A Geochemical Report on the **PALEO Property**
submitted as Representation Work
on the following quartz claims

Claims:
PALEO 3-16; Grant YE62003-YE62016 (14)
PALEO 31-54; Grant YE62031-YE62054 (24)
PALEO 68-90; Grant YE62068-YE62090 (23)
PALEO 108-120; Grant YE62108-YE62120 (13)
PALEO 134 & 136; Grant YE62134 & YE62136 (2)
Total 76 quartz claims in the Dawson Mining District
Registered Owner: Gordon Richards

Location
115P/03, and 115I/14
Camp in centre of claims at
UTM 389,450E, 6,989,650N, Elev 1304 m
UTM Zone 8, NAD 83

Field work performed by
Gordon Richards and Jeff Mieras
during the period July 16 to July 21, 2013

Report written by Gordon Richards
October 21, 2013

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INTRODUCTION

In reaction to intensive staking throughout Yukon in 2010 and the following winter the writer decided to stake an exploration target he had developed in the underexplored area east of the White Gold District in the area of pre-Reid glaciations. The property is located a few km south of Coldspring Mountain in the White Mountains on NTS map 115P03 and 115I14. Access is made by helicopter from Dawson City 160 km distant, or from Mayo 110 km distant, or from Carmacks 110 km distant. Refer to Figures 1 and 2.

The geology of the area has recently been described on Canadian Geoscience Map 7 of southwestern McQuesten and parts of northern Carmacks by Ryan, J.J., Colpron, M., and Hayward, N., 2010. Jeffrey Bond and Panya Lipovsky of the Yukon Geological survey have recently provided a number of papers, maps and posters on the surficial geology of the pre-Reid glaciated area with descriptions related to exploration. The McQuesten aeromagnetic survey by Kiss, F., and Cryle, M., 2009 is available as Geoscience Data Repository through Natural Resources Canada. Aeromagnetic tilt and horizontal derivatives derived from the aeromagnetic survey show structures where in some instances magnetite destructive alteration has occurred. Regional Geochemical Data (RGS) is also published, readily available and shows geochemical data for numerous elements of stream sediments collected throughout the area including from several creeks draining the claims.

The magnetic derivative maps and RGS data were used to identify prospecting targets. White Gold District gold occurrences had been described by many geologists familiar with the deposits as near vertical structural occurrences within all rock types so rock type was not considered as a preliminary screen for identifying targets. Very Few Minfile occurrences are known in the area and none near the Paleo Property. The Paleo Property is a new prospect with no known previous exploration activity.

The Paleo claims were staked to cover two aeromagnetic horizontal derivative lows with two creeks draining the area containing RGS stream sediment samples anomalous for Au and As. The claims were staked May 21-23, 2011 and recorded June 10, 2011.

In 2011 the writer supervised a first pass geochemical sampling programme across the aeromagnetic lows and elsewhere on the property. Results were encouraging. The southern magnetic anomaly measuring 2 km by 500 m returned spottily anomalous response ratios for Au, Hg, and As on three soil lines positioned across the anomaly. The northern magnetic anomaly measuring 2 km by 500-1000 m returned anomalous Au, Ag, Pb, As, and Sb in rocks, organic Ah soils and MMI soils. Of particular note was a zone of subangular boulders 50 to 200 cm in length that occurs for 300 m in a north direction in the central part of this northern magnetic anomaly. All boulders in this zone are highly silicified and limonitic with breccia textures common. One sample from this zone assayed 87 ppm Ag. Organic soils across this zone were highly anomalous for Au and Pb. The boulders are anomalous for Pb, As and locally for Ag with only spotty low level (<50 ppb Au) anomalous Au values leaving source of the high Au response ratio values in organic soil samples unexplained. A single contour MMI soil line in the north of the property provided some encouragement at the two ends of the soil line. Other positive geochemical results were also present and explored further in the 2013 exploration described below.

Work in 2013 utilized Mobile Metal Ion (MMI) soil sampling over six target areas. Results are encouraging although the highly anomalous gold values from the 2011 organic (Ah) soil samples still remain unexplained. The line of organic soil samples anomalous over a 300 m length of quartz breccia boulders now can be seen to have been fortuitously placed over the axis of an underlying mineralized structure based on the results of the present more detailed soil survey. This structure in Target B is now traced for 600 m and may extend through Target C to form a total length of 1300 m. Of 9 samples collected from the base of a 1 ½ m deep pit dug on one of the previous Ah soil samples anomalous for Au assayed 306 ppm Ag and >10,000 ppm Pb. Another large field of subangular boulders with intense quartz veining, silicification and quartz brecciation occurs in Target F over a surface area of 400 m by 800 m open in several directions. MMI soils collected in this area have a cluster of strongly anomalous Ag.

All garbage was removed from camp and taken to Carmacks for disposal.

CLAIMS.

The following is a list of all claims forming the property. The claims lie in the Dawson Mining District on NTS map sheets 115P03 and 115I14. The work was largely funded by YMIP grant 13-033 awarded to G Richards, and was performed by and for the registered owner, Gordon G Richards. Claims were staked May 21 to 25, 2011. Claim expiry dates will be extended beyond 10/12/2015 by filing of the work described in this report as representation work. Refer to Figure 4 and Table 1 for claim information.

Table 1. Claim Status

Claim Name	Grant No.	Expiry Date	Reg Owner	% Owned	NTS #s
Paleo 3- 16	YE62003 – YE62016	10/12/2015	Gordon G Richards	100.00	115I14 115P03
Paleo 31-54	YE62031- YE62054	10/12/2015	Gordon G Richards	100.00	115I14 115P03
Paleo 68-90	YE62068- YE62090	10/12/2015	Gordon G Richards	100.00	115I14 115P03
Paleo 108-120	YE62108- YE62120	10/12/2015	Gordon G Richards	100.00	115P03
Paleo 134	YE62134	10/12/2015	Gordon G Richards	100.00	115P03
Paleo 136	YE62136	10/12/2015	Gordon G Richards	100.00	115P03

GEOLOGY.

Bedrock geology is best described on Canadian Geoscience Map 7 of *Southwestern McQuesten and Parts of Northern Carmacks* by Ryan, J.J., Colpron, M., and Hayward, N., 2010. The general area is underlain by the metasedimentary basement complex (Snowcap Assemblage), which is the basal member of the Yukon-Tanana Terrane. Several ages of Paleozoic intrusive suites intrude the metasedimentary rocks all of which are variably deformed and metamorphosed up to amphibolite facies. Float in soil pits conforms to this description with psammite and orthogneiss the most common rock types.

By far the most prominent alteration seen on the property is the occurrence of subangular boulder fields of quartz with quartz breccias. The boulders are comprised of a variety of quartz veins of multiple ages, breccias including quartz fragment breccias, and silicified psammite or orthogneiss. Weathered surfaces are white to light grey but broken faces display 1-4% limonite, commonly with Mn staining, occasionally fine disseminated pyrite and on rare occasions <1 mm disseminated galena. No boulders of other rock types are found in these boulder fields.

One large boulder field occurs in Target B shown on Figures 5 and 6 where it occurs as subangular boulders 50 cm to 4 m in length. About 40 boulders have been found to date over a width of 100 m and length of 500 m in a north south direction coincident with the strongest geochemical response in this Target B area. Many more similar boulders are undoubtedly present. A 1 ½ m deep pit dug at 2011 Ah soil sample J207 and resampled by 2013 MMI soil sample T224 exposed a very rocky soil profile with commonly limonitic and quartz veined and variably silicified float that included rock ship sample U74 with 306 ppm Ag, >10,000 ppm Pb, and other high metal values. See Table 3 and 4.

Quartz and quartz breccia boulders with no other accompanying boulder type were also found in the south half of Target F from soil sample T242 to T245 and from there east to T254 and north from T245 for about 200 m. Similar boulders were also found near samples T261 to T263, T267, and T270 to T272. Overall this represents an area roughly 400 m east-west by 800 m north-south based on limited soil sampling. An estimated 70 boulders were seen in this area. Many more are undoubtedly present.

Similar float boulders again with no boulders of other rock types were seen within Targets C and D though they were not as abundant as in Targets B and F.

SURFICIAL GEOLOGY.

Soil profiles are more complicated than in the unglaciated terrain of most of the White Gold District as that is now defined. MMI soil sampling in 2013 provided 30 cm deep pits that exposed soil profiles from which the soil descriptions below ore based. In 2011 several types of soil sampling methods were tried on the Paleo Claims that included standard soils, MMI soils and Ah (organic) soils. In 2013 only MMI soil samples along with rock samples of float were collected. A description of sample analyses procedures and presentation of results is provided below under Geochemical Survey.

Glaciation is described as pre-Reid in age. Reid glaciation began 200,000 years ago and ended about 50,000 years ago. The glaciation across the general area of the Paleo Property is described as much older than Reid, possibly older than 500,000 years (Jeff Bond, personal communication, 2012).

Uppermost soil is an organic soil generally a few cm thick lying on top of loess. Forest fires tend to destroy this organic soil so that it is continually being formed by the accumulation and decomposition of leaf litter.

Loess forms a blanket on most slopes about 50 cm deep but as little as 5 cm. In greater than 90% of soil pits loess depth was greater than 30 cm. This loess is believed to be related to the late McConnell Glacial period (22ma). A few rocks do occur in the loess and have probably worked themselves up into the loess from underlying colluvium.

Beneath the loess is colluvium. Rounded pebbles in the soil that might represent vestiges of rounded till pebbles were not seen in soil samples. Pre-existing tills have been eroded. However soils have probably developed from this erosion thereby incorporating tills and possibly several loess deposits into weathered bedrock to form the soil profile. Depth of colluvium is not known. This soil development as well as glacial smearing in an unknown direction has undoubtedly caused the geochemical response of soils to be reduced and spread out across hillsides. Thus lower level anomalies from conventional soil samples can be very important and should not be too easily dismissed. However, MMI sampling where it is effective for one or more elements is not affected by such mixing of soil types as it responds to bedrock mineralization regardless of type of soil that is sampled.

GEOCHEMICAL SURVEY.

SURVEY METHODS.

Twelve man days were spent collecting **34 rock** and **183 MMI soil** samples by Jeff Mieras and Gordon Richards. All geochemical results are provided in an Appendix. Selected geochemical results are provided in Tables 2-4 and graphically on Figures 7-17.

Sample details such as rock type and mineralization, soil colour, texture, depth, dampness and site slope were described in notes. Their locations were recorded in a handheld Garmin GPSmap 60Cx unit. Some UTM co-ordinates were also recorded in notebooks as a backup in case of loss of the GPS unit or loss of data stored on the unit. No such loss occurred. Sampled material was placed into numbered bags as described below. Soils were collected at 50 m intervals with few exceptions as noted.

Rock samples described in Table 4 were chips of float in all cases. Samples were collected in gusseted kraft bags. Rock samples were sent to Acme Analytical Laboratories Ltd, 9050 Shaughnessy St, Vancouver, B.C., V6P 6E5 for their 1DX determination. Samples were first weighed then crushed, split and 250 g pulverized to 200 mesh. A 15 g split of this material was digested in 1:1:1 Aqua Regia and analyzed by ICP-MS for 36 elements, reported in ppb, ppm, and % for the various elements.

All 2013 soil sampling used the Mobile Metal Ion (MMI) method with analyses provided by SGS Canada Inc, 3260 Production Way, Burnaby, B.C., V5A 4W4. Over 90% of all MMI samples were collected exclusively from loess.

MMI analysis uses a weak partial extraction to improve the conventional geochemical response over buried ore deposits. The process measures the mobile metal ions from mineralization, which have moved vertically upward to the surface and are loosely attached to the surfaces of soil particles. Its effectiveness has been documented in over 1000 case histories on six continents and includes numerous commercial successes. The anomalies are sharply bounded and in most cases directly overlie and define the extent of the surface projection of buried primary mineralized zones. The MMI process is a proprietary method developed by Wamtech of Australia. SGS Minerals Services in Toronto purchased all rights to the method and provides analyses in Vancouver and Toronto.

