota 080 rented from Totaltrac Yukon Inc. in Whitehorse. The machine was capable of digging to depths of approximately 15' (~5m), so in order to reach bedrock at the first test site, H1, a ramp was constructed with final depth of the hole at approximately 24.5' (7.5m). A number of large boulders were encountered in the test hole, one too large to be moved and the hole was adjusted slightly to facilitate the continued digging. These boulders are believed to be glacially transported erratic rocks that have come to their present position through the undermining of finer sediments by creek erosion rather than transported down the valley by creek action. Bedrock is believed to have been located in each of the sample sites and range from 13' (3.96m) to 24.5' (7.47m) below surface.

Plate 5: Kabota 080 digging the lowest sample on H1 test site.

Plate 6: Very large boulder encountered in H1

Progressive reclamation was completed during the program with each hole being filled after the digging, stacking and labeling of the respective samples. Once the sluicing of all of the samples was finalized, all disturbances were levelled and access trails decommissioned at a number of points along their length.

Field notes were collected at each test site. Notes regarding the location, depth to bedrock, volume of gravels dug and processed and characteristics of the test site were collected. Photographs were taken of each site prior to trenching and following reclamation.

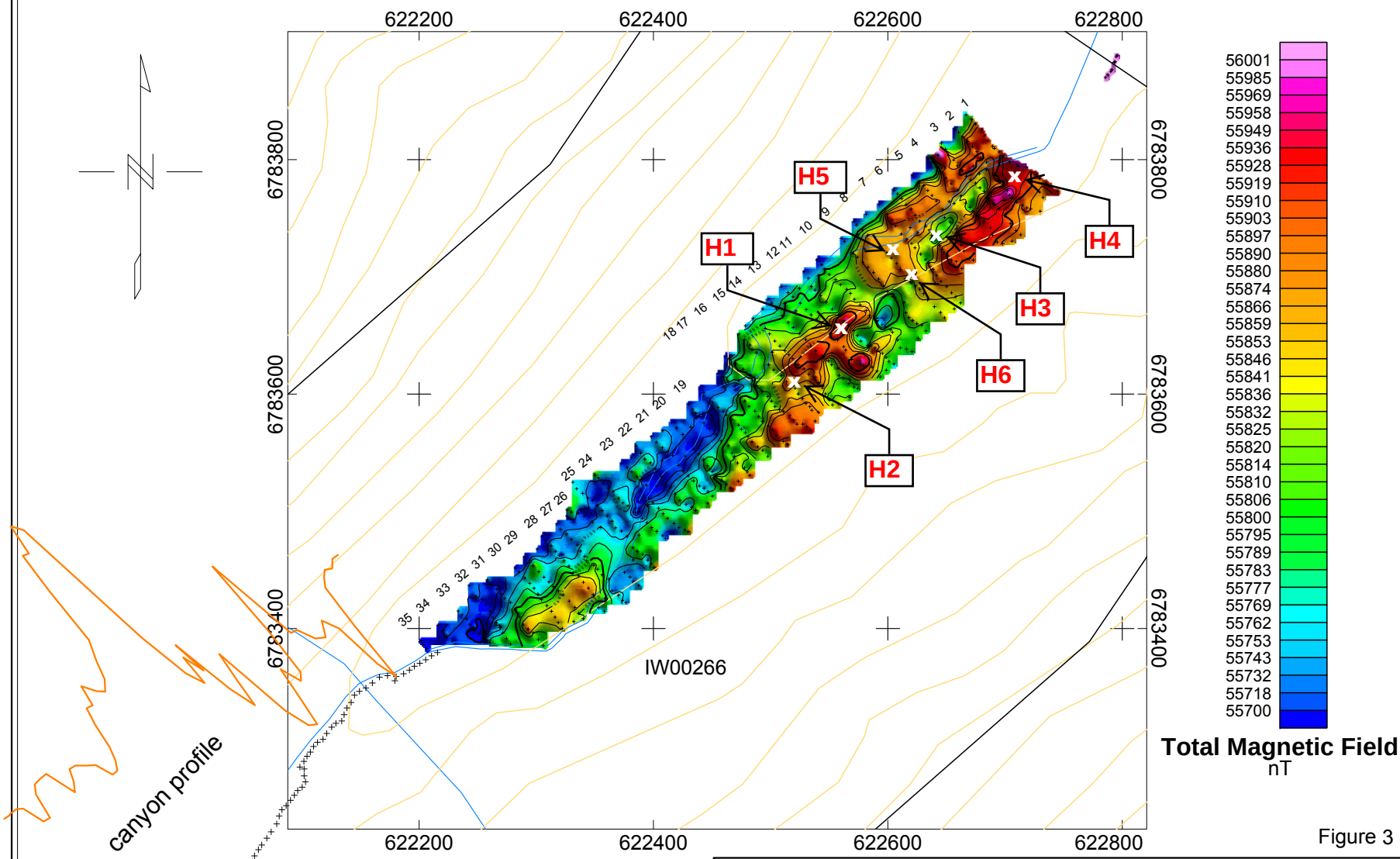

Figure 3

Nines Creek Placer Sampling Sites
Base Map of **Total Magnetic Field Survey - Below Canyon**
115 G/02 2013
KDG Exploration Services

Table 2: Field Notes

Sample Site	UTM zone 07		Bedrock depth Ft (m)	Volume dug bank cubic yards (bcy)
	Location (E)	Location (N)		
H1	622560	6783655	24.5 (7.47)	406
H2	622519	6783608	15 (4.57)	67
H3	622640	6783733	15 (4.57)	33
H4	622705	6783785	22 (6.71)	352
H5	622605	6783720	18 (5.49)	164
H6	622620	6783700	13 (3.96)	87

Table 3: Results (Samples not weighed are marked "x")

Sample Number	Notes			Volume processed (lcy)	Weight (mg)
	Magnetite	Copper	Gold		
H1 0-5'	minor	1 medium	minor orange gold	8.75	13
H1 5-10'	moderate	several small	both yellow and orange gold	8.75	30
H1 10-15'	lots	numerous small	larger flakes not as bright	8.75	60
H1 15-20'	moderate	few		8.75	11
H1 20-24 ½'	moderate		minor rusty gold	8.75	8
