

Sampling Report
On The
Ten Mile Creek Placer Project

Work Period June 1st to September 30th, 2010

Located In
Dawson Mining District
On
NTS 115-O-5/12 and 115-N-8/9
63° 30' Latitude, 140° 00' Longitude

By
Bernie Kreft

January 11th, 2011

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Location – The Ten Mile Creek Project is located in the Dawson Mining District on NTS mapsheets 115-O-5/12 and 115-N-8/9 at approximately 63° 30' north and 140° 00' east. Ten Mile Creek provides the approximate geographical centre of the area explored. Work was actually completed on informally named Tr5 Creek, a tributary to upper Setak Creek, and informally named Jual Creek, a tributary to the central portion of Twentymile Creek.

Access – Access to the target area was by helicopter from Dawson, a one-way distance and travel time of approximately 70km and 0.5 hours respectively. Other possible modes of access into the general area include via fixed wing aircraft to a 600m long airstrip located at the mouth of Ten Mile Creek, as well as barge service from Dawson to the mouth of the Sixty Mile River, with a rough 8 kilometre long road extending from the barge landing to Ten Mile Creek. Various roads and hard-rock exploration trails extend out from the Ten Mile Creek valley, providing good access to the headwaters of both Tr5 Creek and Jual Creek.

Topography And Vegetation – The property is located within the un-glaciated Klondike Plateau, which is characterized by low rolling hills dissected by deeply incised stream valleys. Valley bottoms are covered by a variable thickness of overburden with vegetative cover consisting of brush, pine and spruce. Several areas of the creek bottoms are floored with moss covered talus, while stream gravels are readily found within the valleys, both of which are suggestive of shallow depths to bedrock.

History And Target Description – Since discovery in 1898, the four most significant placer gold producing creeks in the Klondike are Dominion, Hunker, Eldorado and Bonanza. Each of these creeks, and in fact all of the significant producers in the region, have a sizable hard-rock gold prospect within their drainage basin. Dominion heads on the Hunker Dome prospect, Hunker on the Mitchell-Sheba vein system, Eldorado on the Buckland Shear system and Bonanza on Lone Star. Generally speaking, these hard-rock prospects consist of high-grade vein and alteration zones grading up to several ounces per tonne gold in grab samples and 1-6 g/t gold over widths of several metres or more.

Ten Mile Creek, which forms the geographical centre of the project, has been placer mined since 1898, with reported production for the period 1978-2002 of approximately 30,000 ounces. Work has been concentrated from the mouth to the vicinity of left limit tributary Flume Creek, a distance of approximately 7.0 kilometres. This works out to a minimum grade of about 4.3 ounces per metre of creek length. This grade estimate does not take into consideration production from the period 1898-1978, nor does it take into consideration production not reported. Sestak Creek, which drains the east edge of the area to be explored, has reported production for the period 1988-1992 of about 1000 ounces from a 3.0 kilometre long stretch of creek near the mouth, although the amount of yardage reportedly sluiced (+/- 950,000 yards) suggests the gold production records for Sestak are significantly under-represented. Deposits at both sites are 3.6 to 4.8 metres deep, and consist of 1-2 metres of muck overlying 2.5 to 3.5 metres of gravel. During the period 1997-2002 Teck and Phelps Dodge completed regional scale programs in the Ten Mile Creek area to search for the source of the placer gold. This work consisted of silt, moss-mat and soil sampling programs, which were followed up by some limited trenching and rock sampling. Results were very encouraging, with numerous gold anomalies and some potentially large scale targets located. Subsequent work by the