Watch and ring were removed prior to sampling. Pits were dug by shovel to a depth of 30 cm in order to expose the soil profile for sampling. The profile was scraped clean with a plastic scoop to remove any metal effect from the digging shovel. A continuous strip of soil was collected by plastic scoop over the interval of 10 to 25 cm below the top of true soil, placed in a numbered ziplock baggie and placed in an 11 inch by 20 inch 2 mil plastic bag. Loess was present at nearly all sample sites and was the sample medium for >90% of the 183 MMI soils collected on the Paleo Claims. Samples were kept cool until they were shipped to SGS Minerals Services in Vancouver for analyses.

In the SGS Lab, samples are not dried or prepared in any way. The MMI process includes analyses of an unscreened 50-g sample using multi-component extractants. Metals are determined by ICP-MS generally in the parts per billion range.

Response Ratios were calculated for 19 elements and provided in Table 2. The average value for results of the lower quartile was calculated for each element. One-half of detection limit was used for those samples with values reported as less than detection limit. Then each result was divided by the lower quartile average to obtain its response ratio. A response ratio of 10 or more is considered very significant for indicating underlying mineralization. Lesser values of 5 to 10 can also be important particularly where more than one element has such a value. Response ratios can best be thought of as a multiple of background in interpreting results. Response ratios for Ag, As, Au, Fe, Pb, and Zn are provided graphically on Figures 7-12 for the Central Area, for As and Fe in Figures 13 and 14 for the South Area, and for Ag, As, and Au on Figure 15-17 for the North Area.

SURVEY RESULTS.

MMI soil samples and rock sample results are discussed below for the Central Area (Targets B, C, D, and F), the South Area (Target A), and the North Area (Target E). Refer to Figures 5-17 and Tables 2-4.

Central Area (Targets B, C, D, and F).

<u>Target B.</u> 2011: multi-element anomalies.

Organic Ah soil samples collected in 2011 on a north-south line leading south from the 2011 camp returned anomalous response ratio results for Au of 7, 6, 13, 17, 35, 13, 18, 13, and 7 on a 50 m interval which represents a length of 400 m. These samples occurred associated with abundant boulders containing quartz veins, quartz breccias, and silicification that were only weakly anomalous for gold (all less than 50 ppb Au). One rock sample returned 87 ppm Ag.

The boulders were anomalous for Pb, As, Ag and only weakly for Au leaving the causative source for the anomalous Au in Ah samples unexplained. The Ah samples were anomalous for Au and for Pb but not As or Ag. Thus this selective soil leach method (Ah) has limited use on the property but most importantly is reliably useful for Au.

In 2013 grid soil sampling across the north-south trending quartz breccias boulder field produced highly anomalous response ratios for Pb, As, Fe, Mn, and Zn with only three soil samples anomalous for each of Au and Ag within the central axial pattern of the anomalous Pb Zone (Figure 7). One rock sample, U74, assayed 306 ppm Ag with >10,000 ppm Pb. U74 is a foliated unsilicified psammite or fine-grained orthogneiss with drusy vugs lined with quartz crystals and a one cm fracture face filled with micro breccias fragments and boxwork quartz in a goethite matrix. This sample was collected from the base of a 1 ½ m trench where similar high limonite-goethite-Mn stained foliated and fractured psammite float with drusy vugs, <5 mm quartz crystals were common. Grades of these other boulders were low for Au and Ag. Silicification of groundmass is absent or weak in these float samples in stark contrast to the silicified, quartz veined brecciated boulders occurring on the surface. There was almost no unaltered float in this trench. Eight other samples collected from this trench yielded only low precious metal values.

In the MMI soils, Pb, As, Fe, and Zn form wide north-south trending patterns of anomalous response ratios with Pb, the most confined, forming an axial pattern within the wider zones of anomalous As, Fe, and Zn. See Figures. Ag and Au form single element anomalies on three soil lines. All of the anomalous MMI soil patterns and the coincident quartz breccia boulder pattern are interpreted to indicate a buried mineralized recessive structure that could be enriched in Ag as evident from the few higher grade Ag values of 87 and 306 ppm Ag and also for Au as indicated by the 2011 Ah soil samples that are highly anomalous for Au. The comparison of geochemical results in this Target Area appears to indicate that Au is not very responsive in MMI samples but is responsive in Ah samples. This lack of response for gold in MMI soil samples should be kept in mind when evaluating other target areas on the property.

Target C. 2011: 2 MMI soils with anomalous RRs for Ag, As, Au.

Somewhat similar to Target B, Target C has MMI soil samples with anomalous response ratios (RRs) for As, Fe and Zn but not Pb and with higher RRs for Au (high of 21) and Ag (high of 15 in same sample high for Au). Two quartz boulders were seen during soil sampling and numerous angular quartz and quartz breccias boulders were sampled outside the soil grid along the southwest side of the southeasterly flowing creek on the north side of the soil grid. Some of these were anomalous for As (high of 95.2 ppm As) and Fe (high of 1808 ppm Fe). The anomalous arsenic soil pattern is crudely on trend with the anomalous zones for Pb and As in Target B and may be indicative of a single structure through both targets. Strike length would be 1300 m if they form one mineralized structure.

Target D. 2011: 2 MMI soils with anomalous RRs for Ag.

Two subangular boulders of silicified, quartz veined and quartz brecciated float with anomalous Mn, Fe, As and Zn occur along the single soil line in Target D. RRs for the MMI soils produced few spotty low level anomalous values for all elements except Au.

Target F. 2011: aeromag horiz derivative low and boulder field quartz breccias.

Target F is divided into two areas. To the north three east-west MMI soil lines were placed across an aeromagnetic horizontal derivative low. Broad patterns of anomalous Fe and Zn with some associated anomalous As occur on the west end of all three lines as shown on the figures. There are no high Au RRs and only spotty high Ag and Pb RRs.

To the south, two east-west and one north-south MMI soil lines were placed across part of a large field of silicified, quartz veined and brecciated boulders that is estimated to be about 400 m by 800 m and open along strike. Anomalous RRs for Ag with a very high value of 30 forms a cluster 300m by 200 m in extent open to the southwest. A single RR of 16 Au occurs within the Ag cluster. Other metal RRs are variably anomalous elsewhere on this crude soil grid.

South Area.

Target A. 2011: spotty Au and As highs from augered conventional soils.

In 2013 two MMI soil lines were placed over the two augered conventional soil lines to see if this MMI method would be effective in yielding more discrete anomalies. Fe and As yielded broad anomalous RR patterns seen on Figures 13 and 14 but no anomalous RRs for other elements. Only S251 at the north end of the more northwesterly soil line yielded anomalous RRs for Au (10) and Ag (8) greater than 6. The anomalous pattern could be fringing significant mineralization.

North Area.

Target E. Large drainage sampled by RGS 3094 with multi-element anomalies.

One MMI soil line was placed to continue prospecting the drainage sampled by RGS 3094 and returned anomalous response ratios for Au, As, Ag, and Pb as shown on Figures 15-17. RRs for Ag yielded the best encouragement with RR highs of 15, 21 and 23. Gold RRs of 6 and 8 occur in two of these three high Ag samples. Some high RRs for Pb, Fe, and Zn also occur.

CONCLUSIONS

In 2011 aeromagnetic horizontal derivative lows proved useful for locating zones of altered float and geochemically anomalous soils. 132 Paleo claims staked to cover the derivatives before sampling began were reduced to 76 claims on the basis of the 2011 results.

Altered float displayed strong silicification, brecciation, and quartz-veining, with nearly complete oxidation of sulphides. Host rocks were psammite of the late Devonian and older Snowcap Assemblage (with accompanying Paleozoic orthogneiss) which forms a metasedimentary basement to the Yukon Tanana Terrane. Oxidation is the result of the area not being glaciated for much greater than 200,000 years. True tills were not seen. About 50 cm of loess covers most hillsides. A few soil pits penetrated the loess. Soils with round pebbles were only seen within 50 to 100 metres of creeks and are probably reworked tills from higher elevations on the adjacent hillsides. In general the soils beneath the loess are rocky colluvium and probably have old loess deposits and some pre-existing till fines worked into them. Such weathering action probably has diluted geochemical responses for standard soil samples.

In Target B a zone of subangular, silicified, brecciated, quartz-veined, limonitic boulders measuring up to 5 m long with no other type of boulder occurring with them exists over a 500 m north-south direction and about 100 m east-west. Scattered similar boulders occur over the next 500 m to the south and may connect with Target C thereby forming a strike length of 1300 m open to the south. The high silica boulders are strongly anomalous for As and Pb and weakly anomalous for Au (up to 47 ppb Au) and Ag. Weakly silicified float with quartz veins, vugs, cross-cutting fractures all with high limonite content collected from soil pits have returned assays of 306, 87, 22, 13, 6, and 3 ppm Ag along with anomalous values for Pb, As, Sb, Bi, Te, Cu and Zn. The 306 ppm Ag value with 716 ppb Au was from a rock collected at the bottom of a 1 ½ m deep hand dug pit. This pit dug on July 20 did not bottom in frozen ground or in bedrock. Additional trenching may prove useful in locating a bedrock source for the high Ag values in rock and the high Au values in Ah (organic) soil samples. The fact that the high Ag values are from rocks that are only weakly silicified may be indicating that high precious metals are associated with less resistive rock than the quartz breccia boulders and could be associated with a recessively weathered Au and Ag bearing structure located under the axis of the MMI geochemical anomalies described.

A single line of organic Ah soils collected in 2011 along the axis of this boulder field show a zone of highly anomalous results for Au and Pb but no high As, Sb or other metals and only one high Ag. This anomaly extends for 500 m north-south coincident with and central to the Target B boulder field. MMI samples collected in 2013 show wide anomalous RRs for Fe, Mn, Zn and As with a central core of anomalous RRs for Pb. This central Pb core is where the anomalous Ah RRs for Au and the 306 and 87, 22, 13, 6, and 3 ppm Ag in float occur. A comparison of Ah and MMI soil samples is provided in Table 5 below.

Table 5. Comparison of MMI and Ah soil sampling methods over the Central Target B Area. Yes = high values present. No = high values not present.

Element	**Qtz-limonite bearing Rocks**	**MMI Soils**	**Ah Soils**
Au	Weak: all < 50 ppb	No: 3 RR ≥ 6	Yes: high RR of 35
Ag	Yes: high 306 ppm	Yes: axially located	No
Pb	Yes: high >10,000 ppm	Yes	Yes
As	Yes	Yes	No
Sb	Yes	Weak: <10 RR	No

Note the high Au response with Ah sampling compared to low Au response with MMI sampling. Au may only be present in significant amounts in a narrow structure on the order of 5 m wide in which case it would only respond immediately over that narrow structure. MMI responds well to immediately underlying mineralization. To see this response would require an inordinate number of samples in a preliminary soil grid. However having defined a structure by other geochemical patterns such as Pb in the present study and future geophysical methods, detailed MMI sampling over a 10 m sample interval might identify a linear gold MMI anomaly. Although the number of anomalous Ag MMI RRs are few in Area B they are quite strong for two samples (26 and 13) and centrally located. Detailed MMI sampling at a 10 m sample interval over the axis of the anomalous Pb trend might also identify a linear Ag MMI anomaly. The Pb response is not widespread but centrally located over a 50 to 100 m width for both Ah and MMI methods. The Sb response is muted in the MMI sampling. Over half the RRs for Sb have a value of 1. All Sb RRs are <10 with 75% 2 or less Sb. RRs of 4 to 8 show excellent correlation with high As and Pb RRs.

Other target areas provide mixed MMI RR and quartz-bearing float results warranting additional work.

Target Area F outlined an 800 m by 400 m zone open to the north and southeast of abundant quartz and quartz breccia boulders associated with a cluster of anomalous Ag RRs measuring 300 m by 200 m. Another 300 m wide zone of anomalous Fe and Zn RRs with spotty anomalous As and Ag RRs could contain or lead off the area sampled to a stronger geochemical response over a precious metal mineralized structure.