H2 0-5'	moderate		processed sample was dumped	8.75	x
H2 5-10'	minor		very minor bright gold	8	x
H2 10-15'	minor		processed sample was dumped	8	x
H3 0-5'	moderate	1 small	larger flakes not as bright	8.75	49
H3 5-10'	moderate		**1 very small platinum grain**	6.5	18
H3 10-15'	minor			4.125	6
H4 0-5'	minor	3 small, 1-15mm	larger flakes thicker and not as bright		23
H4 5-10'	lots	numerous to 10mm	**larger flakes thicker and not as bright. Several, up to 5mm "wire" nuggets**	8.75	**167**
H4 10-15'	lots	numerous	**Several 5mm rusty nuggets, 1 small blue-grey metallic grain**	8	**291**
H4 15-20'	lots	numerous to 40mm	**Numerous 3mm rusty flakes, 1-2mm platinum nugget**	7.75	**300**
H5 0-5'	minor	numerous small		8.75	11
H5 5-10'	lots	numerous to 30mm	**Numerous dull nuggets including a 233mg nugget**	8.75	**415**
H5 10-15'	minor	numerous to 12mm	includes a 47mg nugget	8	53
H6 0-5'	minor		larger flake is dull and quite rough	8.75	17
H6 5-10'	minor			8.75	6
H6 10-15'	minor			8.75	6

Item 10: Drilling
No drilling has been performed on the property.

Item 11: Sample Preparation, Analysis and Security
Gravels were dug from surface to what was believed to be the bedrock interface in all sample locations. Material was collected from each 5' (1.52m) vertical interval beginning at surface and dry stacked for later processing. Each sample pile was marked with a picket labeling the sample depth from which the gravels were dug. Sample size consisted of approximately eight loose cubic yards, 64 buckets, of material that was placed using a Kabota KH121 excavator onto a home built sluice with a vibrating hopper. The lower sluice run used Miners Mat and expanded metal to trap any heavy minerals present in the sample. The sluice was thoroughly washed and cleaned after each test to ensure that there was no cross contamination between samples. Concentrates collected from the sluice box were screened to separate the material into +1mm and -1mm size fractions. The samples were then transported to a secure facility for final panning of the +1mm size fraction. Any recoverable gold was removed at this time and placed into individual 1 dram glass vials which were then labeled with permanent marker as to their respective sample number. Notations were made of any distinguishing characteristics found including the weight of gold recovered.


