

**TECHNICAL REPORT
on the
NINES CREEK PROJECT**

Nines 31 to 78 (P 50506-P 50557)

NTS: 115G/02

Latitude 61° 10' 53" Longitude 138° 42' 11"

Whitehorse Mining District

Work performed between September 25 - 27, 2008
and
August 21 - September 9, 2009
April 31 - September 16, 2010
August 20 - September 14, 2011

**For
Ralph Keefe
P.O. Box 201
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January 31, 2012

1.0 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 2011 exploration program consisted of selective sampling of the 3476 cubic meters of gravel trenched in 2010. Forty-two sample sites were selected, with between two and four loose bank yards processed at each site. Visible placer gold was collected at each sample site and varied from minor, very fine specks, to a nugget weighing approximately 1 gram. Samples with larger flakes of gold generally contained significant quantities of coarse magnetite.

This season's efforts were a follow up of a Total Magnetic Field survey completed during 2009. This survey revealed magnetic high anomalies both above and below the upper and lower canyon area that were thought to be a reflection of alluvial magnetite. Placer gold is often concentrated in the same area due to its high specific gravity. The previously largest flake of placer gold (16.6mg) collected by the author was from a one bucket sample of mixed gravels located on bedrock approximately 500m below Nines 31. The sample was from the far right limit of the creek, well above the active creek channel. Gold collected from a 2 bucket sample on the placer lease owned by Ralph Keefe weighed 2.6mg from a 2.13m (7') deep pit that did not reach bedrock. Claim Nines 32 now covers this sample site.

Assaying of pan concentrates from the Lower Canyon yielded 4.02g/t gold while one float sample of massive magnetite containing 2-3% pyrite and traces of chalcopyrite returned a value of 9.61g/t gold. A bedrock grab sample of altered andesite in the area, collected in 2009, returned 1.39g/t gold.

It is the author's opinion that the work completed on the Nines Creek property registered to Ralph Keefe indicates that it is a placer gold property worthy of further exploration.

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2.0 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 and the gold content contained in the 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 did not participate in the field work on Nines Creek in 2011, but did considerable work arranging contractors to complete the geophysical and physical trenching programs on the project.

This report describes the property and is based on historical information and an examination and evaluation of the property by the author from September 25 to 27, 2008. The author was assisted in the field in 2008 by Mr. Ralph Keefe of Francois Lake, British Columbia. Subsequent programs conducted during the summer of 2009 entailed the services of Bob Sterling, an independent geophysical contractor and Ralph Keefe to complete a magnetic survey planned by the author. The 2010 program included the services Gordy's Excavating of Whitehorse and Chuck Exploration of Destruction Bay for the trenching. Ralph Keefe of Francois Lake, BC, Bruce McMillan and Bradley Schmidt both of Whitehorse were involved in the general exploration and testing on the north and south forks of Nines Creek. The 2011 sampling program used the services of Gordy's Excavating of Whitehorse.

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 (Pa), 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 property and having conducted regional 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 and by Keefe et al August 20-September 15, 2011.
- 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.

3.0 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.

4.0 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.

Table 1: Claim Data

ClaimName	Claim#	GrantNumber	Claim Owner	RecordingDate	ExpiryDate
NINES	31	P 50506	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	32	P 50507	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	33	P 50508	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	34	P 50509	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	35	P 50510	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	36	P 50511	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES 36A		P 50512	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES 36B		P 50513	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES 36C		P 50514	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES 36D		P 50515	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	37	P 50516	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	38	P 50517	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	39	P 50518	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	40	P 50519	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	41	P 50520	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	42	P 50521	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	43	P 50522	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	44	P 50523	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	45	P 50524	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	46	P 50525	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	47	P 50526	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	48	P 50527	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	49	P 50528	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	50	P 50529	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	51	P 50530	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	52	P 50531	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	53	P 50532	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	54	P 50533	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	55	P 50534	Ralph Keefe - 100%.	9/1/2009	9/1/2012

NINES	56	P 50535	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	57	P 50536	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	58	P 50537	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	59	P 50538	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	60	P 50539	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	61	P 50540	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	62	P 50541	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	63	P 50542	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	64	P 50543	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	65	P 50544	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	66	P 50545	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	67	P 50546	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	68	P 50547	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	69	P 50548	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	70	P 50549	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	71	P 50550	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	72	P 50551	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	73	P 50552	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	74	P 50553	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	75	P 50554	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	76	P 50555	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	77	P 50556	Ralph Keefe - 100%.	9/1/2009	9/1/2012
NINES	78	P 50557	Ralph Keefe - 100%.	9/1/2009	9/1/2012

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 in the process of 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.