Ten Placer Project

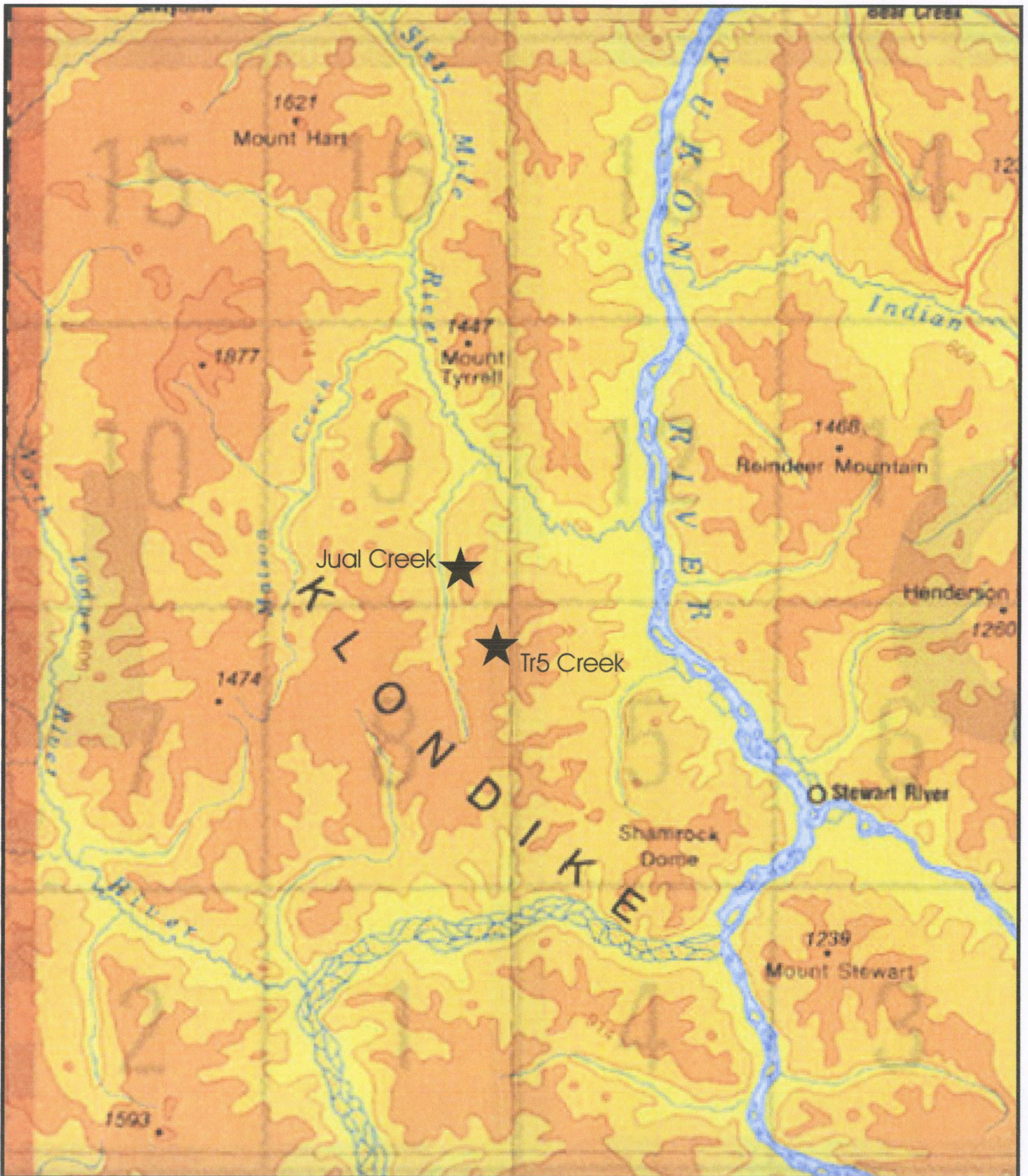


To Accompany: 2011 Ten Placer Report

January 13th 2011

By: Bernie Kreft

Figure 1



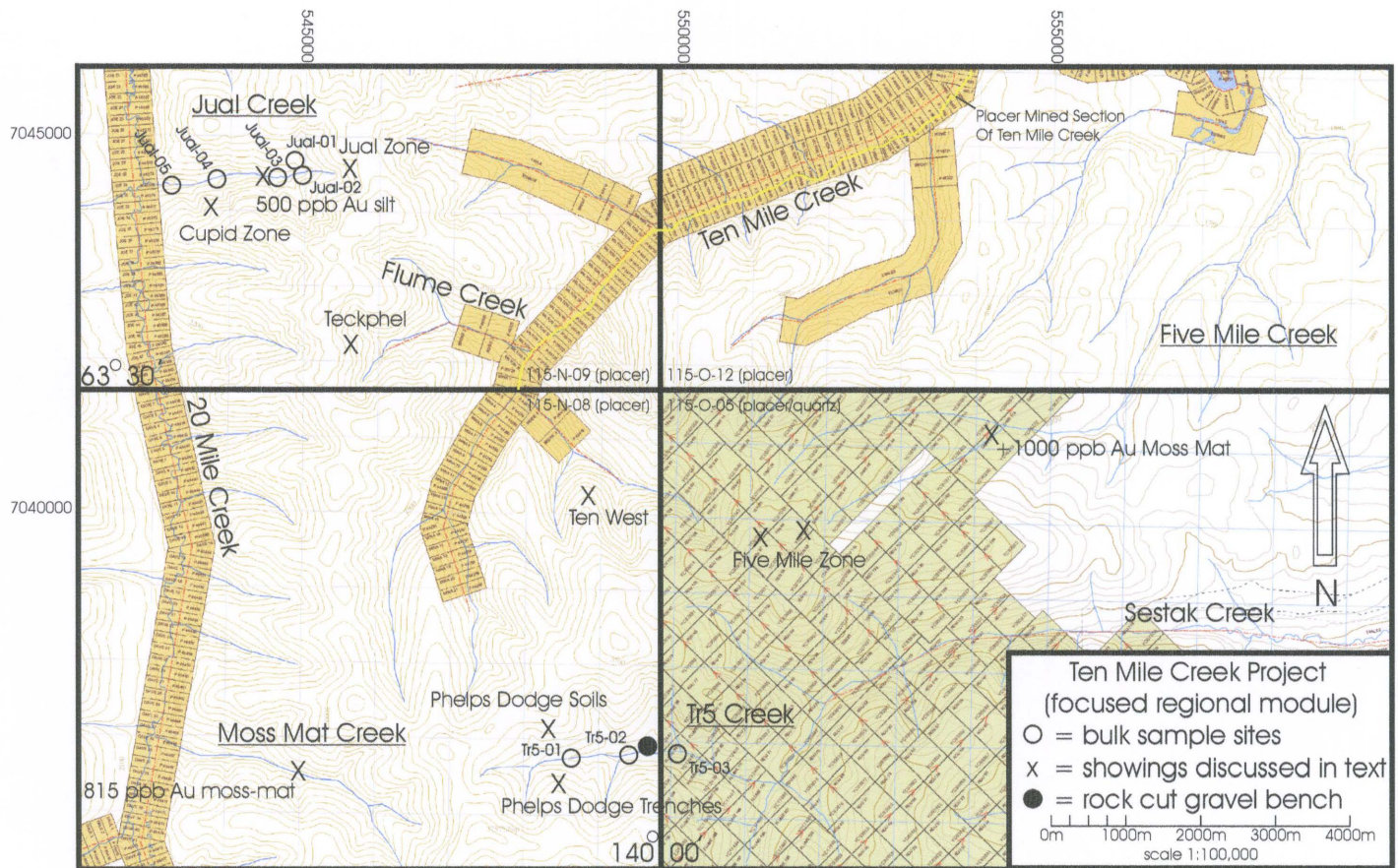
Ten Mile Creek Project



By: Bernie Kreft January 13th, 2011



115-N E-1/2 and 115-O W-1/2 Figure 2



writer among others has helped further define these anomalous sites. A significant feature of this work, from a placer exploration standpoint, is that the placer mined portion of Ten Mile Creek ends abruptly in the vicinity of two tributary streams, each of which drain a zone of anomalous gold in soils (Teckphel Zone and Ten West Zone). The Ten West Zone consists of scattered anomalous values to 150 ppb Au, with silt samples taken downstream of the showing grading up to 45 ppb Au. The Teckphel Zone is a north trending anomaly with values to 615 ppb gold. Individual Creeks to be explored are discussed below:

Jual Creek – The most significant bedrock gold zone in the area is the Jual to Cupid trend which is defined by widespread highly anomalous rock samples grading up to 11.1 g/t Au over 3.0m, a large area of anomalous soils with values of up to 458 ppb Au and silt samples up to 500 ppb Au, together suggesting the presence of a major auriferous system. All anomalous gold samples occur within the drainage basin of Jual Creek. Jual Creek is approximately 2.5 kilometres long and is a right limit tributary to the central portion of Twenty Mile Creek. A detailed search of placer mining records found no mention of Jual Creek.

