SUMMARY AND TECHNICAL REPORT

PAYLOADER 7
YMIP PROJECT # 10-019
OCTOBER 10, 2010

PROJECT AREA: NTS MAP SHEET 115O14A

CLAIM # P49451

APPLICANT / GEOLOGIST
ABROL KAKHAROV
275 SHUTER STREET, # 716
TORONTO, ONTARIO
M5A1W4

PROSPECTOR / EQUIP. OPERATOR
ROBERT BETTS
BOX 120
DAWSON CITY, YUKON
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SAMPLER/ EQUIP. OPERATOR
SHARON BETTS
BOX 120
DAWSON CITY, YUKON
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CONTENTS

TARGET AND OBJECTIVE

Significant placer gold deposits were believed to be present in this underexplored, frozen gulch. To the northeast, topographically similar Little Blanch Creek, reported placer gold grades of 0.167 ounces per yard of gravel in 2004 (YMIP 04-033). Current claim holders to the north in Chief Gulch, report positive drill results and nearby Victoria Gulch is known to contain placer deposits. The proximity of these deposits can be viewed on NTS map 115-O/14.

LOCATION HISTORY

Placer Claim P49451 (Payloader 7) lies in a valley, generously covered with native vegetation. A small seasonal stream runs north to south near the baseline and eventually flows into Calder Creek. The small tributary was "unofficially" named "Dream Creek" by a previous claim holder,
Robert Truswell. The claim, shown on Map Sheet 115O14a, has the following boundries:

GPS: NE	139^0	9′	33.6" W
	63^0	49′	41.9" N
NW	139^0	10′	13.0" W
	63^0	49′	32.8" N
SE	139^0	9′	25.3" W
	63^0	49′	34.8" N
SW	139^0	9′	53.0" W
	63^0	49′	19.3" N

Due to limited access and steep terrain, this small seasonal stream remained underexplored. The remains of old cabins in the area suggest prospecting may have taken place many years ago, however, no documented results could be found. Robert Truswell, a deceased prospector and miner, held ownership to 25 placer claims on this small tributary from 1988 through 2003. Although Mr. Truswell's prospecting and mining results are not well known, acquaintances believe his efforts were successful. Following Mr. Truswell's death, Alex Seely held ownership to the 25 claims and offered them for sale. No exploration was undertaken during this time.

Although no placer deposits from this small tributary have been recorded, Quartz Creek (farther downstream) has production history dating back to 1940. According to the Yukon Placer Database Stream Report, Quartz was one of the first to have gold found in its gravels. Some higher production years were: 1990 (6,366 oz.), 1995 (5,546 oz.) and 1948 (4,723 oz.) In 2005 to 2006, the database reports 1,533.34 oz. of gold recovered.

While this small tributary of Calder Creek appears to have been underexplored, both nearby downstream locations (Calder and Quartz Creeks) have been mapped and well described. According to the Yukon Placer Database Stream Report, Calder Creek bedrock is mapped as Carboniferous and Permian tan to rusty and black weathering muscovitic and or cloritic

quartzite and quartz-muscovite-chlorite schist; quartz and / or feldspar augen-bearing quartz-muscovite (+/- chlorite) schist; includes augen gneiss and amphibolites (Klondike Schist) Middle Permian Sulphur Creek Suite moderately to strongly foliated biotite quartz monzonite gneiss, the Sulphur Creek Orthogneiss; coarse grained, homogenous, hornblende-biotite-bearing granite, granodiorite and quartz-monzonite with narrow foliated and mylonitic zones of the Ram Stock (Sulphur Creek Orthogneiss, Ram Stock.