5.0 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

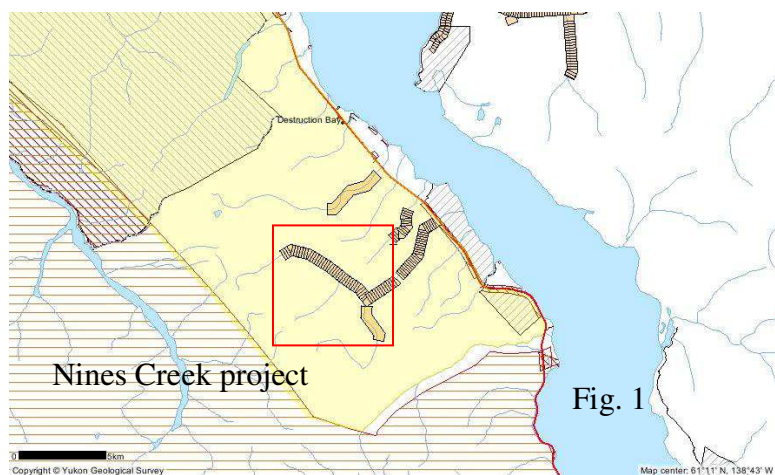


Fig. 1 Claim location map

through a Government gravel pit 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.

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.



Plate 1: 2wd access road to the project

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 into 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.

6.0 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.



Plate 2: Historic claim post from 1988

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.

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.

Plate 3: Excavator used in 2008, 2010 and 2011 sampling programs

7.0 Geological Setting and Mineralization

7.1 Regional Geology

The bedrock geology in the area is as follows:

NW1: WRANGELL LAVAS

rusty red-brown, phytic 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**)