Plate 7: Processing samples in 2013 program

Item 12: Data Verification
No data verification was completed during the program.

Item 13: Mineral Processing and Metallurgical Testing
No mineral processing or metallurgical testing was completed during the program.

Item 14: Mineral Resource Estimates
No mineral resource estimates were completed during the program.

Item 15: Adjacent Properties

15.1 Klu property
The property covers an area of complex geology and thrust faulting in which late Triassic peridotite and gabbro dykes intrude steeply dipping sedimentary rocks of

the Permian Hasen Creek Formation. Ni-Cu-PGE mineralization in the region is associated with basal marginal gabbro phase of the Spy Sill.

Sulphide mineralization at the Congdon occurrence (Spy Showing) Minfile 115G 003 occurs in siltstone in the footwall of the sill, marginal gabbro and feldspathic peridotite. Chalcopyrite and nickeliferous pyrrhotite at the base of the main peridotite dike and galena and sphalerite in quartz-carbonate veins up to 30 cm wide cut the dike. One vein assayed 1.2% Zn and 0.25% Pb. Minor chalcopyrite and pyrrhotite are reported about 4.8 km to the southeast.

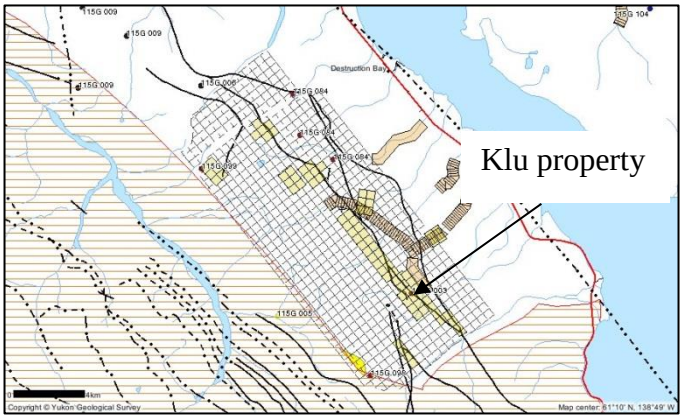

Figure 4: Klu property

Silt samples from streams draining the Klu claims returned anomalous values (up to 673 ppm Ni and appear to outline peridotite intrusions. Soil sampling in 1988 outlined four gold and four platinum and palladium anomalies with values up to 920 ppb Au, 158 ppb Pt and 277 ppb Pd over an ultramafic sill. Inco found intermittent sulphide showings over a strike of 3.6 km along the base of the 6 km long Spy Sill. These sulphide showings have highly anomalous PGE grades along with significant Ni and Cu. The number and size of peridotite intrusions occurring on the claim block and in the belt suggest they are part of a very large magmatic system. No significant Ni-Cu-PGE showings have been found at intrusions other than the Spy Sill. Grab samples collected by Inco from the gabbro-siltstone contact assayed up to 3.1% Ni, 2.8% Cu, 0.2% Co, 3.1g/t Pt, 1.4g/t Pd and 1.0g/t Au.

A heavy mineral sample collected 400 m downstream from the intersection of the Spy Sill and the south branch of Nines Creek returned 700ppm Pt and >10 000 Au. The high Au value may not necessarily be related to sulphide mineralization and may indicate possible placer gold potential at that point.

15.2 Fry Pan Creek (placer)

Fry Pan creek is located 31 km north-west of Nines Creek and exists as a small tributary to the Duke River. Little mining has occurred on the creek and only a few bulk sampling operations have tested the creek gravels. A small test mining of the creek existed in 1989. A second mining operation in 1993 is reported to have sluiced 2500 bcy of material and recovered 256 ounces of placer gold. Test pitting programs attempted to determine the gold content of the creek gravels in both 1993 and 1995. The evaluation program completed by the author in 1995 found gold distributed in creek gravels and in the glacial till that covered most of the property. The average grade of the samples collected during the program was 0.33148 oz/lcy. **It has since come into question that the samples from this program may have been tampered with and the values obtained should not be relied upon. Independent verification studies should be conducted to determine actual gold content.** Many of the samples contained a high clay content which proved problematic in the processing (sluicing) and would undoubtedly be an issue in any mining operation on the creek