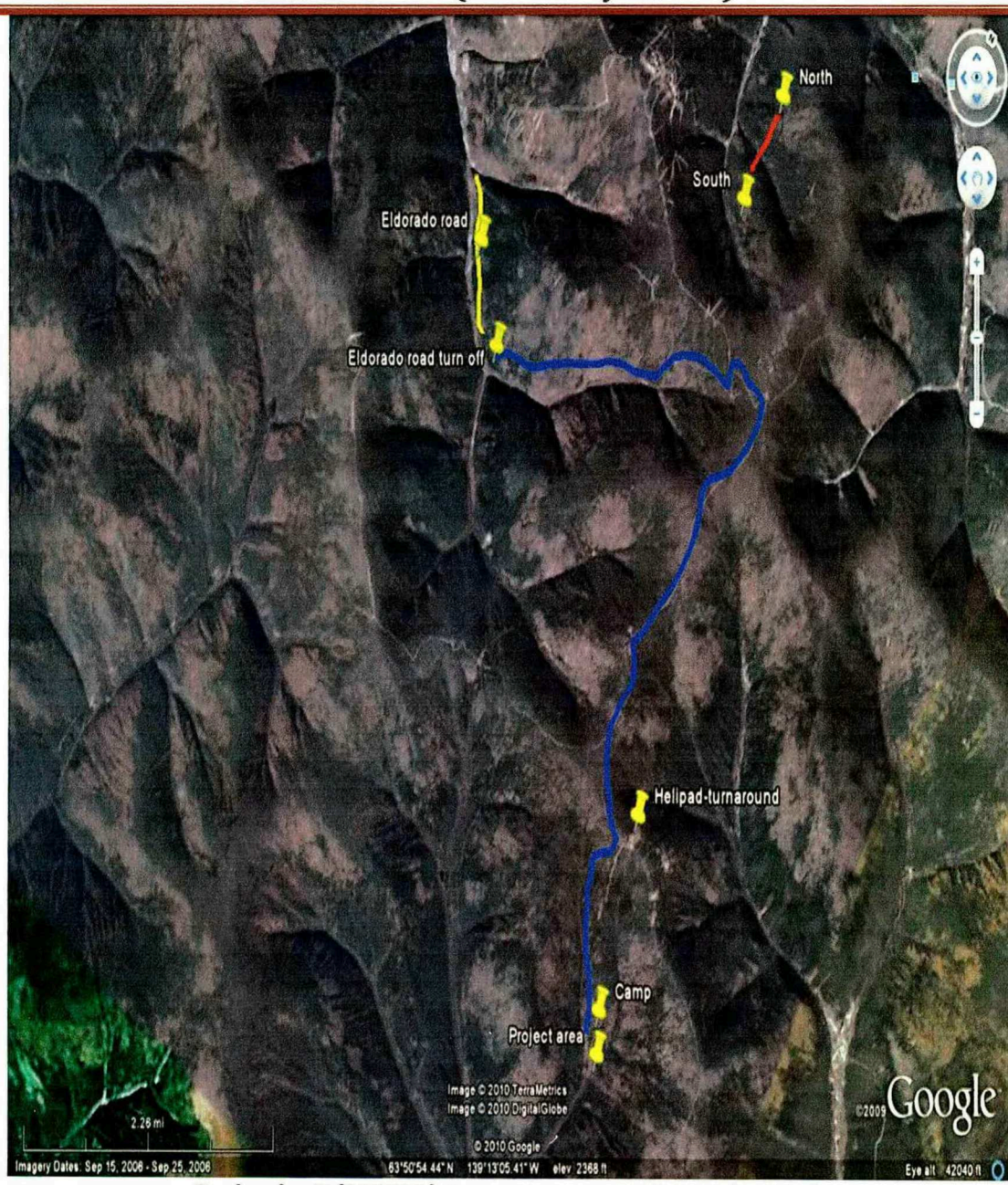
References

Debicki R.L. Yukon Mineral Industry 1941-1959. Ottawa: DIAND, 1983.p.39 Geological Survey of Canada. Annual Report Vol.XIV, Reports
A, B, F, H, J, M, O, S,1901 Ottawa: GSC,1905.:p.54B

DRIVING DIRECTIONS & MAP

The property lies approximately 25 km south of Dawson City and can be reached by traveling 12km on Bonanza Creek Road, followed by 5 km on upper Bonanza Creek Road. From there, primitive roads lead south along Victoria Gulch and climb toward the crest of the Klondike Plateau. Continuing south along the ridge for approximately 8 km, the road turns west and deteriorates before turning south to the Indian River drainage. The last 8 km has a heavy growth of vegetation but was traveled by 4x4 after clearing with a chain saw and machete in summer 2009. The property is also accessible by charter helicopter from Dawson City and snow machine during winter months. Please see the following maps for a land access route.

An alternate route to the site would include travel of approximately 35.5 km. from the intersection of Klondike Highway and Bonanza Creek Road southeast of Dawson City. From this intersection, drive south on Bonanza Creek Road for 14 km. to the intersection of Upper Bonanza Creek Road and El Dorado Road. Continue straight ahead on El Dorado Road for 8.6 km (crossing El Dorado Creek). Turn left on a dirt road found at that point and proceed uphill 4.8 kilometers. Next, turn right and proceed uphill (south) for 4.3 kilometers. Make no left turns during these 4.3 kilometers. Turn left and proceed .9 km. to a dirt road on the right (switchback – too short, can't make turn with 4x4). Proceed ahead .16 km. to turn around (U turn area and possible helicopter landing site). See 10 five gallon buckets of rock on your left. Make U turn and drive back .16 km to left turn. Turn left (southwest) and continue 2.2 kilometers to YMIP Project # 10-019 Trench A. There a machine dug trench, 6 meters long by 61 centimeters wide, can be found approximately 2 meters below the road surface. This trench has been backfilled and left well marked. Continue .16 km to Camp where you will find one old truck, abandoned by a prior claim holder and one 5x8 foot wooden building. You have just passed 2 claim posts on the right side, approximately 3 meters from the road. These are Payloader 7 (P 49451) Claim Post 1 and Dream 1 (P 49450) Claim Post 2.