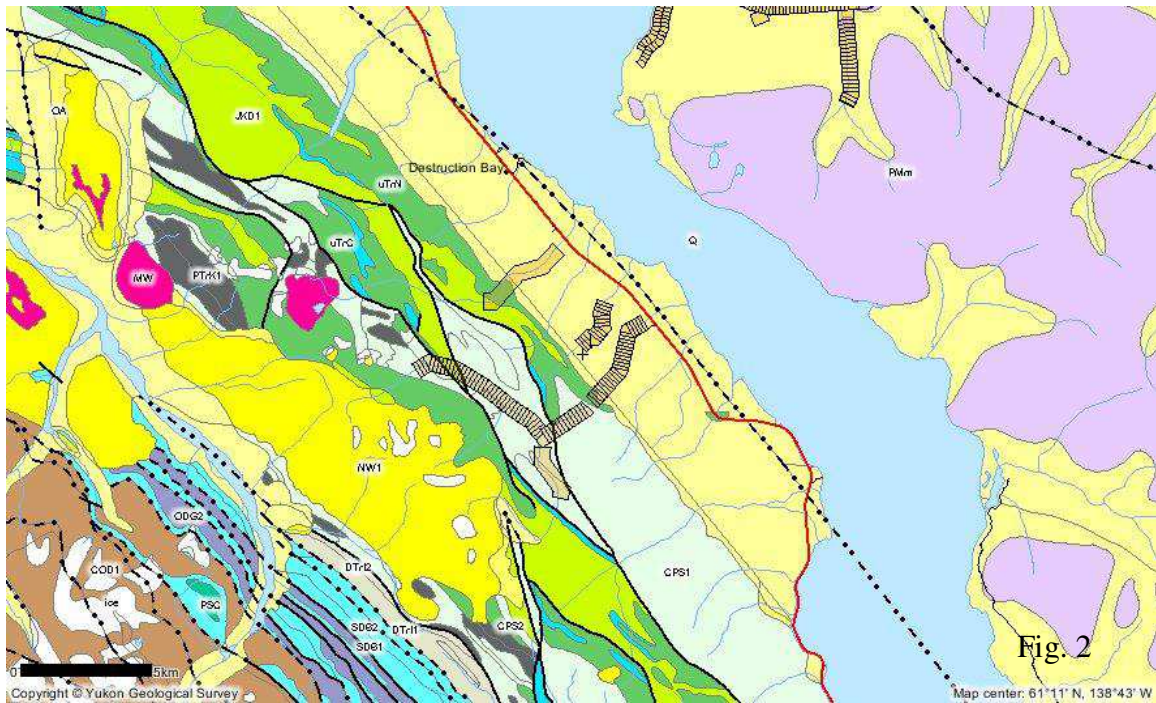


Fig. 2: Regional Geology

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**)

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

Discussion of mineralization on the property is confined to placer gold. There has been no attempt made to determine the purity of the placer gold collected to date. Nines Creek is known to contain grains and small nuggets of placer gold in as yet undetermined concentrations. The recovered gold from the property ranges in size from very small flakes up to a small nugget weighing approximately 100mg recovered from Test-4 on Trench 11 on the right limit of Nines Creek. The previously largest flake recovered on the creek weighed 16.6mg and was collected by the author from a one bucket sample of mixed gravels located on bedrock approximately 500m below Nines 31, again on the right limit of the creek. This sample was collected well above the grade of the present creek level and would be considered "side pay".

8.0 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 than 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.

9.0 Exploration

9.1 Current Exploration

The current exploration on Nines Creek is a follow up on a 2009 geophysical survey that collected magnetic data over a detailed grid over the lower sections of the creek. A number of anomalies were located during the survey which may indicate alluvial magnetite and possible locations where placer gold may accumulate. The profile line through the canyon identified an area of high magnetism which is likely related to bedrock. Layers of massive magnetite and hematite cross the creek and may be the source for some of the magnetite present in the creek gravels.

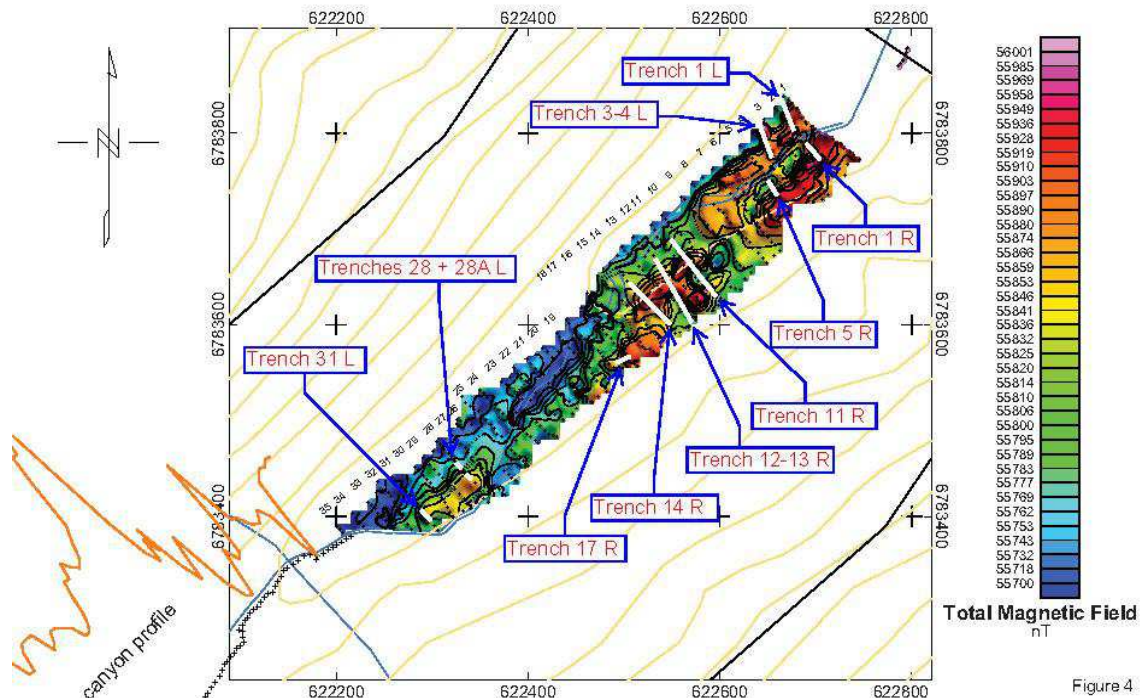


Fig. 3: Magnetic survey results below canyon on Nines Creek with location of trenches dug in 2010.