Target Area D provided little encouragement for additional prospecting.

Target Area A provided 400 m wide zones of coincident anomalous RRs for As and Fe with no significant Ag or Au anomalous RRs.

Target Area E provided three high Ag MMI RR values of 23, 21, and 15 from samples collected at a 100 m spacing. More work is required in this large drainage sampled by a RGS sample that contains multi-element anomalous responses.

Sample medium for the MMI samples was loess as it occurred at the prescribed depth for sample collection. The response of MMI samples, the difficulty of collecting standard soils over much of the property, and the relative ease of collecting MMI samples at shallower depths than standard soils makes MMI soil sampling an ideal method for working in this area of >200,000 year old glaciation. MMI has the added advantage of producing concise apical anomalies over mineralization. Thus it is a useful method for grid sampling where sample density is tight enough to locate underlying mineralization. More detailed MMI sampling over the axis of anomalies defined by non-precious-metals might be necessary to locate a high grade mineralized structure that has little peripheral gold in wallrock.

RECOMMENDATIONS.

It is recommended that:

i) East-west MMI soil sample lines be completed between Targets B and C to test for continuity of the apparent structurally controlled mineralization.

ii) VLF-EM and ground magnetic surveys be conducted over targets B and C and intervening ground in an attempt to locate a linear structure that might be mineralized with Au and Ag. If this proves useful similar surveys should be done in Target F.

iii) Two east-west MMI soil sample lines 100 m long with 10 m sample interval be completed in Target B across the Pb MMI RR Trend centred on samples T225 and T224 to test for an MMI Au soil anomaly that could locate the locus of a gold and silver mineralized structure. If successful then additional tight soil sampling would be warranted along strike.

iv) Trenches be dug by hand to bedrock as late in the season as possible in order to avoid encountering frozen ground near the highest Au and Ag RRs from the Ah and MMI soil sample surveys and on any geophysical target that is developed from ii) above.

v) Additional east-west MMI soil sample lines be completed around and within the quartz breccia boulder field in Target F to define the extent and strength of the geochemical response.

vi) Further prospecting be conducted in the drainage north of camp defined by the RGS silt anomalous for Au and As and by results of the present survey.

STATEMENT OF COSTS

Paleo Property

Trans North Helicopters:	
Jul 16. Mob to Property. Invoice 58030.	$ 3702.72
July 21. Demob off Property. Invoice 58035.	2425.92
Truck: 1/2 Whitehorse-Pelly Farm-Whitehorse. ½ 622 km @ $0.61/km	196.42
Geochem:	
SGS Invoice 10719161; MMI sample analyses	7301.70
Acme Invoice VANI174669: Rock sample analyses	876.25
Acme Invoice VANI177406: 1 Rocks Fire assay	18.52
Wages:	
Jeff Mieras Jul 16-21, 25; 7 days @ $300/day	2100.00
Gord Richards Jul 16-21,25; 7 days @ $500/day	3500.00
Van Kam Freight: samples to Vancouver ¼ of 362.82	90.70
Food and supplies: 14 man days @ $100/day	1400.00
YWCB: ¼ of 351.00	87.75
Sub Total	$ 21,699.98
Report: 10% of above costs	2,170.00
TOTAL	**$23,869.98**

STATEMENT OF QUALIFICATIONS.

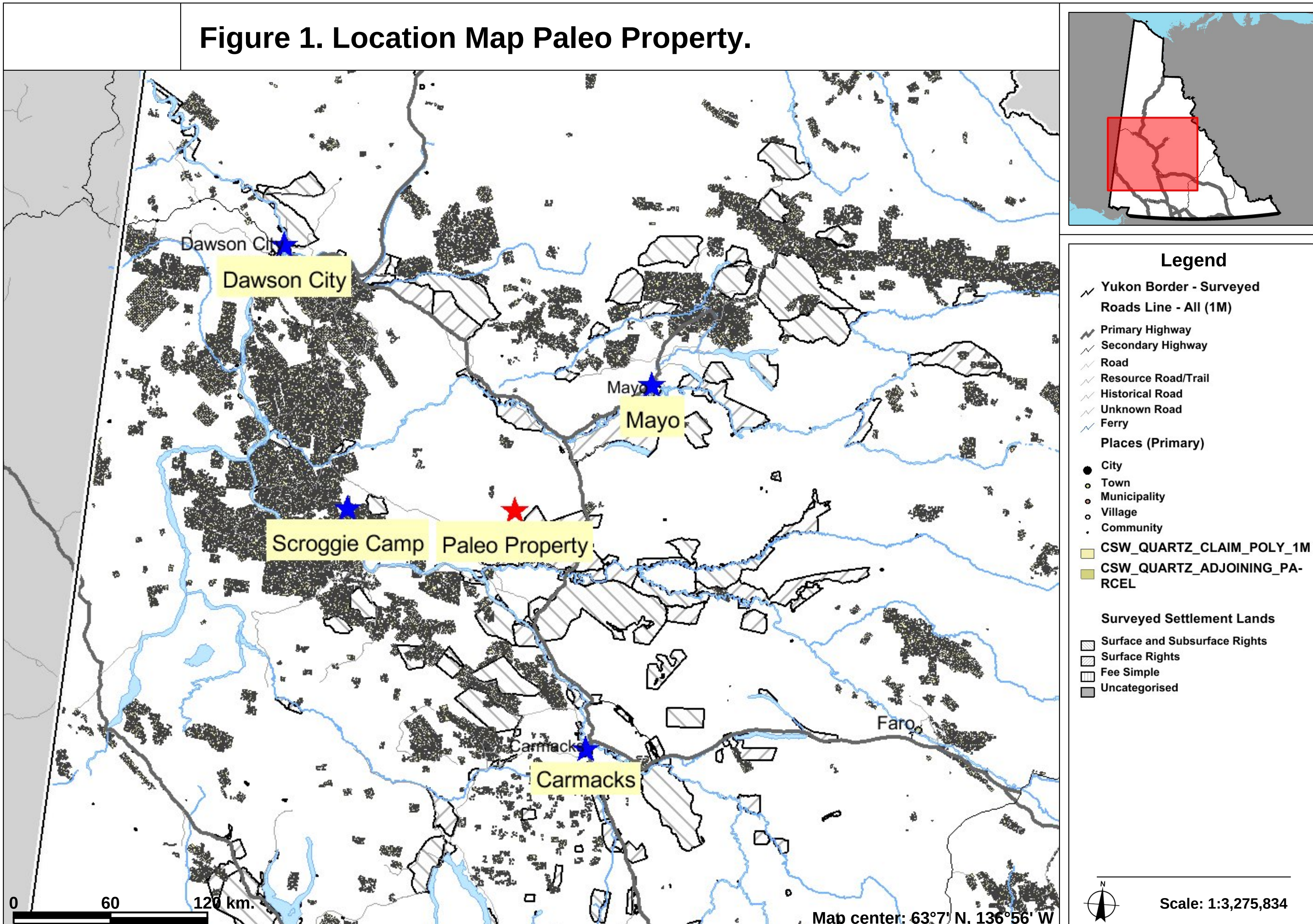
I, Gordon G Richards, with business address at 6410 Holly Park Drive, B.C., V4K 4W6, do hereby certify that:

1. I am a Professional Engineer, registration number 11,411 with the Association of Professional Engineers and Geoscientists of British Columbia since 1978.
2. I hold a B.A.Sc. (1068) in Geology from The University of British Columbia, and an M.A.Sc. (1974) in Geology from The University of British Columbia.
3. I have been practicing my profession as a geologist for over 40 years and as a consulting geological engineer since 1985. I have work experience in western areas of the United States, Alaska, Canada, Mexico and Africa.
4. I have based this report on my field work and supervision of field work by Jeff Mieras during the period of July 16 to 21, 2013 and on the results generated by that field work.

Respectfully submitted,

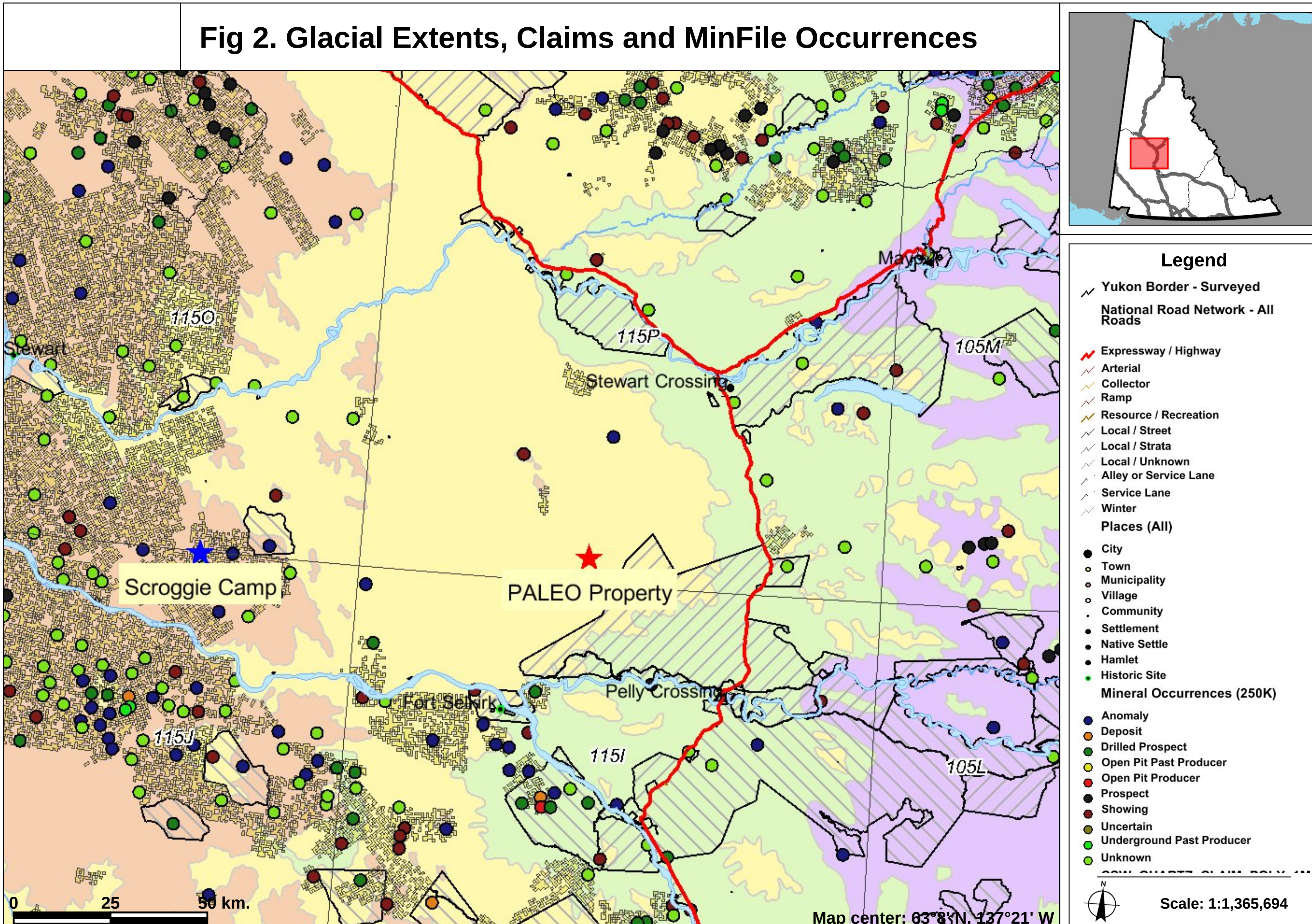
Gordon G Richards, P.Eng.

Figure 1. Location Map Paleo Property.



This map is a user generated static output from an Internet mapping site and is for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION.