Payloader 7 (P49451) Access Route via El Dorado Road

Camp 139° 09' 34"W
63° 49' 27"N

Helipad 139° 10'00"W
63° 50' 22"N

Shaft 1 139° 09' 16"W
63° 49' 10"N

Shaft 2 139° 09' 20"W
63° 49' 05"N

PROJECT PARTICIPANTS

The applicant, Abrol Kakharov, Ph.D. is an accomplished Geologist with extensive mining experience. Abrol has authored 3 books and over 60 articles on mining and mining economics. His resume is impressive and has been included with this summary for your inspection. Abrol examined the trench locations and soil conditions, as well as identifying rock types and evaluating the concentrates.

Robert Betts participated in this project by providing and transporting a truck, trailer, mini excavator and all equipment necessary to establish a roadway and a temporary camp. Reaching the proposed trench sites required filling in washes and clearing downed trees and heavy brush. It was still necessary to walk in the mini excavator the last 2.36 km, from a nearby ridge top to the trench sites. This portion of steep, narrow roadway cannot accommodate trailers. Robert established a temporary camp and operated the mini excavator to dig two trenches (each 20 feet in length). He found it necessary to build a fire in Trench A to thaw stubborn permafrost and remove the remaining muck and gravel by hand. Robert directed the collection of sample materials and prepared the concentrates by screening and sluicing.

Participant, Sharon Betts collected 5 gallon samples from various horizons, flagged each sample location, recorded GPS positions at collection sites and transported the numbered buckets of material to camp by ATV. She assisted with the backfilling of trenches and reclamation.

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M.Eng. (Mining), B.Eng. (Mining)

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EDUCATION:

Professor of Economics and Management — *Obtained in 1954*
University of World Economy and Diplomacy, Moscow, Russia

Doctorate Degree in **Gold Mining** (Economics and Management) — *Obtained in 1952*
Moscow Central Certification Committee of the USSR

Candidate of Sciences, Ph.D. — *Obtained in 1959*
School of Economics, Uzbekistan

Master's Degree in **Engineering (Mining)** — *Obtained in 1959*
Middle Asian Polytechnic Institute, Uzbekistan

AWARDS:

Laureate of the National Award of the USSR
Five (5) awards and medals

WORK EXPERIENCE:

Executive Director — Abrol-Aka Gold Mining Corp., Canada — 1998 – present
Consulting on a number of gold mining projects in Canada, Guyana, Peru, Chili, Brazil, Panama, Uzbekistan, Ukraine, and Russian Federation.

Professor — University of World Economy and Diplomacy, Uzbekistan — 1994 - 1998
Lecturing, consulting

Director — Marjanbulak Gold Mine, Uzbekistan — 1991 - 1994
Prospecting, mining, hydro-metallic processing of gold, reconstruction, invention of new technology, policy-making for ensuring health and safety, environment control processes, etc.

Research Fellow, Professor — Academy of Sciences, Institute of Bioorganic Chemistry, Uzbekistan — 1985 – 1991
Conducted research for new biotechnology for leaching gold, new mining technologies, improvement of methodologies to conduct feasibility studies for mining, design of the new approach to the open pit and underground mining; lectures on international activity, such as activity of United Nations, European countries as well as countries of the former Soviet block, etc.

Director — UzbekGold Corporation, Uzbekistan — 1972 - 1985
Builder of eight gold mines and five plants, conducted scientific research for geology exploration and process technology for drilling, blasting excavation, transportation, crushing, milling, gravitation, flotation, hydrometallurgical processes, sorption and desorption; people management, coach and mentor to mining specialists for knowledge improvement in economics and management.

Director — Murunstau Gold Mine and Uranium Mining, Uzbekistan — 1967 - 1972
Responsible for directing the construction of one of the biggest mines in the world.
General management functions; Arrangement of social security for thousands of workers.

PUBLICATIONS AND PATENTS:

Holder of over twenty (20) patents.
USSR Patent #153553 "C" regarding: "The Methodology of Refinement of the Gold-bearing Ores".

Kakharov A. (1997). Toronto, International Gold Mining Conference on CIS republics sponsored by the Canadian publication "NORTHERN MINER". "History on current state of gold mining in Central Asia and Kazakhstan and its development potential".

Kakharov, A. (1996). "Non-residue technology - a way towards deciding ecological problems", International Fund for Ecology. (Tashkent, Uzbekistan).

Sadykov A.S., Kakharov A. and M. Sagdieva (1994). "The role of bio-technology in creating residue production". Report to the International Conference of the United Nations on waste and bio-waste. (Tashkent, Uzbekistan).

More then 60 articles and 3 books. (Subjects: gold, silver, copper, lead, zinc, tin, tungsten, molybdenum, germanium, and rare materials. "Problems in Increasing Economic Effectiveness of Gold producing Industry of Uzbekistan" 1981.Uzbekistan Academy of scienes-451 pages.")