Plate 4: Typical sample test site

9.2 Sample collection

Exploration in 2011 consisted of the sluice testing of between two and four loose cubic yards of gravel at each of 42 test sites. Gravels had been dug and placed beside the trenches dug in 2010 in such a way that the bottom gravels were at the tops of each pile. No records were kept when gravel had been stacked on both sides of the trench and as a result, no depth determination could be made as to where the tested gravels originally lay.

To overcome this lack of information, gravels on both sides of the trench were tested and resulting values are assumed to be coming from the lower half of the trench. No further refinement of the locations of gold recovered should be attempted.

Samples were placed using an excavator into a homebuilt sluice box where gravels were washed. A sample of high specific gravity concentrate was collected from each location. The sluice was thoroughly washed and cleaned after each test to ensure that there was no cross contamination between sample sites.



Plate 5: Sluice box used to concentrate gravels

9.3 Sample Locations

Field notes were collected at each test site. Notes regarding the location, amount of gravels processed and characteristics of the gravels were collected.

Table 2: Field Notes

Sample (Trench-# Test-#)	Date processed	UTM zone 07		General Description	Volume Processed loose cubic yards (lcy)	Field Notes
		Location (E)	Location (N)			
L 1 Test 1 only	Aug 20-21	622698	6783792	right limit	4 lcy	Awkward hole to process because of location of single tall pile, lots of black sand, 3 small flakes in vial
L 1 Test 1	Sep-10	622658	6783824	left limit	2.5 lcy	little gold sign, hole size 8'x8'x3' deep
L 1 Test 2	Sep-10	622658	6783829	left limit	2.5 lcy	hole size 15'x6'x3' deep, taken from top of pile
L 1W Test 3	Sep-11	622677	6783837	left limit	2.5 lcy	hole size 15'x6'x3' deep, rock size 2-7", no clay, little gold showing.
L 1W Test 4		622677	6783838	left limit	2.5 lcy	next to bank, very little gold, but coarse sand, rock size the same as test 3, no clay.