Five Mile Creek – The Five Mile Creek zone is located on the divide between the upper forks of the creek, and consists of numerous quartz veins and stringers grading up to 5.36 g/t Au from representative samples. Moss mat and silt samples define Five Mile Creek as being highly anomalous, with values of +1000 ppb Au from a moss mat sample taken about 2.5 kilometres downstream from the mineralized veins suggesting the presence of significant amounts of fine gold. Five Mile Creek is about 11 kilometres long and is a right limit tributary of the Sixtymile River. Although there is no work history for the creek, old staking records suggest activity during the period 1902-1923 (Index To Creeks and Tributaries, Series 10 Mining Recorder Records).

Tr5 Creek – Phelps Dodge followed up “significant” gold in silt values with prospecting and grid soil sampling. This work returned soil values of up to 1317 ppb Au on the slopes of a Tr5 Creek, a 5 kilometre long left limit tributary to Sestak Creek near its headwaters. Follow-up trenching returned results of 1.2 g/t Au over 6.0m from an area of skarn alteration and intrusive dykes. Highly anomalous values of up to 8.3 g/t Au were also returned from intrusive hosted veins and shears. This work suggests the presence of a major auriferous system at the headwaters of the drainage basin.

Moss Mat Creek – Mineralization at this site is characterized by moss mat samples grading up to 815 ppb Au, which suggest the presence of significant amounts of fine gold. This creek is a 4 kilometre long right limit tributary to the upper end of Twenty Mile Creek. Some follow-up work to define a hard-rock source for this anomaly was completed, with results deemed inconclusive due to low values encountered, and only a limited amount of work completed.

Current Work And Results – Work consisted of the collection of 8 bulk samples as well as prospecting and surficial mapping which was designed to test the placer potential of the respective creeks. The bulk sampling process consisted of the collection of approximately 2 cubic feet of creek gravel which was wet screened to less than ¼ inch in diameter resulting in an average of 5 kilograms of material. This screened material was placed into 11x17 poly sample bags and submitted to ALS Chemex which dried the entire sample and then assayed it using their metallic

screen process. The assay procedure was chosen to show whether the gravels sampled contained a measurable coarse gold component which would almost certainly suggest placer gold potential. Prospecting and surficial mapping was used to define characteristics such as gradient, valley width, water flow, as well to locate the presence of old workings or any other items that may have a bearing on future development. Of the 4 creeks which were planned to be tested, only two were subsequently sampled (Jual Creek and Tr5 Creek) due to aerial reconnaissance showing the other two creeks to be too narrow to be of economic interest from a placer perspective. Even Jual Creek was felt to be too narrow from the air, but it was sampled anyway due to the large amount of bedrock mineralization known to exist within the drainage basin.

Jual Creek – A total of 5 bulk samples were taken from this creek, two from near the mouths of tributaries and 3 from the main stem. Although assay results were not overly auriferous, they did show that all samples contain measurable coarse gold, with the highest value located along the lower portion of the creek, approximately 500 metres downstream from an area of iron carbonate altered and quartz veined metamorphosed feldspar porphyry intrusive. These results appear to suggest that areas of mineralization capable of supplying coarse gold exist along the entire length of the drainage basin. Prospecting did not encounter any signs of previous placer mining or exploration. Surficial mapping showed that although sufficient water flow exists for placer mining purposes (approximately 450 igpm during the late July visit), the effective placer mineable valley bottom width is from 8-16 metres wide (average 11.0m width) which given the universally steep valley walls is too narrow to be realistically mined unless grades are very high. Hand pitting and surficial characteristics suggest that only discontinuous permafrost exists in the valley bottom.

Tr5 Creek – A total of 3 bulk samples were taken from this creek, all from the main stem. Assay results were not overly auriferous, with only the upstream most sample containing measurable coarse gold. These results appear to suggest that mineralization sources capable of supplying coarse gold exist predominantly within the upper portion of the drainage basin (ie in the vicinity of the currently known anomalies and showings). Prospecting did not encounter any signs of previous placer mining or exploration. Surficial mapping showed that sufficient water flow exists for placer mining purposes (approximately 850 igpm during the late July visit), and that the effective placer mineable valley bottom width is from 27-88 metres wide (average 61.0m width) which is sufficiently wide to support large-scale placer mining efforts. Occurring along the left limit of the middle to lower portion of the creek are discontinuous remnants of a 22-25 metre high bedrock bench covered in alluvial matter similar to that which is found in the valley bottom. A hole excavated at the outer edge of the bench encountered a 1.1m thick sequence of clay, small cobbles and fine gravel overlying sericite schist bedrock. This bench should provide an easily testable placer target if found to be continuous enough to realistically host an economic placer gold deposit. Due to time constraints no sampling was completed of this bench material. Hand pitting and surficial characteristics suggest that widespread permafrost exists in the valley bottom.