Abrol Kakharov, Robert Betts & Sharon Betts

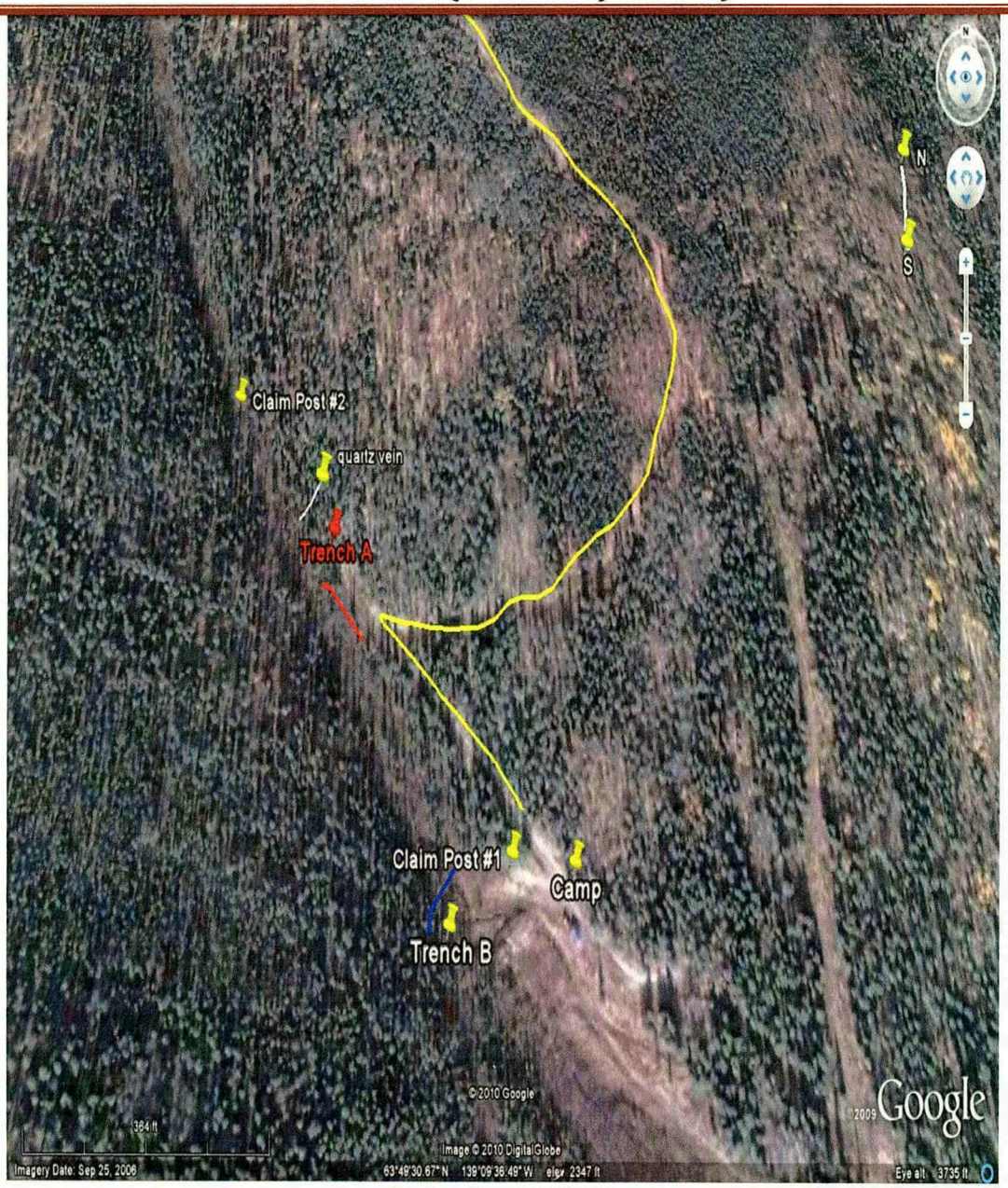
ACTIVITIES

The access road previously used (via Upper Bonanza Creek Road) was found to contain too many washed out areas to accommodate a small flat bed trailer loaded with a mini excavator. A new access route was created by clearing brush and repairing washes with the excavator on a roadway that was completely blocked by downed trees and heavy underbrush. This made it possible to bring equipment in from El Dorado Road and avoid the Upper Bonanza Creek approach. This route is described above in the "Driving Directions & Map" section of this report.