L 2 Test 1	Sep-09	622656	6783816	left limit	2.5 lcy	
L 2-3W Test 2	Sep-09	622656	6783816	left limit	2.0 lcy	This hole was started by mistake, sampled it anyways, good color was found. Tried to reach bedrock from this hole - could have been hitting a big flat rock at 12 ' no time to play
L 3-4E Test 1	Sep-08	622631	6783796	left limit	3.5 lcy	very little sign, clay was processed and broken down. Hole size 20'x7'x3' deep
L 3-4E Test 2	Sep-08	622633	6783797	left limit	3.5 lcy	test hole size 20'x7'x3', no clay, 20' away from test #1, poor showing
L 3-4E Test 3	Sep-09	622640	6783791	left limit	2.5 lcy	rock size 3-10" average, no gold sign
L 3-4E Test 4	Sep-09	622646	6783776	left limit	2.5 lcy	same as test #3
L 3-4E End	Sep-09	622648	6783784	left limit	2.5 lcy	sample taken from end of trench in water, small trace of gold, lots of big boulders under water.
L 3-4W Test 1	Sep-09	622650	6783830	left limit	2.5 lcy	dug to tops of two crowns 8'x4' deep very little sign. Lots of boulders 18-24"
L 3-4W Test 3	Sep-09	622659	6783808	left limit	2.5 lcy	trenched line through pile, clay, copper nuggets, more gold sign than any other L 3-4 samples
L 3-4W Test 4	Sep-09	622652	6783821	left limit	2.5 lcy	Up against bank, clay and soil, copper nuggets, little gold, hole size 8' dia. x 5' deep
L 5 Test 1	Aug-22	622655	6783749	right limit	3 lcy	no color, small samle very little black sand, more small sand and broken rock
L 5E Test 2	Sep-08	622645	6783742	right limit	3 lcy	not bad for color
L 11E Test 1 Bank	Aug-24	622654	6783746	right limit	4 lcy	next to creek
L 11E Test 2 middle	Aug-24	622611	6783749	right limit	2.5 lcy	
L 11E Test 3 creek	Aug-26	622576	6783669	right limit	2.5 lcy	taken from top of pile (bottom of hole) 10'x4'x3' deep
L 11E Test 4	Aug-26	622573	6783676	right limit	2.5 lcy	dug down 6' at end of trench next to bank
Hole 11 Test 1 Large	Sep-06	622598	6783683	right limit	2.5 lcy	small nugget found, very little other color, close to bank
Hole 11 Test 2 from hillside	Sep-06	622584	6783707	right limit	2.5 lcy	very little gold showing
Hole 11 Test 3	Sep-06	622584	6783705	right limit	2.5 lcy	hole size 7'x5'x5' deep, taken from top of pile closer to creek, needs more tests?
L 12a Test 1	Aug-24	621061	6781422	right limit	2.5 lcy	
L 12a Test 2	Aug-26	623098	6784415	right limit	2.5 lcy	
L 12a Test 3	Aug-26	622590	6783654	right limit	2.5 lcy	
L 12a Test 4	Aug-27	622563	6783685	right limit	3.0 lcy	deep test at end of trench neer creek
L 12-13b Test 1	Aug-27	622564	6783687	right limit	2.75 lcy	2 chunky pieces gold, 8'x6'x4' deep
L 12-13c Test 2	Aug-29	622551	6783655	right limit	2.5 lcy	small spot gold, not much else, 9'x7'x3' deep
L 12-13c W Test 3	Aug-29	622557	6783654	right limit	2.75 lcy	20 yds from bank-deep cut 7'x9'x4' deep
L 12-13c W Test 4	Sept 6-7	622560	6783649	right limit	2.5 lcy	taken from top of pile into hillside, 7'x7'x3' deep, small gold sign.
L 14E Test 1	Aug-28	622541	6783680	right limit	2.5 lcy	test hole size 6'x6'x5' deep, copper nuggets, coarse small gold, close to creek, to start
L 14E Test 2	Aug-28	622541	6783661	right limit	2.5 lcy	hole size 6'x9'x7' deep, copper, poor gold
L 14E Test 3	Aug-28	622554	6783657	right limit	2.5 lcy	sample in vial, copper nugget
L 14E Test 4	Aug-28	622559	6783634	right limit	2.5 lcy	next to hillside, small spot gold.
L 14W Test 1	Aug-29	622526	6783676	right limit	2.5 lcy	start next to creek, good sample of copper nuggets and small chunky gold-good gold showing

L 14W Test 2	Aug-30	622531	6783645	right limit	2.75 lcy	small trace of gold, rock size 3-5", taken from top of pile, 7'x8'x4' second from creek
L 14W Test 3	Aug-30	622531	6783638	right limit	2.5 lcy	small round rock, 3-5", not much for gold sign, small copper nuggets.
L 14W Test 4	Aug-30	622537	6783634	right limit	2.5 lcy	coarse broken rock, small gold sign, sample taken from top of pile, next to bank
L 17W against bank	Aug-31	622511	6783623	right limit	2.5 lcy	taken from top of pile, rock size from small to 5", loose sand, copper showing
L 17W Test 2	Aug-30	622511	6783608	right limit	2.75 lcy	coarse sand, round rock against bank, coarse gold samples

9.4 Test Results

An appropriate scale to accurately measure the fine gold collected in the test program was not available at the time of the final processing of the concentrates. As a result, a visual estimate of the size of the gold was completed. Notations were made as to the brightness and roughness of the gold as well as other materials present. A jewelry scale was used to obtain an approximate weight of the small nugget collected at test site L-11E T-4.