Fig 2. Glacial Extents, Claims and MinFile Occurrences



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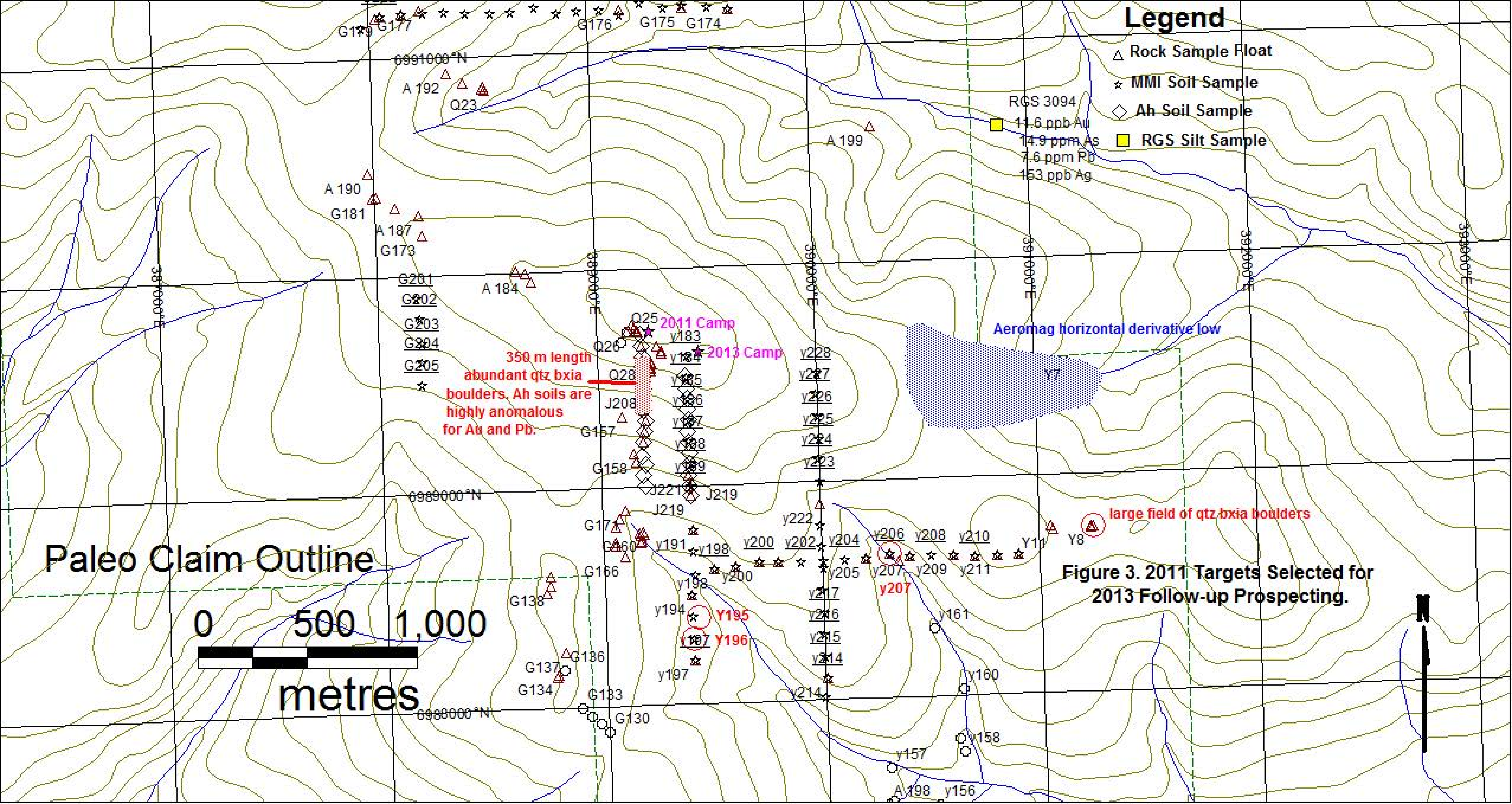
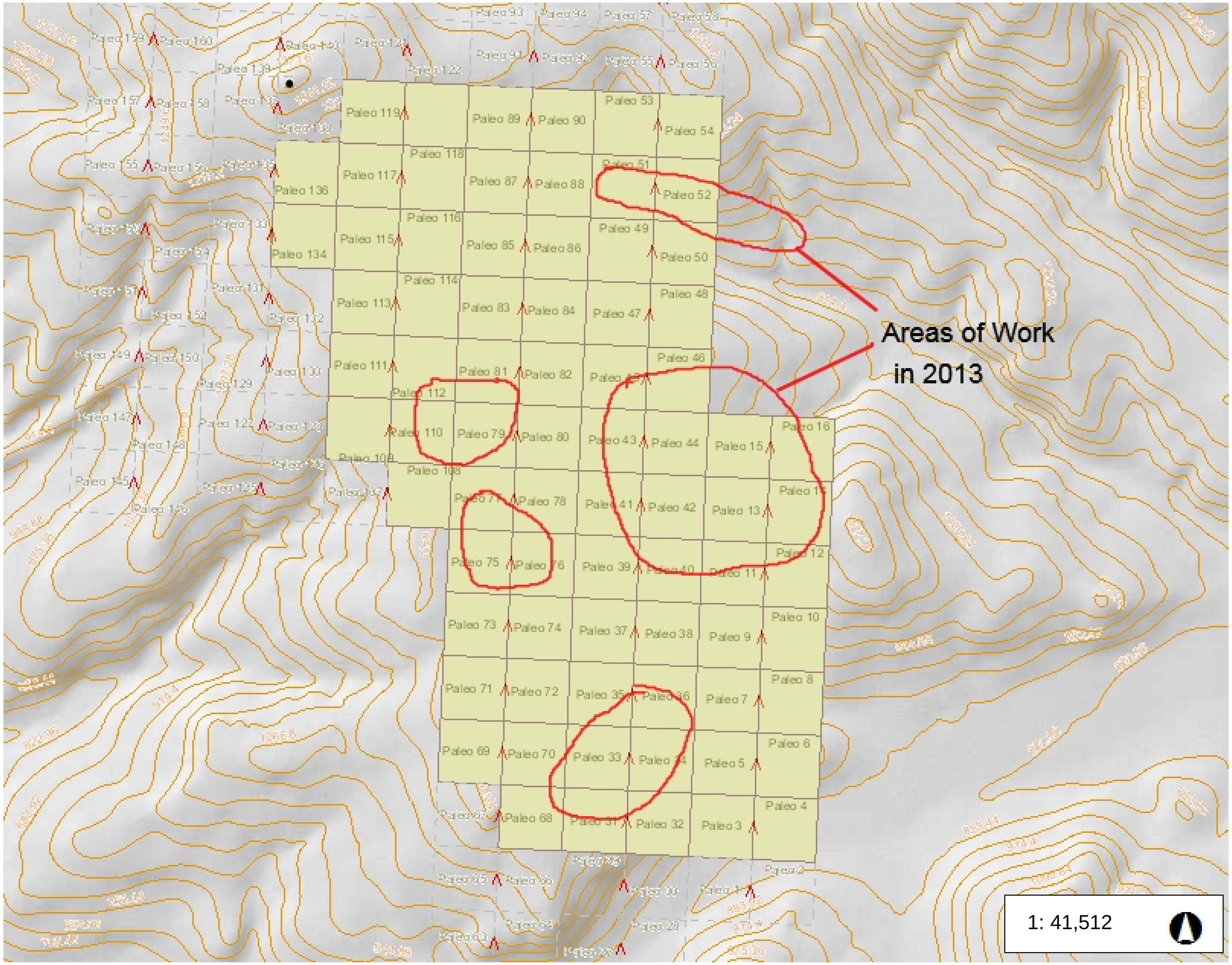


Figure 3. 2011 Targets Selected for 2013 Follow-up Prospecting.

Figure 4. Paleo Claim Map.

Yukon Geological Survey

Yukon Energy, Mines and Resources



1: 41,512

2.1 0 1.05 2.1 Kilometers

Yukon Albers

Produced from: Yukon Geological Survey MapMaker Online

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Date Printed: 23-Oct-2013

Legend

- Placer Claims (50K)
  - Active and Pending
  - Expired
- Prospecting Leases
  - Active and Pending
  - Expired
- Adjoin Placer
- Placer Mining Land Use Permi
  - Class 3
  - Class 4
- Placer Baselines (50K)
- Placer Baselines (surveyed)
- Quartz Claims (50K)
  - Active and Pending
  - Expired
- Quartz Leases (50K)
- Adjoin Quartz
- Quartz Mining Land Use Permi
  - Class 3
  - Class 4
- Quartz Staking Direction
- Coal Exploration License
  - Active and Pending
  - Expired
- Coal Mining Lease
  - Active and Pending
  - Expired

Notes

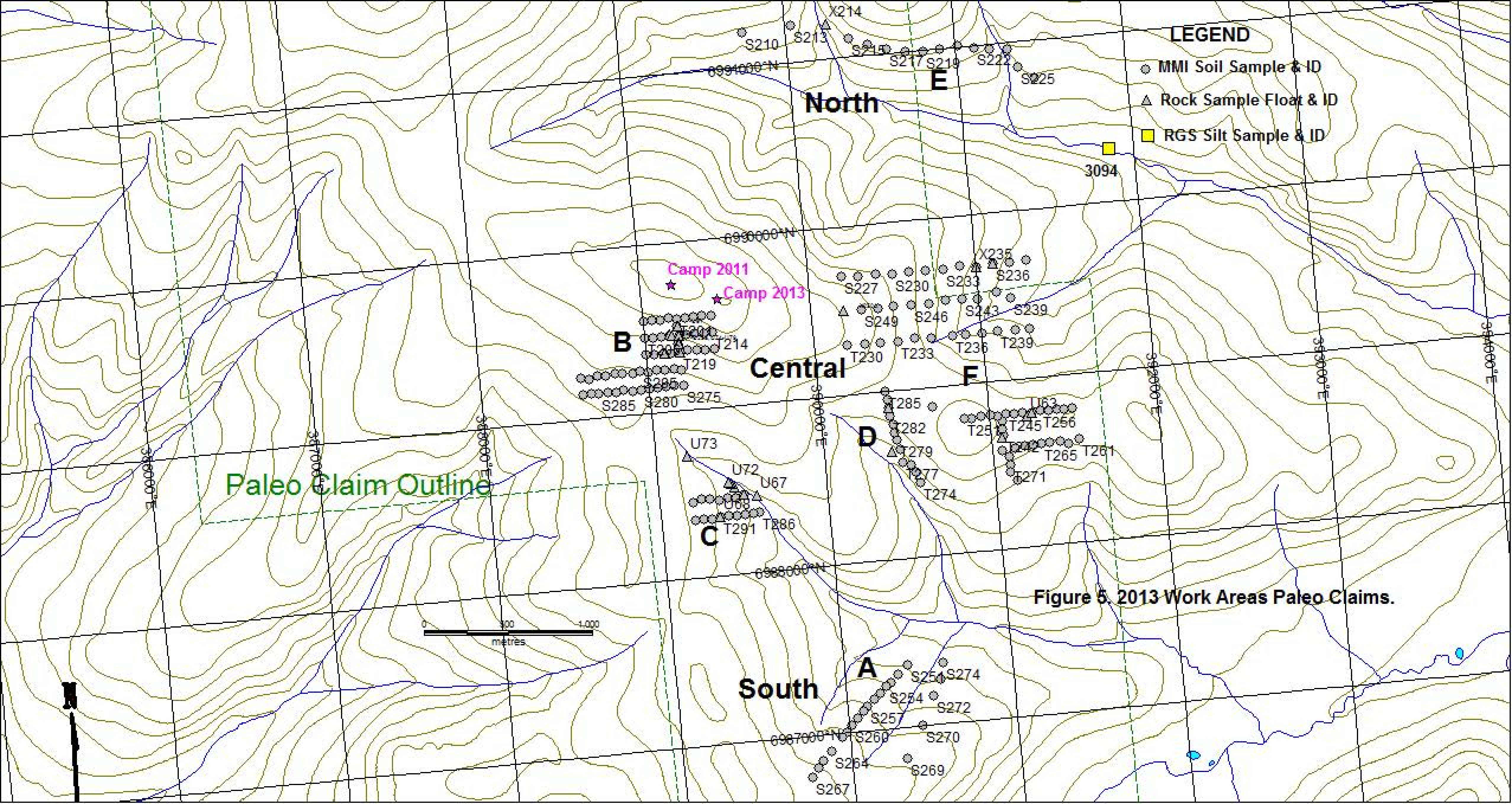

Figure 5. 2013 Work Areas Paleo Claims.