Trench A is located at GPS position: 139° 09'45"W - 63°49'31"N. More easily described as: approximately 3 meters below the switchback on the last 2.36 km of the access road to Payloader 7 claim (P 494512), shown on Map # 115014a. The location for trench A was chosen for access and its proximity to the creek. Trees were removed with a chainsaw and surface moss was removed with a Takeuchi TBO16 mini excavator. Impenetrable permafrost was encounter just below the dense moss mat. Use of the excavator was soon abandoned at this site and the trench was continued by hand with pick and shovel. A fire was somewhat helpful to accelerate thawing of the frozen black muck. A rain dominated season with little sun made reaching even a 7 foot depth slow and messy. Samples of soil and angular rock were collected from various depths throughout the length of the trench and found to contain no gold or identifiable metals of value. However, gravels encountered at 7 feet were found to contain small flakes of gold. Inclement weather and trench cave ins made it impossible to reach additional depth or bedrock at this site. Further excavation was discontinued and the trench was backfilled and marked with flags.

Trench B is located at GPS position: 139° 09' 39"W - 63° 49' 27"N. The site for this trench was also chosen for easy access. It appeared that an undetermined amount of overburden had been removed previously by a prior claimholder to construct a dam . Given the size of the equipment selected for this project and a limited digging depth, less overburden was advantageous and would aid in the ultimate goal of reaching bedrock. This area had been stripped previously and had only a limited amount of brush and no surface moss. As had been anticipated, no permafrost was encounter at this site. A trench 20 feet long and 9 feet deep was mechanically dug and 5 samples were collected at depths from 2 to 9 feet. Unfortunately, groundwater filled this trench rapidly and prevented a greater depth from being achieved. The trench was eventually backfilled and marked with flags. Sample materials were screened and sluiced to prepare concentrates for further evaluation by Abrol Kakharov.

A substantial outcropping of quartz, worthy of examination, was discovered near the site chosen for Trench A. Chip samples were collected and examined under magnification. No obvious gold was evident in these samples. Following completion of this project, we noticed quartz claims had now been staked and recorded on most of this gulch and the surrounding area by other miners.



Payloader 7 P49451

Access road shown in yellow

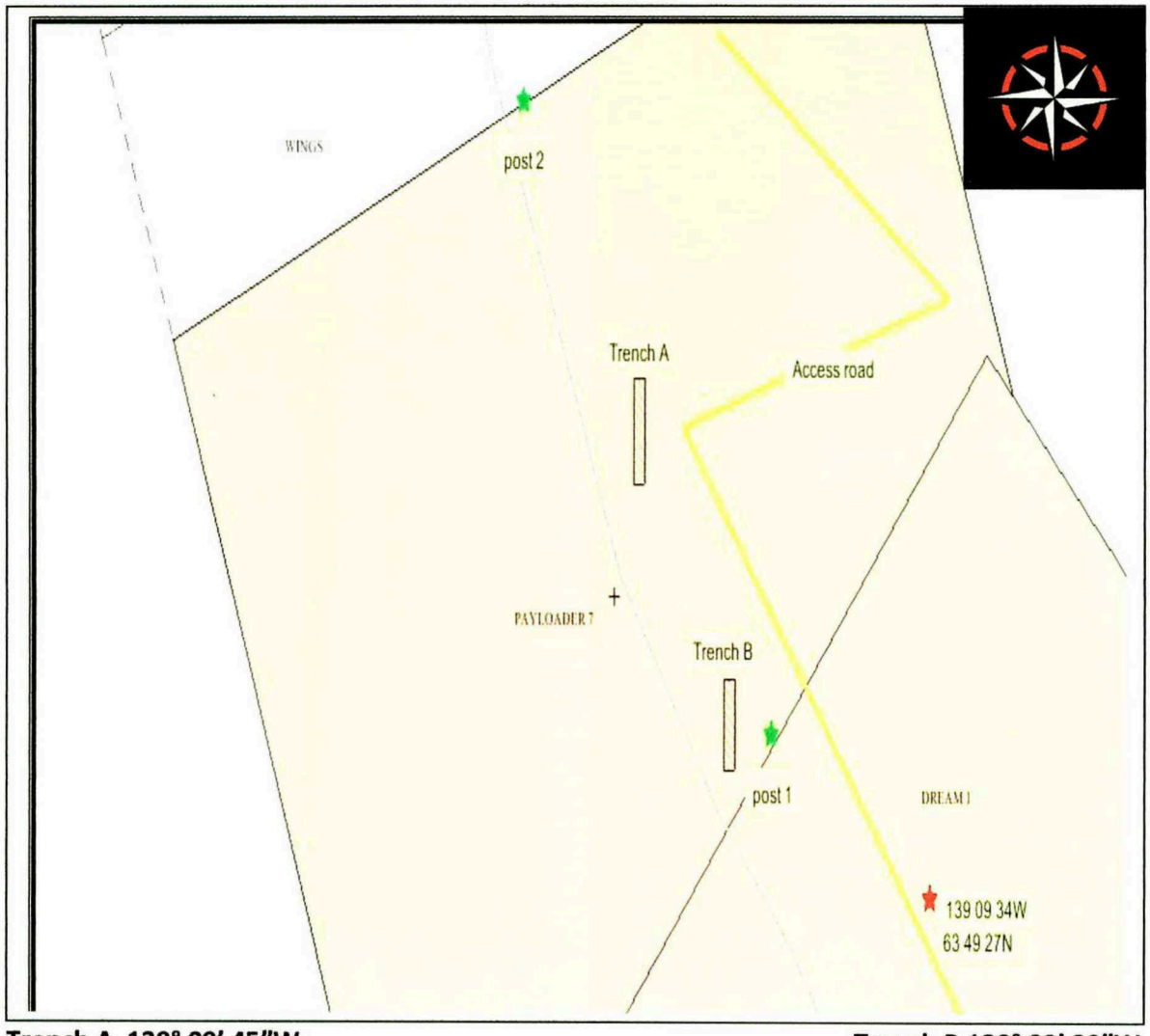
Trench A shown in red 139° 09' 45"W
63° 49' 27"N