Plate 6: 1gm gold nugget

Table 3: Results

Sample Number	Estimate of gold size				Notes
	≥1mm	<1mm ≥0.5mm	<0.5mm ≥0.1mm	<0.1mm	
L 1 Test 1 only	4	1	2	>10	both bright and dull gold
L 1 Test 1	1	4	10	>10	copper stained nuggets
L 1 Test 2	2	4	9	>10	both bright flakes and dull gold pellets
L 1W Test 3	0	7	8	>10	
L 1W Test 4	0	2	5	7	
L 2 Test 1	2	4	4	>10	1-2mm and 1-2x4mm gold nugget, 1 small platinum grain?
L 2-3W Test 2	2	6	11	>10	
L 3-4E Test 1	1	3	0	>10	
L 3-4E Test 2	3	2	0	>10	
L 3-4E Test 3	0	4	3	>10	
L 3-4E Test 4	1	1	4	>10	
L 3-4E End	0	0	12	>10	
L 3-4W Test 1	0	5	6	>10	
L 3-4W Test 3	1	4	5	>10	both bright flakes and dull gold pellets
L 3-4W Test 4	2	2	7	>10	
L 5 Test 1	3	0	0	2	1-3mm nugget, very rough
L 5E Test 2	1	3	17	>10	
L 11E Test 1 Bank	2	5	8	>10	mariposite
L 11E Test 2 middle	0	3	4	6	
L 11E Test 3 creek	3	3	>10	>10	bright gold
L 11E Test 4	2	18	>10	>10	1.0g nugget
Hole 11 Test 1 Large	7	18	>10	>10	

Hole 11 Test 2 from hillside	7	7	>10	>10	lots of magnetite and hematite
Hole 11 Test 3	5	0	>10	>10	both bright and coppery gold
L 12a Test 1	3	11	>10	>10	
L 12a Test 2	6	9	>10	>10	numerous orange flakes of gold
L 12a Test 3	3	6	>10	>10	mostly flat, some orange gold flakes
L 12a Test 4	9	18	>10	>10	rough, rusty gold, mariposite
L 12-13b Test 1	5	31	>10	>10	minor crystalline faces
L 12-13c Test 2	3	10	>10	>10	
L 12-13c W Test 3	4	10	>10	>10	
L 12-13c W Test 4	8	8	>10	>10	1-2mm flake, minor orange gold
L 14E Test 1	12	>20	>20	>20	1 small nugget, 1-3mm flake, 1 copper nugget, mariposite
L 14E Test 2	7	15	>10	>10	1-1x2mm flake, mariposite
L 14E Test 3	10	12	>10	>10	both bright and dull gold, mariposite
L 14E Test 4	0	1	11	>10	mariposite
L 14W Test 1	5	7	>10	>10	1-1x2mm flake, 1 platinum grain mariposite
L 14W Test 2	1	1	10	>10	mariposite
L 14W Test 3	2	17	>10	>10	rough, 1-2x2mm flake, mariposite
L 14W Test 4	5	0	9	>10	1-1x3mm flake, mariposite
L 17W against bank	2	2	3	17	3 small nuggets
L 17W Test 2	3	24	>20	>20	

10.0 Drilling

No drilling has been performed on the property.

11.0 Sample Preparation, Analysis and Security

After initial concentration of the Nines Creek samples by sluicing, concentrates were then rough panned to collect any of the larger flakes and nuggets of gold. The samples were then transported to a secure facility for final panning of the heavy minerals. 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 the size of the gold present but weights of the gold were not obtained at this time.



Plate 7: Sample after final processing

12.0 Data Verification

No data verification was completed during the program.

13.0 Mineral Processing and Metallurgical Testing

No mineral processing or metallurgical testing was completed during the program.

14.0 Mineral Resource Estimates

No mineral resource estimates were completed during the program.

15.0 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.

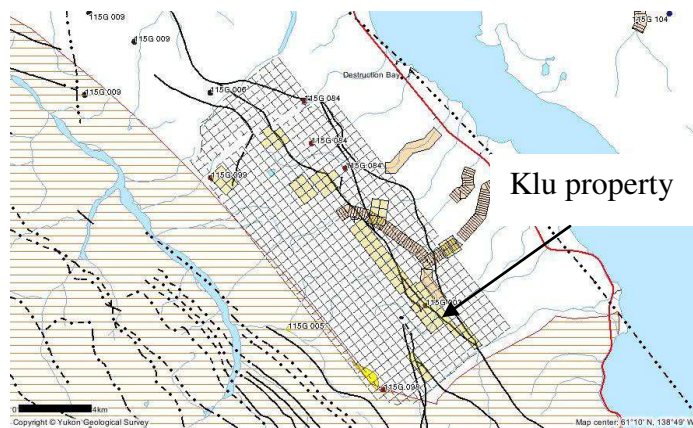


Fig. 4: Adjacent Klu property

One vein assayed 1.2% Zn and 0.25% Pb. Minor chalcopyrite and pyrrhotite are reported about 4.8 km to the southeast.