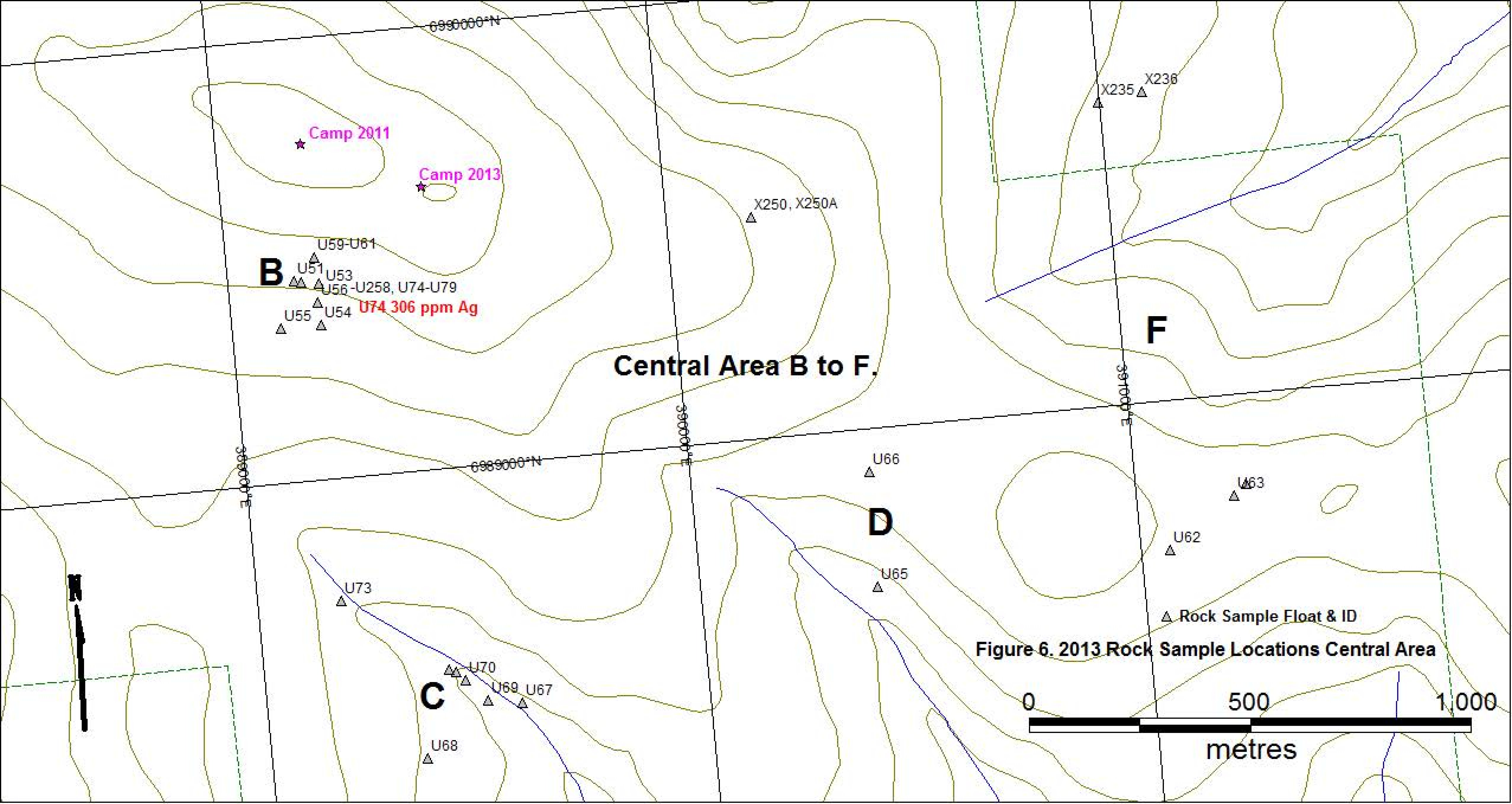

Figure 6. 2013 Rock Sample Locations Central Area

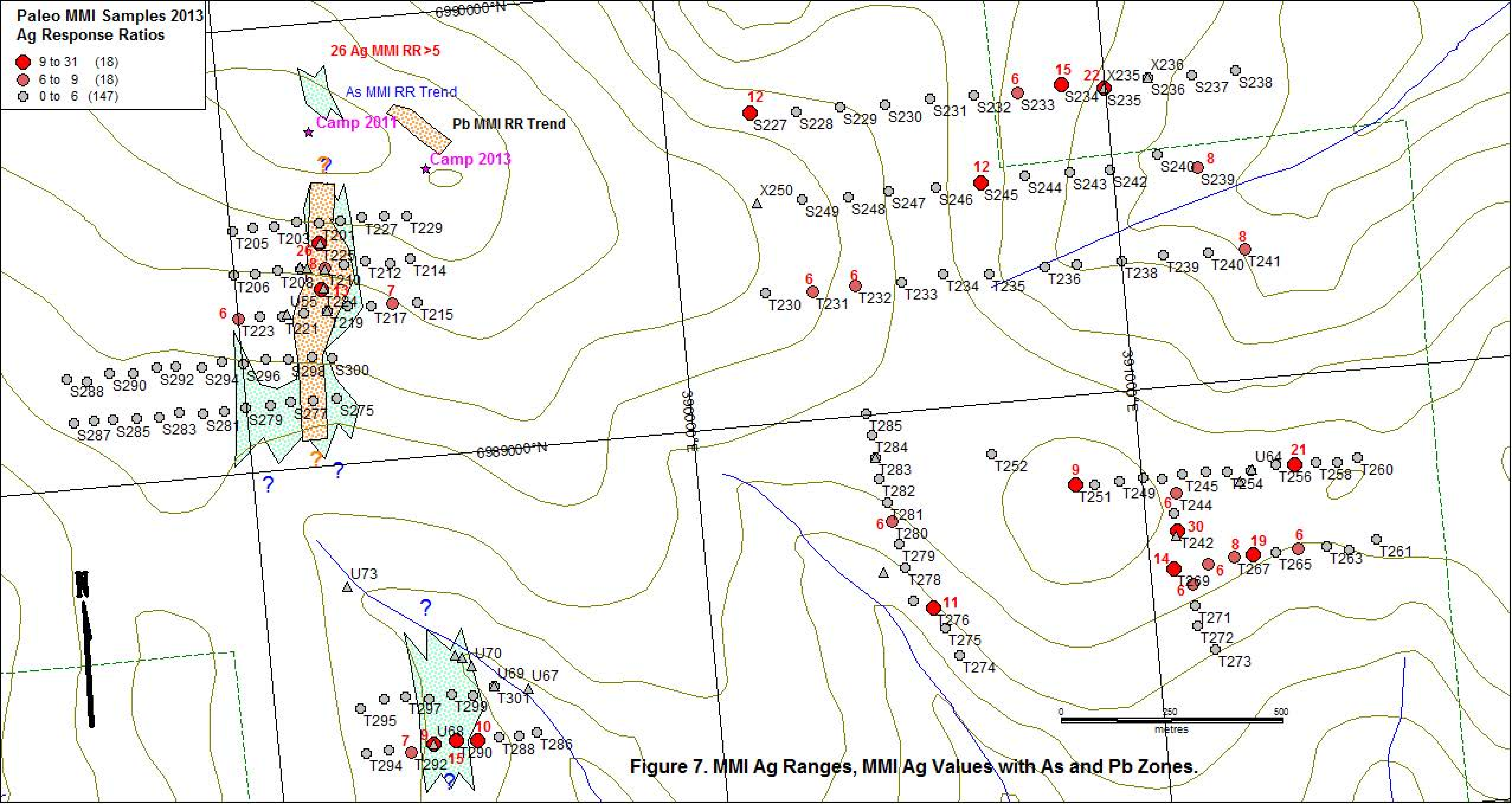

Figure 7. MMI Ag Ranges, MMI Ag Values with As and Pb Zones.

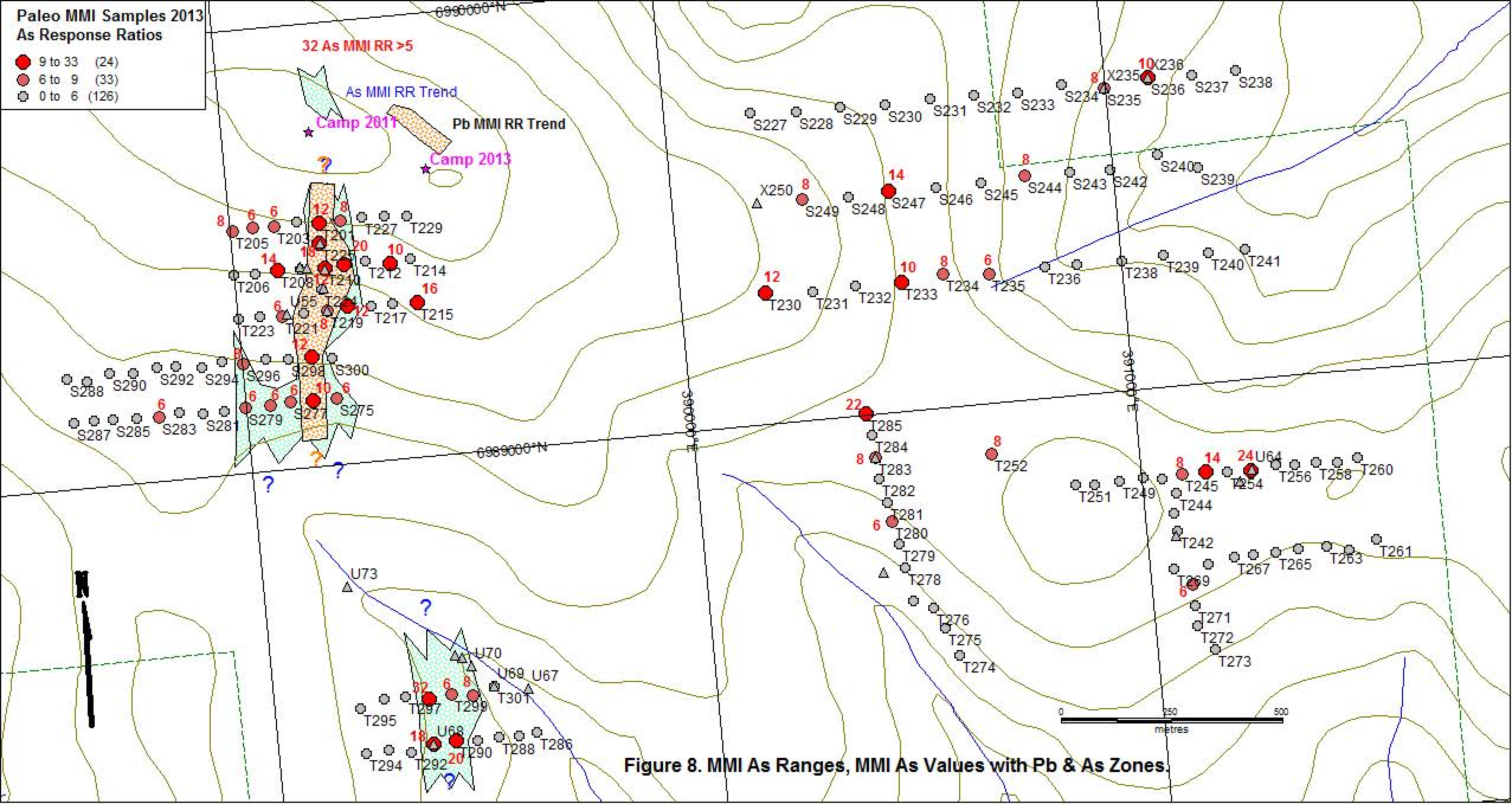

Figure 8. MMI As Ranges, MMI As Values with Pb & As Zones.