Conclusions – Program results suggest that Jual Creek has excellent potential to contain placer gold, but that the narrowness of the valley bottom coupled with the steep valley walls significantly reduces potential for it to host an economic deposit. Tr5 Creek has all the hallmarks of a Dawson area placer gold deposit; bedrock source with coarse gold, sufficient valley width, bench gravels,

large water flow and widespread frozen black muck. The left limit (south facing) bench gravels are thawed, at least near the edge of the bench, and are comprised of material similar to the that found as valley bottom material; suggesting both deposits are from the same source.

Recommendations – Initial work should consist of hand pitting and bulk sampling of the bench deposit on Tr5 Creek. A hand pit should be excavated to bedrock and at least $\frac{1}{4}$ of a cubic yard (240 litres given a swell factor of 25%) of material should be processed through a small pack sluice. Given the compositional similarities between valley bottom gravels and bench gravels, it is felt that the presence of gold on the bench will almost certainly mean there is gold in the valley bottom. Should gold be found in the bench of Tr5 Creek, work should then consist of defining bench limits and further bulk sampling along it. Consideration should also be given to mobilizing an auger drill to the creek so that the valley bottom can be tested effectively. If a basis for further work has been established in the area, some time can then be devoted towards exploration on Jual Creek. This work should consist of hand pitting and bulk sampling in the valley bottom along the lower end of the creek.

Reclamation – No significant disturbances were created by this program. The hand pit on the bench of Tr5 Creek was backfilled, while all garbage and waste created during the course of the program was removed from the area and deposited in the Dawson landfill.

Statement Of Qualifications

I, Bernie Kreft, directed and participated in the exploration work described herein.

I have over 23 years prospecting experience in the Yukon.

This report is based on fieldwork directed by myself, and includes information from various publicly available assessment reports.

This report is based on fieldwork completed during the 2010 field season.

This report is based on fieldwork completed in the Ten Mile Creek area.

Respectfully Submitted,

Bernie Kreft

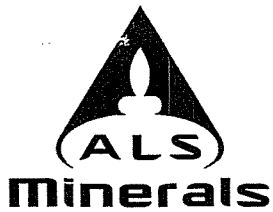
Project Costs

Daily living allowance 1 person x 2 days x \$100/day	=	\$200.00 ✓✓
Truck travel 1024 km x \$0.595/km	=	\$609.28 ✓✓
Fireweed Helicopter 2.25 hours	=	\$2948.88 ✓✓
CJGreig And Associates (4 screened sediment samples @\$225)	=	\$900.00 ✓✓
Wages B.Kreft 2 days x \$350/day (fieldwork)	=	\$700.00 ✓✓
ALS Chemex	=	\$509.66 ✓✓
Report Preparation	=	<u>\$400.00</u> ✓✓
	Total	= \$6267.82

Sample	Type	WEI-21	Au-SCR21	Au-SCR21	Au-SCR21	Au-SCR21	Au-SCR21	Au-SCR21	Au-AA25	Au-AA25D
		Recvd	Total (+)(-) Combined	Au (+) Fraction	Au (-) Fraction	Au (+) mg	WT. + Frac Entire	WT. - Frac Entire	Au	Au
		kg	ppm	ppm	ppm	mg	g	g	ppm	ppm
		0.02	0.05	0.05	0.05	0.001	0.01	0.1	0.01	0.01
Jual-01	Bulk Screened Silt	5.3	0.05	0.35	<0.05	0.006	17.27	1005	0.04	0.04
Jual-02	Bulk Screened Silt	4.82	<0.05	0.24	<0.05	0.007	29.7	896.1	0.02	0.04
Jual-03	Bulk Screened Silt	4.08	<0.05	0.25	<0.05	0.005	20.39	877.8	0.02	0.02
Jual-04	Bulk Screened Silt	5	0.05	0.14	0.05	0.005	35.62	904.2	0.02	0.08
Jual-05	Bulk Screened Silt	4.9	0.14	0.72	0.13	0.018	25	1132.5	0.07	0.19
TR5-01	Bulk Screened Silt	4.44	<0.05	0.47	<0.05	0.018	38.59	787.4	0.03	0.01
TR5-02	Bulk Screened Silt	5.14	<0.05	<0.05	<0.05	<0.001	29.22	999	0.01	<0.01
TR5-03	Bulk Screened Silt	5.72	<0.05	<0.05	<0.05	<0.001	39.34	1017.5	<0.01	<0.01