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. 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.

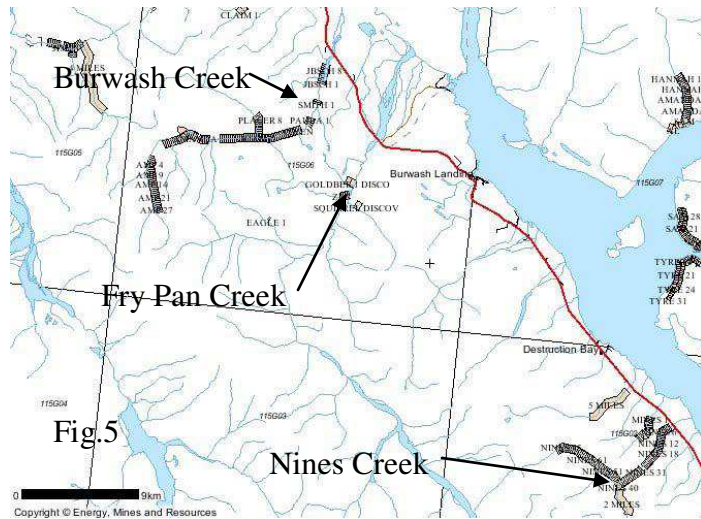


Fig. 5: Adjacent placer properties

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)

16.0 OTHER RELEVANT DATA AND INFORMATION

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

17.0 INTERPRETATION AND CONCLUSIONS

Potentially significant deposits of placer gold may be present on the Nines creek property. Sampling of the Nines Creek gravels in 2008 resulted in visible gold being present in 5 of the 6 samples collected. The weight of the largest flakes recovered from the 2008 program was 2.6mg from sample N32.1. With a better focus gained from the 2009 magnetic survey, trenches were completed in areas of higher potential where possible accumulations of alluvial magnetite and gold may be present in the creek bed. Trenching of these magnetic anomalies resulted in the discovery of significant coarse magnetite, placer gold of two different colors and texture and the presence of both copper nuggets and possibly platinum grains. The largest gold nugget collected during the current program weighed approximately 1.0gm. The results of sampling programs demonstrate that the claims comprising the Nines Creek property contain potentially significant placer gold in the surface environment over a wide area of the creek channel below the lower canyon present on the property. Significant magnetic anomalies present above the canyon may represent similar accumulations of magnetite and potentially placer gold.