Trench B shown in blue 139° 09' 39"W
63° 49' 27"N

Camp 139° 09' 34"W
63° 49' 27"N

Quartz Vein 139° 09' 46"W
63° 49' 32"N

P49451 Payloader 7 Claim with Trenches



Trench A 139° 09' 45"W
63° 49' 27"N

Trench B 139° 09' 39"W
63° 49' 27"N

Quartz Vein 139° 09' 46"W
63° 49' 32"N

Camp 139° 09' 34"W
63° 49' 27"N

Payloader 7 P49451 Claim Boundaries

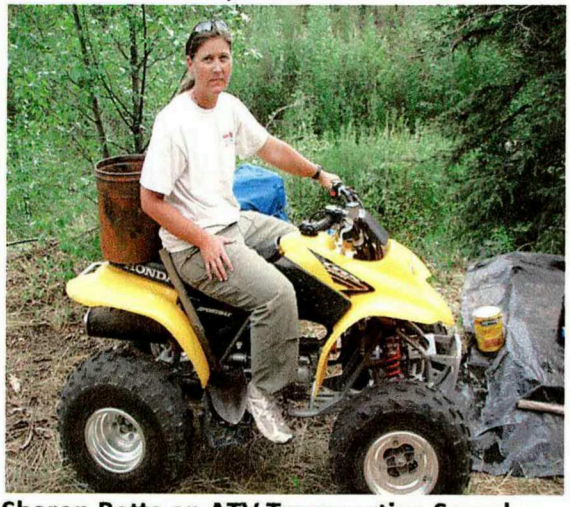
NW: 139° 09'33.6"W
63°49'41.9"N

NW: 139°10'13.0"W
63°49'32.8"N

SE: 139°9'25.3"W
63°49'34.8"N

SW: 139°9'53.0"W
63°49'19.3"N

F250, Mini Excavator & Trailer in Transit from Nevada to Yukon



Sharon Betts on ATV Transporting Samples

Robert Betts Removes Moss from Trench A

Abrol Kakharov - Trench A Location

Trench A Permafrost

Fire in the Hole

Trench A – Fire out – Robert in

Trench A - Robert

Trench A muck thaws slowly

Abrol in Trench A

Trench A

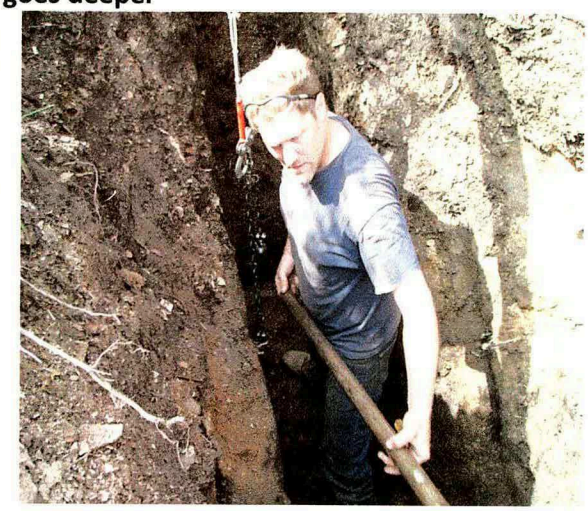
Robert shovels out Trench A "again"

Trench A - more black muck

Trench A deepens "slowly"