Sample	Utm
Jual-01	544893
Jual-02	544894
Jual-03	544599
Jual-04	543852
Jual-05	543270
TR5-01	548597
TR5-02	549330
	549733
TR5-03	550049

Utm	Notes	Clast Make-up	Valley Size	Note 2
7044792	Jual Trib	intrusive	18m wide	very steep gully
7044525	Jual Trib	intrusive	20m wide	very steep gully
7044466	Jual Stem	intrusive	10m wide	iron carb alteration
7044472	Jual Stem	intrusive	8m wide	iron carb alteration
7044366	Jual Stem	intrusive	16m wide	a wide spot
7036753	Tr5 Stem	83%Sch/17%int	68m wide	moderately steep
7036800	Tr5 Stem	95%Sch/5%int	27m wide	rock bluff on left limit
7036933	High Bench	95%Sch/5%int		hard packed dirt
7036800	Tr5 Stem	90%Sch/10%int	88m wide	left limit bench??



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To: KREFT, BERNIE
 #1 LOCUST PLACE
 WHITEHORSE YT Y1A 5C4

Page: 1
 Finalized Date: 24-AUG-2010
 Account: KREBER

CERTIFICATE VA10108846

Project:
 P.O. No.:
 This report is for 8 Other samples submitted to our lab in Vancouver, BC, Canada on 6-AUG-2010.

The following have access to data associated with this certificate:

BERNIE KREFT

SAMPLE PREPARATION

ALS CODE	DESCRIPTION
WEI-21	Received Sample Weight
SCR-21	Screen to -100 um
LOG-22	Sample login - Rcd w/o BarCode
PUL-32	Pulverize 1000g to 85% < 75 um
BAG-01	Bulk Master for Storage
SPL-21	Split sample - riffle splitter

ANALYTICAL PROCEDURES

ALS CODE	DESCRIPTION	INSTRUMENT
Au-AA25D	Ore Grade Au 30g FA AA Dup	AAS
Au-SCR21	Au Screen Fire Assay - 100 um	WST-SIM
Au-AA25	Ore Grade Au 30g FA AA finish	AAS

To: KREFT, BERNIE
 #1 LOCUST PLACE
 WHITEHORSE YT Y1A 5C4

This is the Final Report and supersedes any preliminary report with this certificate number. Results apply to samples as submitted. All pages of this report have been checked and approved for release.

Signature:

Colin Ramshaw, Vancouver Laboratory Manager



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Page: 2 - A
 Total # Pages: 2 (A)
 Finalized Date: 24-AUG-2010
 Account: KREBER

CERTIFICATE OF ANALYSIS VA10108846

Sample Description	Method Analyte Units LOR	WEI-21	Au-SCR21	Au-SCR21	Au-SCR21	Au-SCR21	Au-SCR21	Au-SCR21	Au-SCR21	Au-SCR21	Au-SCR21	Au-SCR21
		Recvd Wt. kg	Au Total ppm	Au (+) F ppm	Au (-) F ppm	Au (+) m mg	WT. + Fr g	WT. - Fr g	Au ppm	Au ppm		
		0.02	0.05	0.05	0.05	0.001	0.01	0.1	0.01	0.01		
Jual-01		5.30	0.05	0.35	<0.05	0.006	17.27	1005.0	0.04	0.04		
Jual-02		4.82	<0.05	0.24	<0.05	0.007	29.70	896.1	0.02	0.04		
Jual-03		4.08	<0.05	0.25	<0.05	0.005	20.39	877.8	0.02	0.02		
Jual-04		5.00	0.05	0.14	0.05	0.005	35.62	904.2	0.02	0.08		
Jual-05		4.90	0.14	0.72	0.13	0.018	25.00	1132.5	0.07	0.19		
TR5-01		4.44	<0.05	0.47	<0.05	0.018	38.59	787.4	0.03	0.01		
TR5-02		5.14	<0.05	<0.05	<0.05	<0.001	29.22	999.0	0.01	<0.01		
TR5-03		5.72	<0.05	<0.05	<0.05	<0.001	39.34	1017.5	<0.01	<0.01		