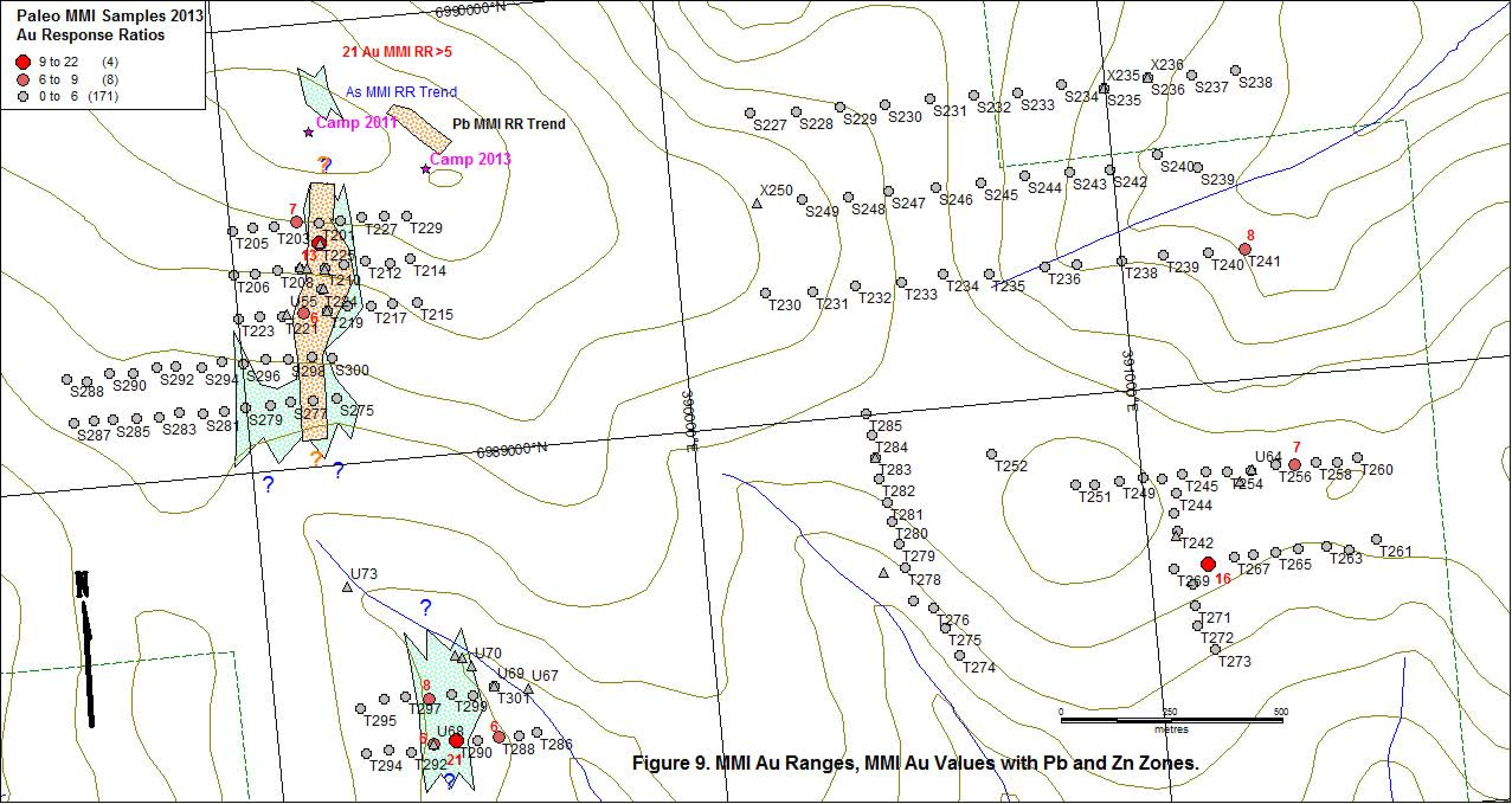

Figure 9. MMI Au Ranges, MMI Au Values with Pb and Zn Zones.

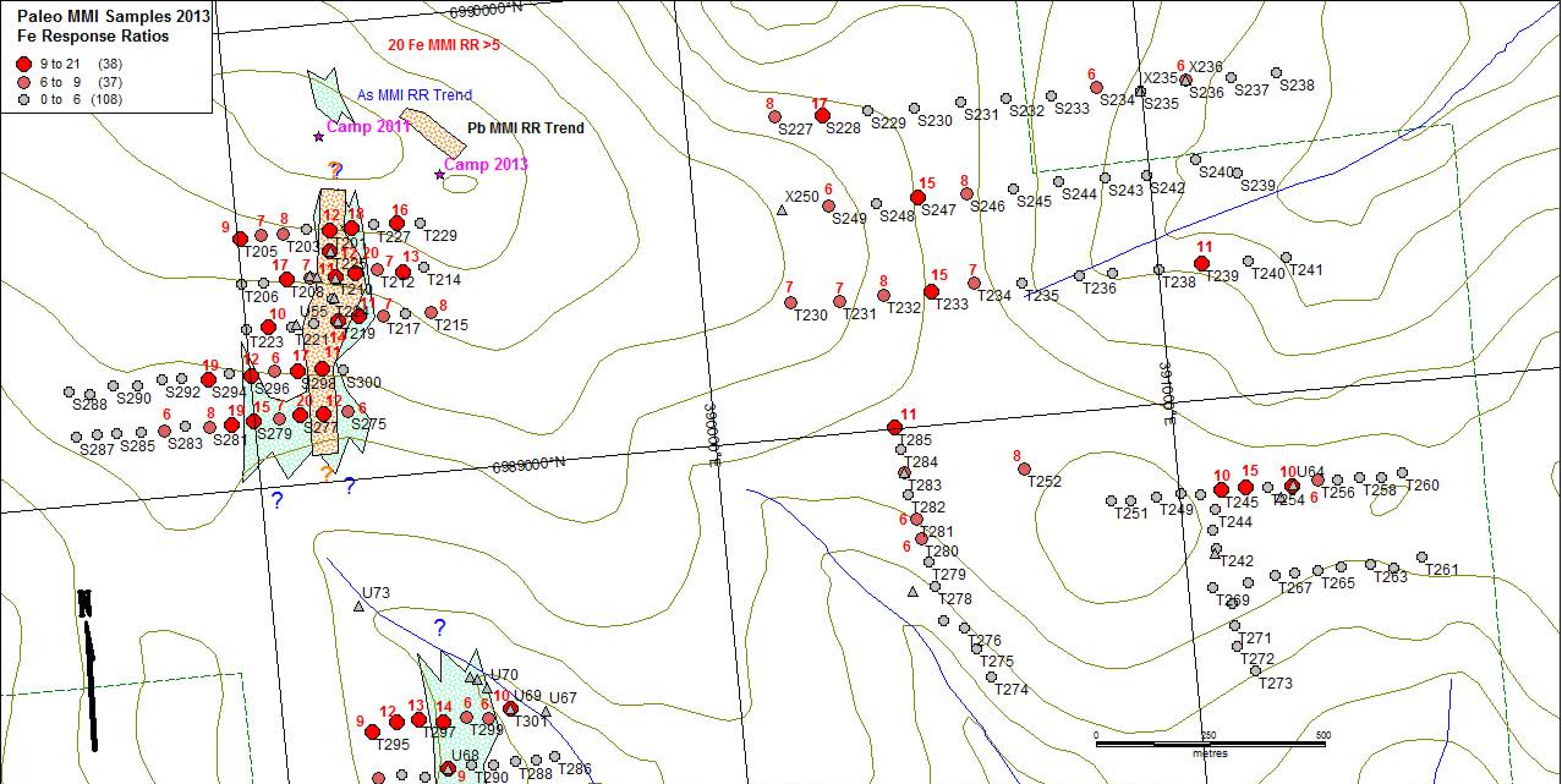

Figure 10. MMI Fe Ranges, MMI Fe Values with Pb & As Zones.

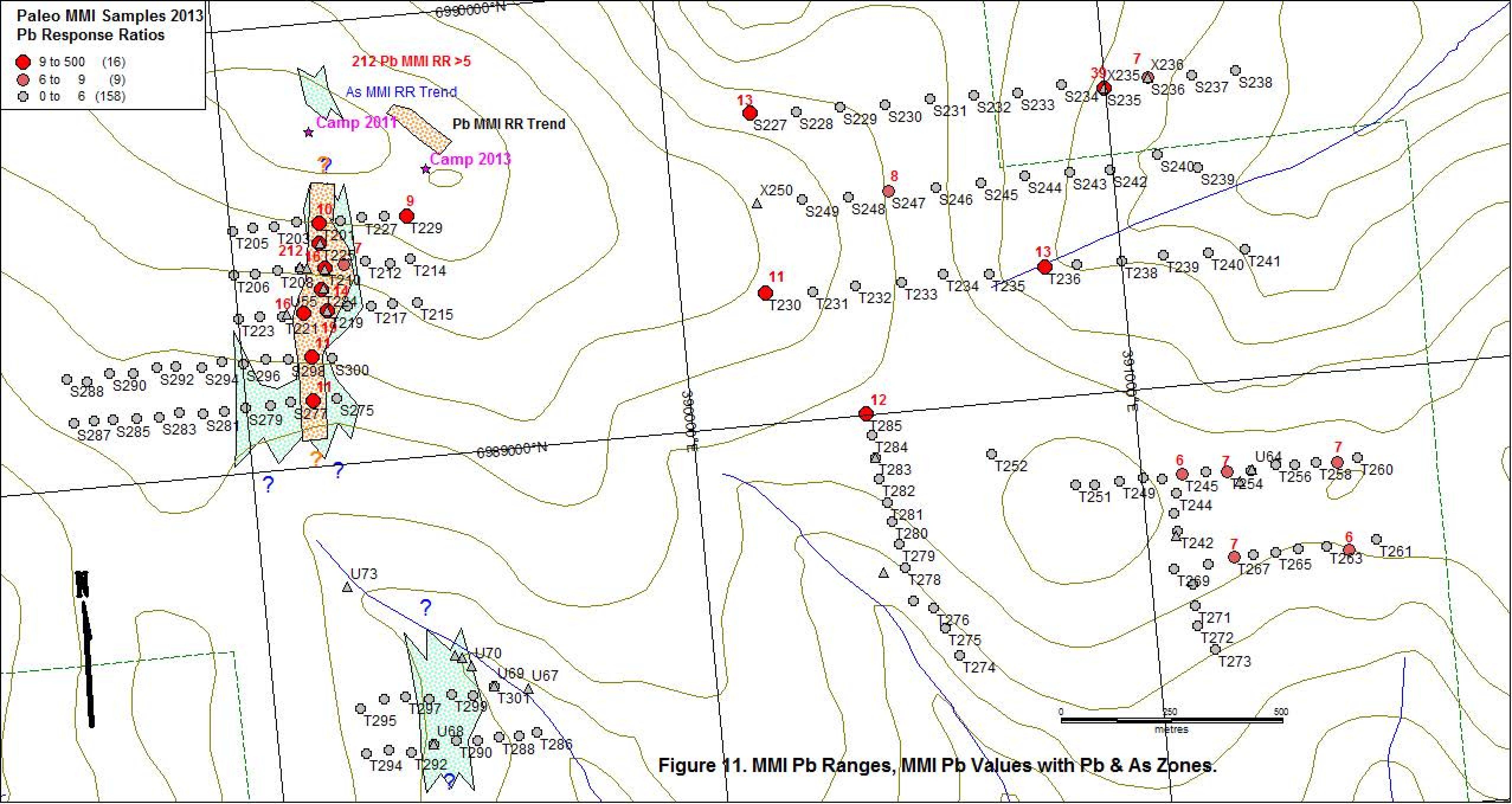

Figure 11. MMI Pb Ranges, MMI Pb Values with Pb & As Zones.