Trench A goes deeper

Trench A



Robert shovels out Trench A

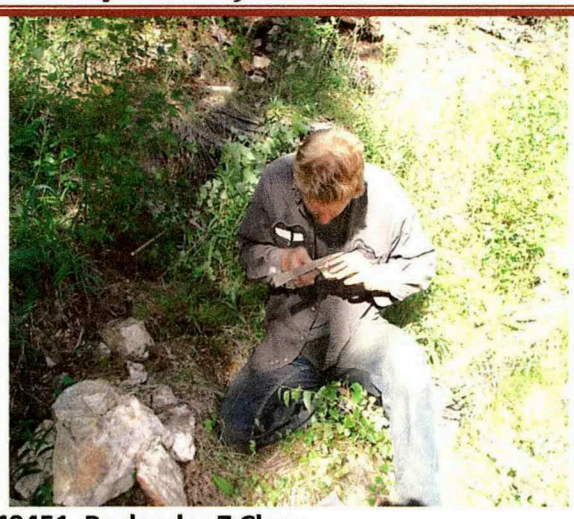
Trench A gravels

Trench A Schist

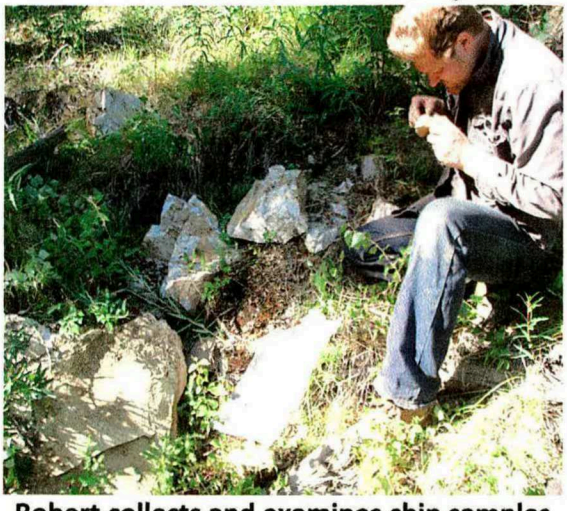
Trench A Backfilled

Trench A Backfilled and Flagged

Quartz outcropping near Trench A



Generous amounts of Quartz on P49451 Payloader 7 Clam



Robert collects and examines chip samples

Trench B Location

Robert Begins Trench B

Abrol examines Trench B Location

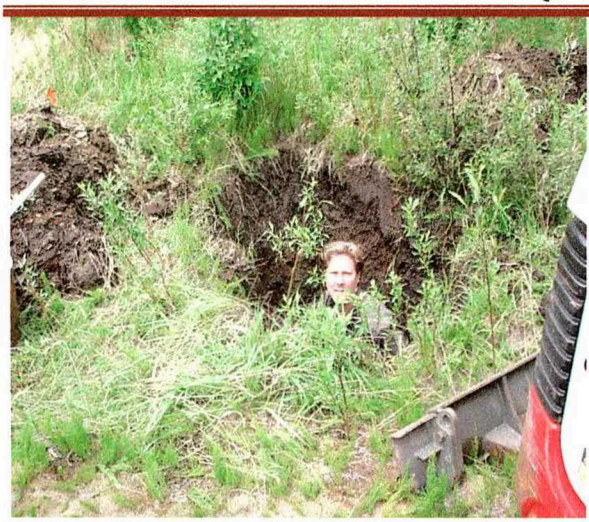
Robert, mini excavator and Trench B

Trench B groundwater

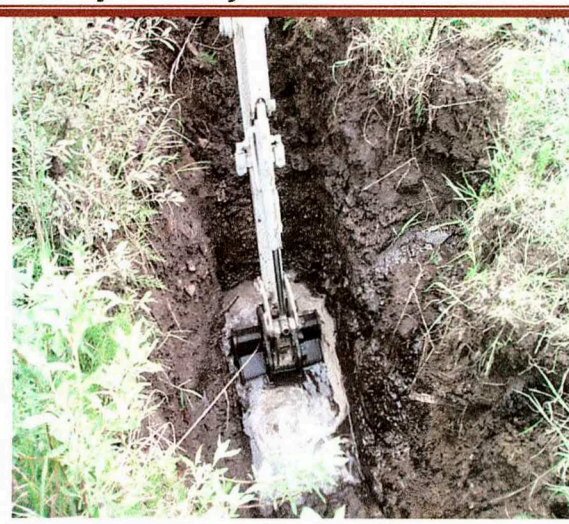
Sharon marks trench and sample locations

Sharon examines soil and rock

Sharon collects samples in Trench B



Robert examines progress



Trench B goes deeper

Trench B in progress

Robert collects samples

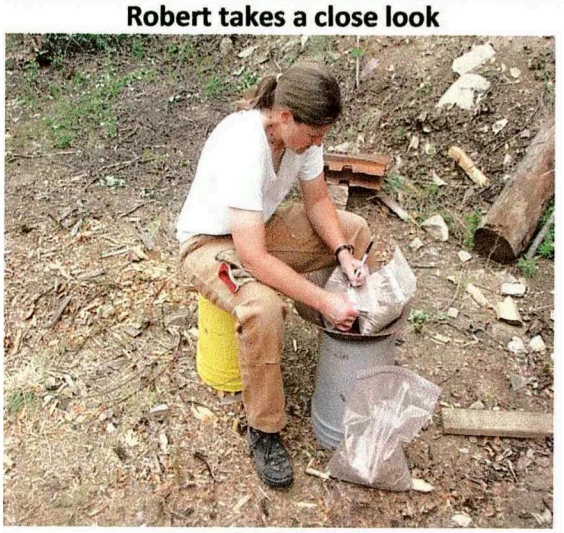
Abrol examines Trench B materials on site