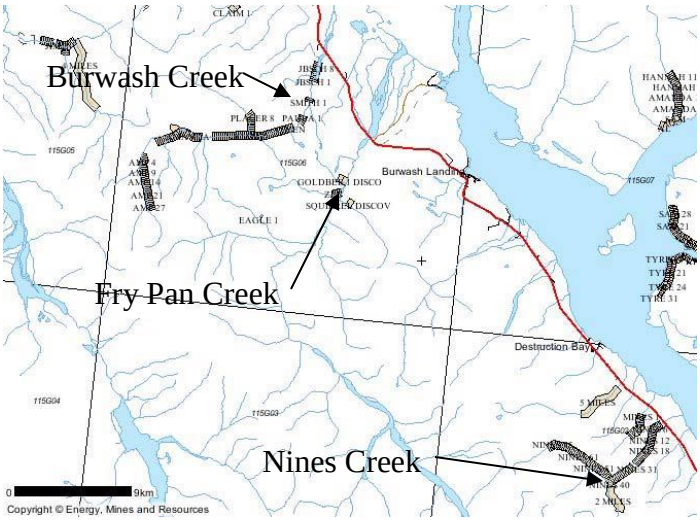

Figure 5: Adjacent placer properties

15.3 Burwash Creek (placer)

Burwash Creek lies a distance of 37 km north-west of Nines Creek and 6km north-west of Fry Pan Creek. Historical records of gold production are spotty at best with government royalty figures totaling 27,782 crude ounces. This is considered a minimum value as most coarse jewelry gold was and is still sold privately.

Placer gold in Burwash Creek has been found in several types of unconsolidated sediments, including 1) Modern river gravel, 2) at least 2 levels of alluvial bench gravel, 3) Interglacial river gravel, which is in places reworked and buried by modern gravel and glacial material, 4) glaciofluvial gravel, 5) glacial till, 6) colluvium derived from types 2 to 5; 7) tailings from previous mining activity and 8) mine tailings subsequently reworked by flood events in the modern stream. The fineness of gold on Burwash Creek is unusually consistent throughout its length, varying only from 850 to 860 and showing no distinctive change in distance downstream. The gold is coarse and nuggets are common, with the largest found weighing 16 ounces. Generally the gold is smooth, flat and well-

traveled, and quartz attachments are rare. In the main valley, the grain size is evenly distributed between plus 8 mesh and minus 8 mesh, while on the benches coarser gold occurs with the ratio of 90% plus 8 mesh and 10% minus 8 mesh. (Lebarge, 2008)

Item 16: Other Relevant Data and Information

There is no other relevant data or information included in this report.

Item 17: Interpretation and Conclusions

Systematic sampling of the lower Nines Creek gravels in 2013 determined that in the areas identified as having moderately-high magnetic intensity as outlined in the 2009 magnetic survey returned sub-economic gold values. The test program was successful in identifying the cause of the magnetic anomalies as concentrations of alluvial magnetite often with a surprising number of copper nuggets. Without the confining nature of the bedrock walls forming the gulch placer deposits on the lower Nines Creek, it is doubtful that any economic concentrations of placer gold will be found below the existing Nines 28 claim where the creek exits the valley and begins to form the broad alluvial fan.

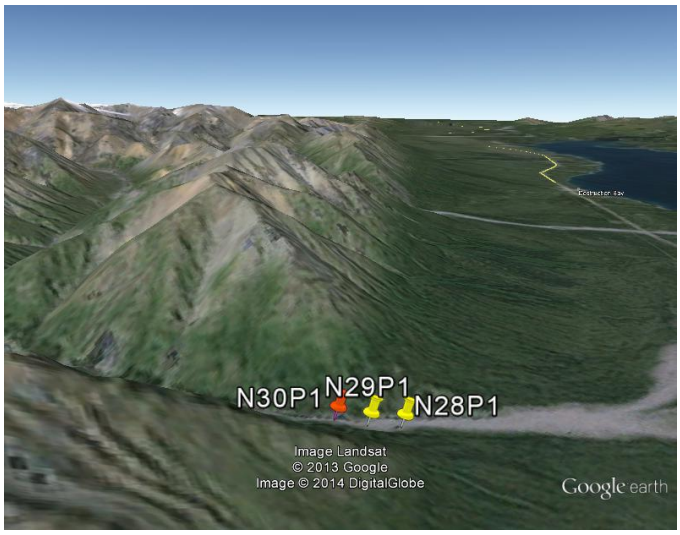

Plate 8: Satellite image showing the beginning of the alluvial fan below Nines 28