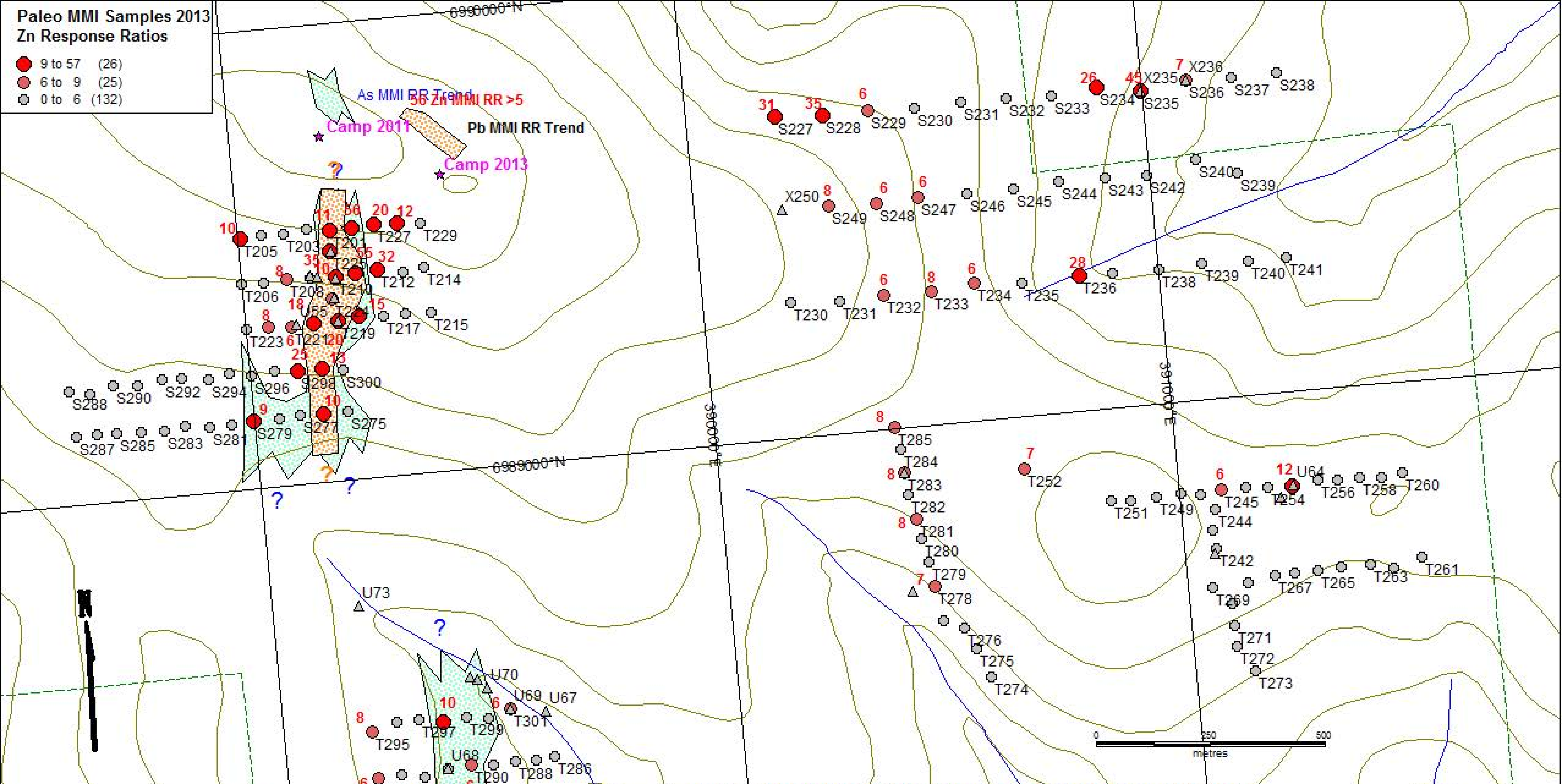

Figure 12. MMI Zn Ranges, MMI Zn Values with Pb & As Zones.

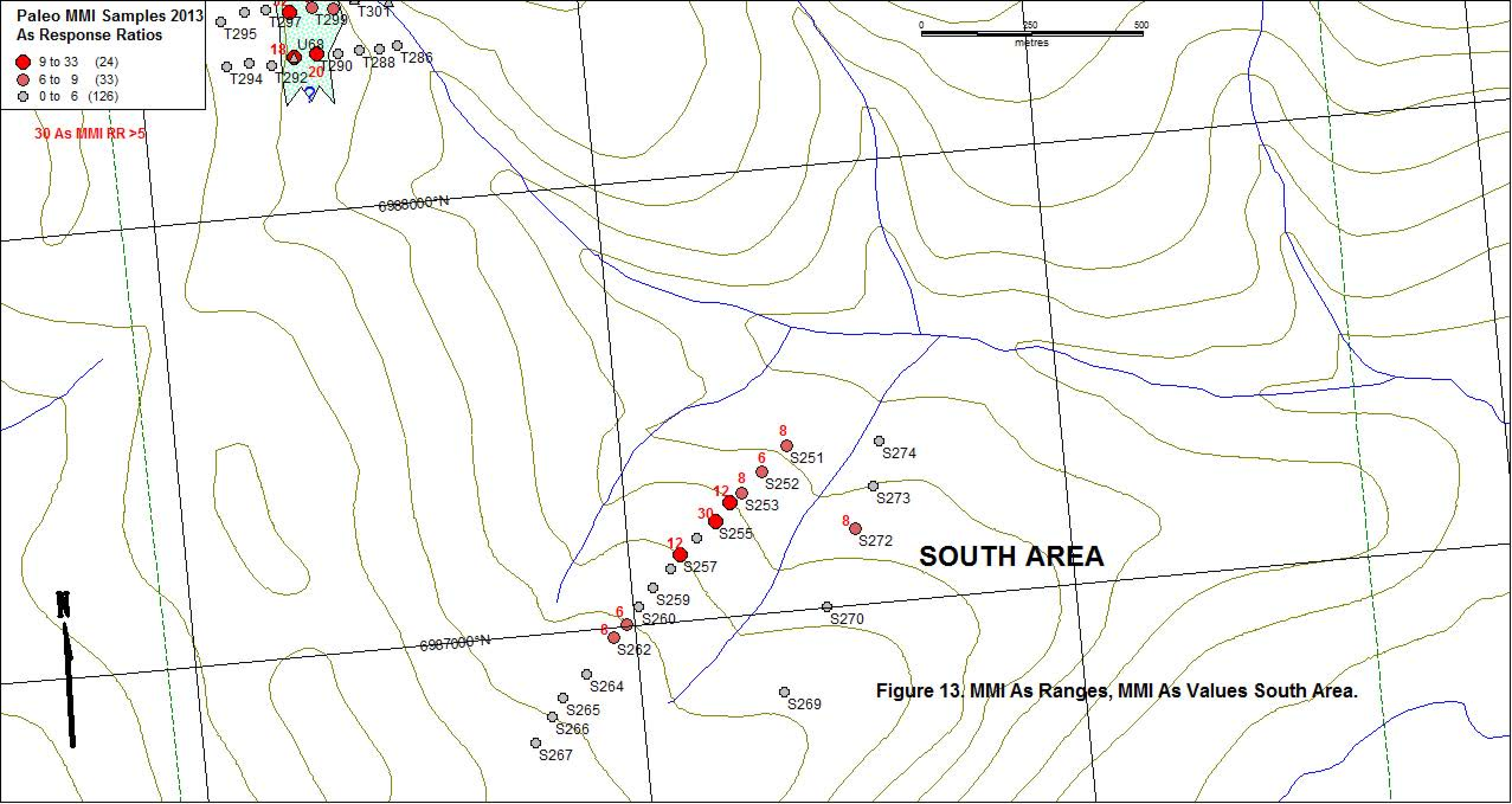

Figure 13. MMI As Ranges, MMI As Values South Area.

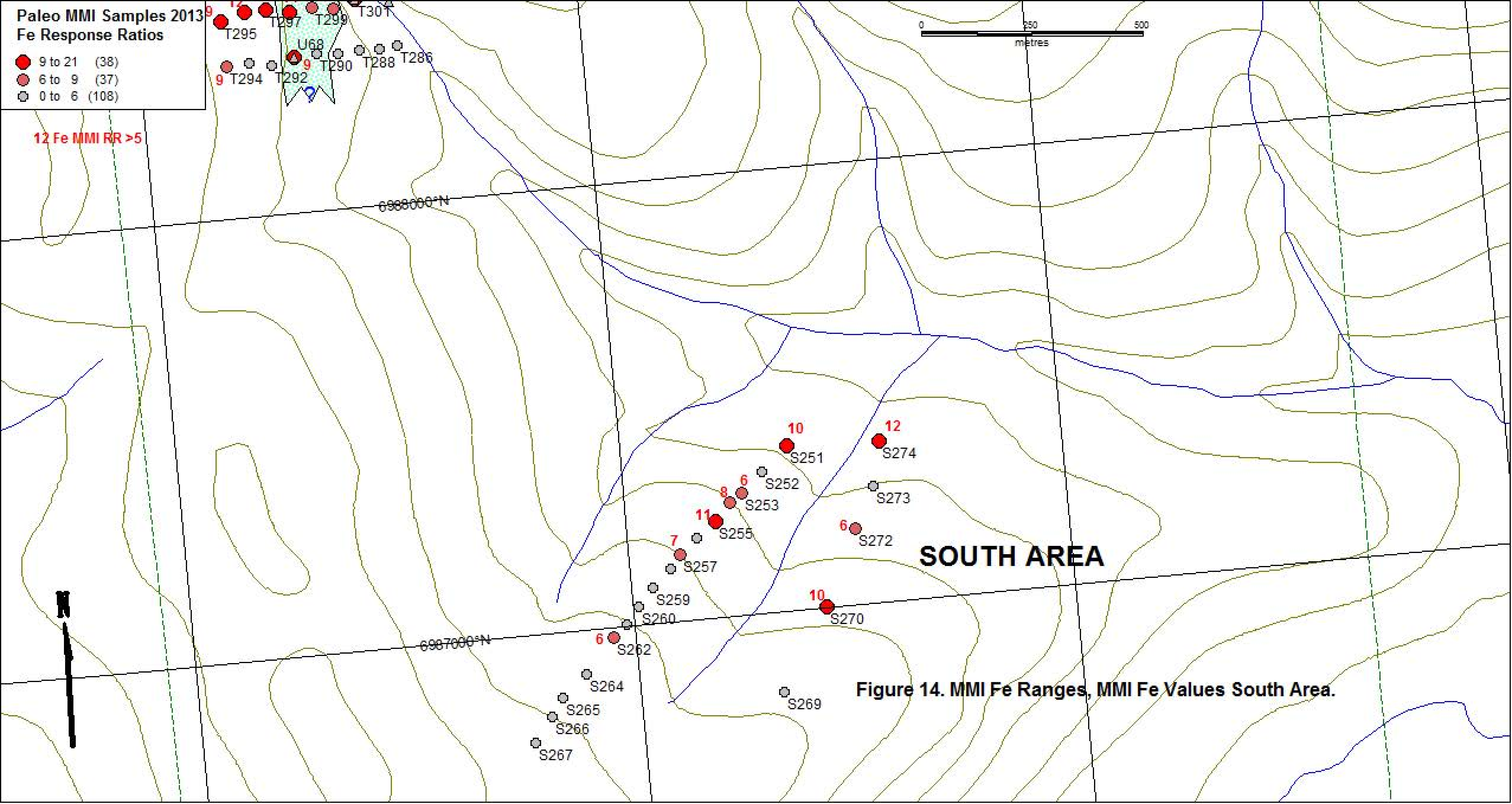

Figure 14. MMI Fe Ranges, MMI Fe Values South Area.