Robert in Trench B

Robert sluices material

Robert takes a close look

Sharon prepares samples



Samples labeled

Abrol examines concentrates

Trench B groundwater level

Trench B, depth 9 feet

Sharon backfills Trench B

Backfill complete

Trench B backfilled and marked

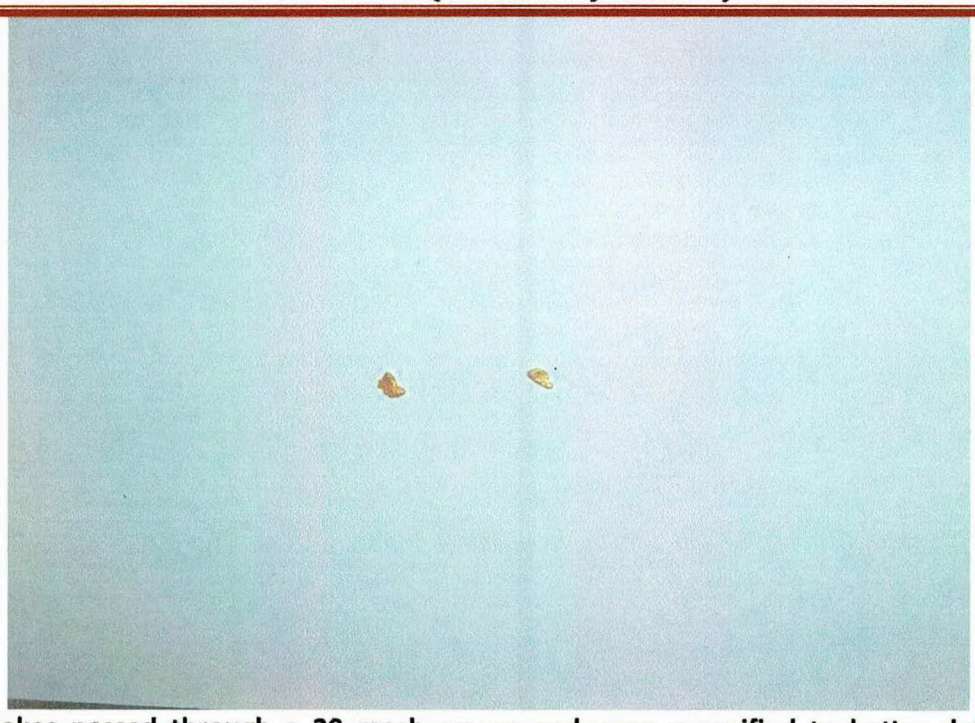
Sign marks Trench B location

RESULTS AND RECOMMENDATIONS

Samples were taken from two trench locations, approximately 1.5 km apart. Placer gold was present in one trench at a depth of only 7 feet. Considering the limited number of samples, all collected from the silt and gravels that lie above bedrock, results were encouraging. However, very dense permafrost made excavator trenching difficult and impractical in many locations within this gulch. Groundwater filled one trench so rapidly, it made obtaining accurate samples impossible. A far better method of exploration and analysis for this location would include auger drilling in a variety of locations both on the right and left limit of the small stream along the bottom of the gulch. In preparation, lines could be cut and drill pads prepared with a dozer. Bedrock is thought to be very shallow, with quartz outcroppings visible in places. The gulch, only approximately 50 feet wide, is so narrow that a small number of drill samples should adequately access this gold deposit.

P49451 PAYLOADER 7 PROJECT RESULTS

TRENCH	Sample #	Size	Claim	Depth	OZ/YD3
A	1	50 pounds	P49451	2 feet	------
B	1	50 pounds	P49451	2 feet	------
A	2	50 pounds	P49451	3 feet	------
B	2	50 pounds	P49451	4 feet	------
A	3	50 pounds	P49451	4 feet	------
B	3	50 pounds	P49451	6 feet	------
B	4	50 pounds	P49451	8 feet	------
A	4	50 pounds	P49451	5 feet	------
A	5	50 pounds	P49451	6 feet	------
B	5	50 pounds	P49451	9 feet	------
A	6	50 pounds	P49451	7 feet	0.02



These flakes passed through a 20 mesh screen and were magnified to better define the distinct color and characteristics. This photo does not represent actual size.

TO: YMIP

FROM: JOAN BETTS (FOR ABROL KAKHAROV)

DATE: OCTOBER 6, 2010

CONCERNING : THIS HARD COPY SUBMISSION OF YMIP 10-019

Following the electronic submission of the Summary / Technical Report for this YMIP funded project, a few typing and grammatical errors were discovered and corrected. I would prefer that the hard copy enclosed be used for project evaluation.

Thank you for your understanding.