The large and intense magnetic anomaly situated above the Nines Creek canyon remains a compelling target for a potentially economic placer gold deposit. The rock walls of the canyon would create a natural choke point for flood events and would create a large settling pond where heavy minerals would drop out of the sediment load carried by the creek. The 2009 magnetic survey outlined an area 500m long and at least 140m wide (rim to rim) with a much higher magnetic intensity than that found downstream. A bench deposit situated on the right limit of the creek is suggested by a narrow 20-30m wide intense magnetic anomaly that parallels the present day creek. This coincides with an existing gravel bench in the same area. The magnetic intensity of the area decreases rapidly downstream as one approaches the canyon as would be expected with increased velocity of the creek flow and subsequent greater sediment carrying capacity. The area appears flushed of magnetic material. This could be the source of some of the alluvial magnetite and placer gold found below the canyon including the 997mg nugget found in 2011. The discovery of a large 75mm x

60mm x 10mm copper nugget lying on the surface at the outlet of the canyon demonstrates the power of the periodic flood events that occur in the Nines Creek drainage.

Plate 9: Copper nugget found in 2013

Depth to bedrock below the canyon was found to be fairly shallow and if similar conditions exist upstream, the large area may be amenable to various mining techniques such as a New Zealand floating sluice plant. Significant advantages of using such an operation are the minimal reclamation required to flatten tailings piles and the fact that the sluice plant floats on its own settling pond.

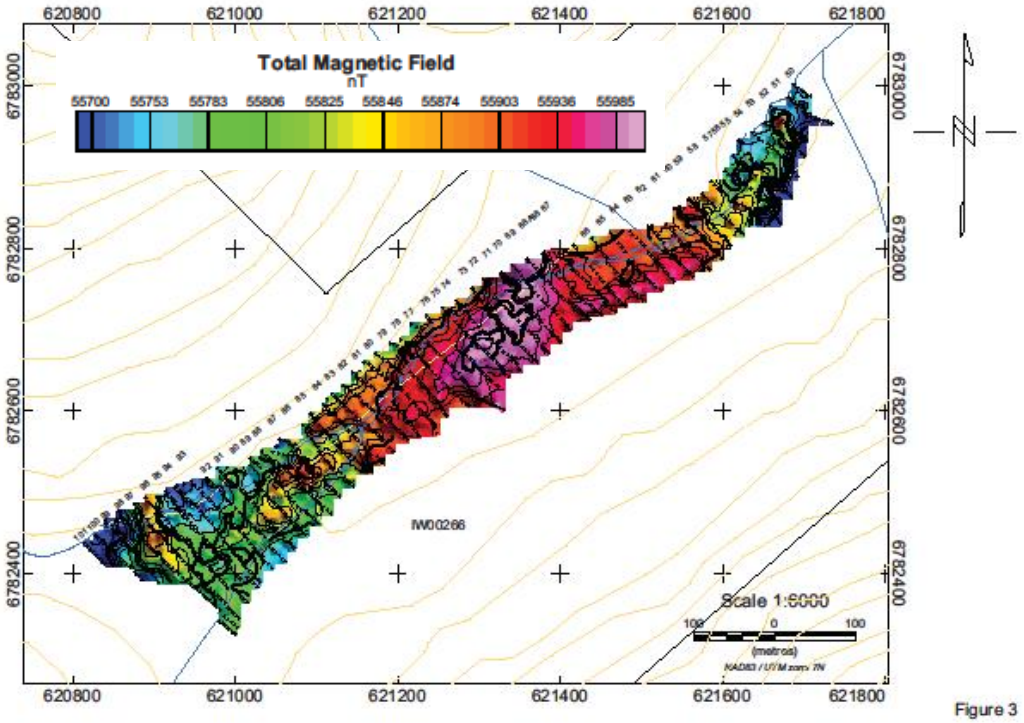

Figure 6: Magnetic survey results above canyon on Nines Creek.

Government geologists have mapped a fault crossing the creek in the area of the magnetic anomaly and it has been suggested that the fault may be the source of the magnetic anomaly. Airborne geophysical maps do not show any magnetic high features at this location and a second theory proposed is that the faulted bedrock has acted as natural riffles and concentrated the magnetite and other heavy minerals at this location. The trend of the magnetic anomaly suggests that

it swings southwest and eventually under the till covered bank on the right limit, possibly preserving any accumulation of heavy minerals present.