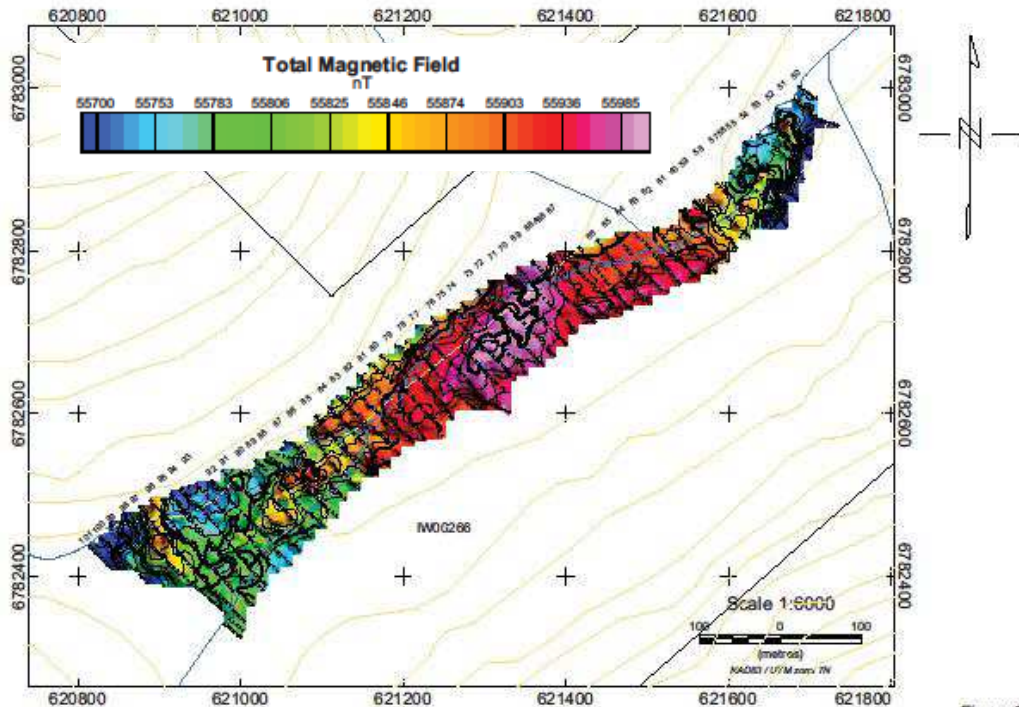


Fig. 6: Magnetic survey results above canyon on Nines Creek.

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. Geophysical maps do not show any magnetic high

features at this location and a second theory 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 trends southwest and eventually under the till covered bank, possibly preserving any accumulation of heavy minerals present.

Enquiries into land use permits to access more remote areas of the property and water license requirements have been initiated.

18.0 RECOMMENDATIONS AND BUDGET

A systematic program of geophysical surveys (resistivity) to determine depth to bedrock should follow or be conducted concurrent to the further sampling of the trenched gravels depending on water conditions on the creek. Such surveys should be conducted on the property to determine both the depth of potentially gold bearing gravels and to allow calculations of the volume of gravels present on Nines Creek. Continued sampling of the existing gravels trenched in 2010 should be completed in areas of better results to obtain a mini bulk sample of the upper gravels to determine if this material could be economically mined.

Additional sampling of the pits and trenches in these gold bearing areas should be completed in an effort to determine an accurate depth of any gold bearing beds. From this sampling program an initial estimate of the extent and grade of mineralization within the gravels can possibly be calculated.

A concerted effort should be made to access the claims above the canyon to test the magnetic anomalies present there.

Geophysical survey	\$10,000
Excavator (150hr) for testing program and trail building	\$30,000
Test plant (10 days)	\$3000
Reclamation	\$5000
Equipment rental (Argo, Trucks, etc.)	\$5000
Mob/Demob	\$4,000
Sampler (10 days @ \$200/day)	\$2,000
Forman (10 days @ \$400/day)	\$4,000
Accommodation and meals	\$4,000
Reporting	\$3,000
Contingency (15%)	<u>\$10,500</u>
	\$80,500

Respectfully submitted,

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

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January 31, 2011

19.0 REFERENCES

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20.0 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 "Technical Report on the Nines Creek Project", dated January 31, 2012.

2) I am a graduate of the University of Saskatchewan in Saskatoon, Saskatchewan with a Bachelors Degree in Geological Engineering (1982). I began working in the mining field in 1974 and have more than 27 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 September 25-27, 2008, 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 31st day of January, 2012.

"Signed and Sealed"

"Kenneth D. Galambos"

Ken Galambos, P.Eng. (APEY Reg. No. 0916)
KDG Exploration Services
1535 Westall Ave.
Victoria, British Columbia V8T 3G6

20.0 Statement of Expenditures

Personnel	
Ralph Keefe 28 days @ \$350/day	9800.00
Steve Eddyveen 16.5 days @ \$275/day	4537.50
Bruce McMillan 17.5 days @ \$275/day	4812.50
Room and board (62 man days@ \$100/day)	6200.00
Equipment	
Kubota 121 Excavator	19412.64
D-6 Caterpillar	1680.00
Mileage 2812km @ .61/km	1715.32
Mob-demob	2976.00
Final processing of samples 4 days @ \$600/day	2400.00
Report 3 days @ \$600/day	<u>1800.00</u>
Total	\$52,357.96