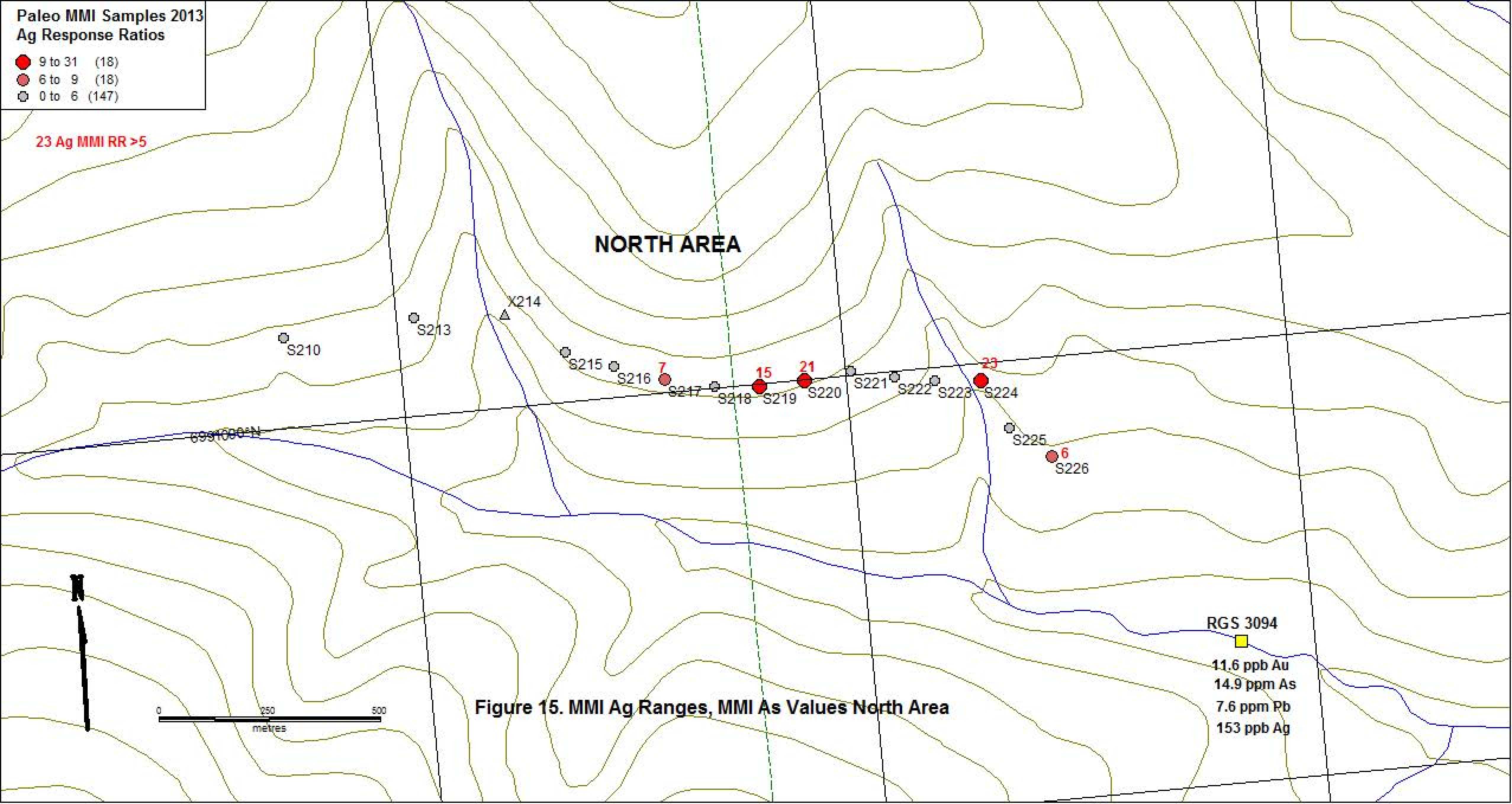

Figure 15. MMI Ag Ranges, MMI As Values North Area

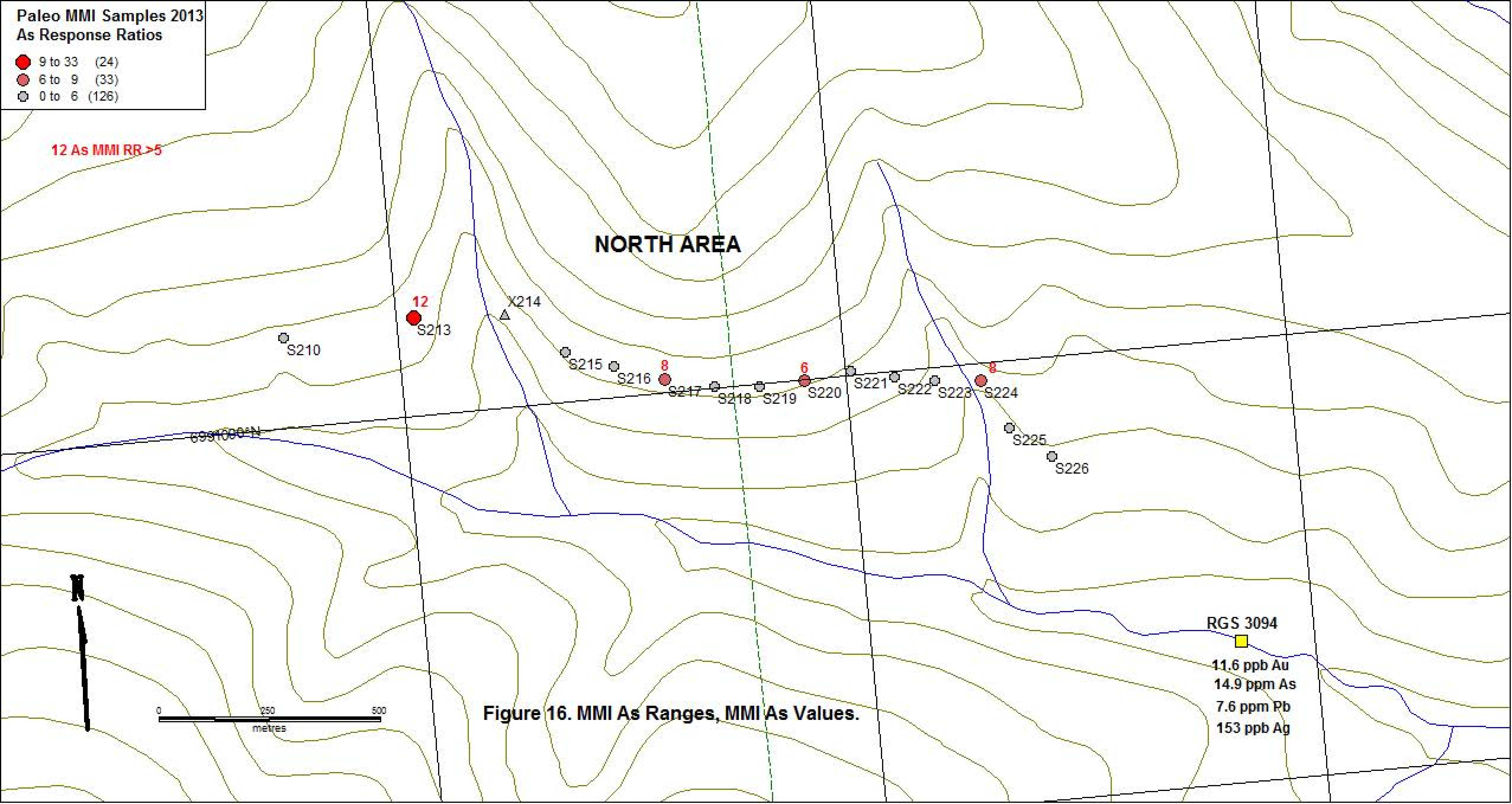

Figure 16. MMI As Ranges, MMI As Values.

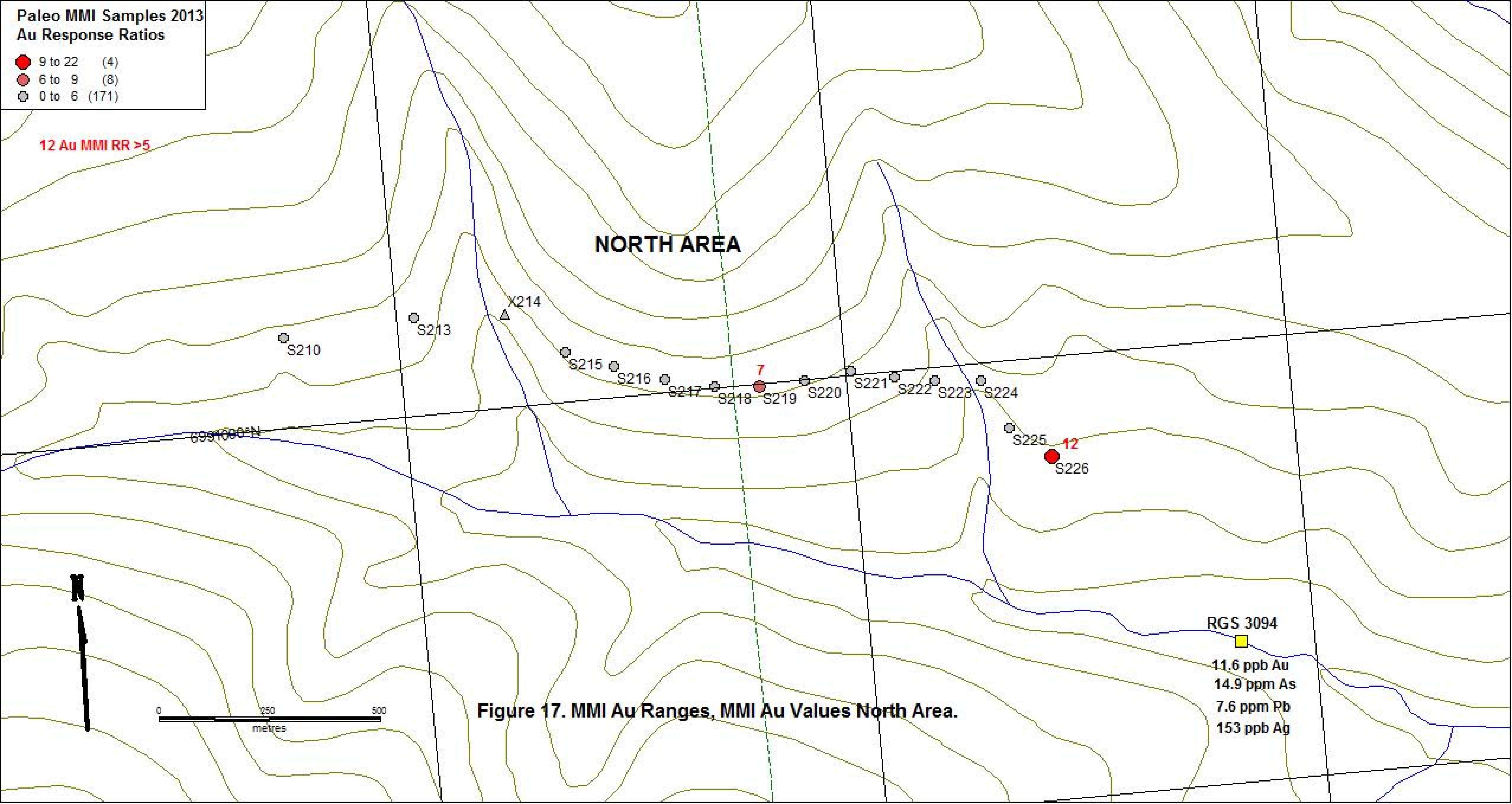

Figure 17. MMI Au Ranges, MMI Au Values North Area.