Item 18: Recommendations and Budget

The application process for a Class 3 Placer Mining Land Use Permit should be initiated to facilitate the construction of an access trail to the area above the canyon. Once access is gained, a similar sampling program to that conducted in 2013 should be completed at a number of locations within the significant magnetic anomaly present there. Such a program would identify accumulations of placer gold and hopefully map any “pay channels” present. In the event that bedrock is located sufficiently deep that it cannot be accessed for sampling purposes, a number of Resistivity transects should be completed across the valley bottom to map the bedrock/gravel interface.

From these sampling and geophysical programs an initial estimate of the extent and grade of mineralization within the gravels can be calculated prior to more detailed exploration.

Geophysical survey		$10,000
Excavator (300hr) for testing program and trail building		$60,000
Excavator (200hr) for sample processing		$20,000
Test plant (20 days)		$9,000
Reclamation		$10,000
Equipment rental (Argo, Trucks, etc.)		$10,000
Mob/Demob		$4,000
Sampler (20 days @ $200/day)		$4,000
Forman (30 days @ $400/day)		$12,000
Accommodation and meals		$15,000
Reporting		$5,000
	subtotal	$130,000
Contingency (15%)		$19,500
		$149,500

Respectfully submitted,

Ken Galambos P.Eng. (APEY Reg. No. 0916, APEGBC license 35364)
KDG Exploration Services
Victoria, BC. V8T 2G6

February 18, 2014

Item 19: References

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Item 20: Certification, Date and Signature

1) I, Kenneth Daryl Galambos of 1535 Westall Avenue, Victoria, British Columbia am self-employed as a consultant geological engineer, authored and am responsible for this report entitled “Placer Sampling Report on the Nines Creek Project”, dated February 18, 2014.

2) I am a graduate of the University of Saskatchewan in Saskatoon, Saskatchewan with a Bachelor’s Degree in Geological Engineering (1982). I began working in the mining field in 1974 and have more than 28 years mineral exploration and production experience, primarily in the North American Cordillera. Highlights of this experience include the discovery and delineation of the Brewery Creek gold deposit, near Dawson City, Yukon for Noranda Exploration Ltd.

3) I am a registered member of the Association of Professional Engineers of Yukon, registration number 0916 and have been a member in good standing since 1988. I am a registered Professional Engineer with APEGBC, license 35364, since December, 2010.

4) I have visited the subject mining property of this report and am a “Qualified Person” in the context of and have read and understand National Instrument 43-101 and the Companion Policy to NI 43-101. This report was prepared in compliance with NI 43-101.

5) This report is based upon a site visit to the property from August 30-September 25, 2014, the author’s personal knowledge of the region and a review of additional pertinent data.

6) As stated in this report, in my professional opinion the property is of potential merit and further exploration work is justified.

7) To the best of my knowledge this report contains all scientific and technical information required to be disclosed so as not to be misleading.

8) I am partners with Ralph Keefe on Nines Creek and on a number of properties in Yukon and British Columbia. My professional relationship is as a non-arm’s length consultant, and I have no expectation that this relationship will change.

9) I consent to the use of this report by Ralph Keefe for such assessment and/or regulatory and financing purposes deemed necessary, but if any part shall be taken as an excerpt, it shall be done only with my approval.

Dated at Victoria, British Columbia this 18th day of February, 2014.
“Signed and Sealed”

“Kenneth D. Galambos”

Ken Galambos, P.Eng. (APEY Reg. No. 0916)
KDG Exploration Services
1535 Westall Ave.
Victoria, British Columbia V8T 2G6

Item 21: Statement of Expenditures

Personnel	
Ralph Keefe 24 days @ $350/day	8,400.00
Ken Galambos 18 days @ $500/day	9,000.00
Bruce McMillan 42.8 hours @ $50/hr	2,140.00
Room and board (43 man days@ $100/day)	4,300.00
Contractors	
Chuck Exploration D6C Caterpillar 6.5hr @ $147/hr	955.50
Gordy's Excavating	12,840.00
Kabota 080 rental	2,200.00
Mileage 2400km @ .60/km	1,440.00
Equipment rental (ATV, trailer, chainsaw, generator, cleanup sluice)	1,154.00
Report 2 days @ $500/day	1,000.00
Total	$43,429.50