# CANDACE CREEK PLACER PROPERTY

# DAWSON MINING DISTRICT, YUKON TERRITORY

## Yukon Mineral Exploration Program

## 2014 Final Report

**for**

## CANDACE CREEK MINING LTD.

By

William LeBarge
Geoplacer Exploration Ltd.

Location: 63°18'36"N to 63°21'11"N and 138° 53°36"W to 138°56'39" W
NTS: 115O/07
Mining District: Dawson
Date: November 19, 2014

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## Executive Summary

This is the final report submitted under grant number YMEP14-048, under the Target Evaluation Module of the Yukon Mineral Exploration Program, for Candace Creek Mining Ltd. Candace Creek (an un-named left limit tributary of Maisy May Creek), is located 145 km from Dawson City via secondary gravel roads. The property consists of the Van 1 to Van 10 (P508833 to P508842), and Van 11-42 (P515264 to P515295) placer claims. The Candace Creek Property was previously funded under grant number YMIP13-051 in 2013.

Government royalty records show that Maisy May Creek produced at least 25,926 crude ounces of gold between 1980 and 2010, the majority of which (19,202 crude ounces) was produced by Queenstake Resources in the period 1984 to 1989. Since the gold production by Queenstake on Maisy May Creek is coincident with the trace of a thrust fault mapped by MacKenzie and Craw (2012); this may be evidence of structural control to the bedrock (and spatially-related placer) gold mineralization.

In 2013, Candace Creek Mining Ltd. conducted a program of access road rehabilitation, claim staking, resistivity geophysical surveys, sonic drilling, excavator test pitting and sample processing. Several areas of interest were subsequently delineated which were recommended for follow-up exploration in 2014.

The 2014 exploration program included 6-inch auger drilling, resistivity geophysical surveys, bulldozer trenching and excavator test-pitting. The exploration was successful in defining the thicknesses of the gravel and muck in the location of the bulldozer trench and excavator pit, while the auger drilling confirmed the interpreted depths to bedrock of the Arctic Geophysics 2012 resistivity profile and on the Road Creek tributary profile. The auger drilling also confirmed the presence of gold and heavy minerals along Candace Creek in several locations.

The best results for placer gold were obtained from a bulk sample derived from an excavator test-pit, as was the case in the 2013 testing program.

It is evident that the relative coarseness of the gold in Candace Creek requires a bulk test of significant volume, in order to obtain a representative example of the amount of gold present. This sampling should target intervals along the entire stratigraphic section as well as the gravel/bedrock contact. Therefore, bulk samples of no less than 250 cubic metres each are recommended to be processed at three locations: two located along the 2014 bulldozer trench; and one located upstream along the Arctic Geophysics 2012 profile where there is an interpreted shallow paleochannel. The bulk samples should cover an area on bedrock of at least 10 metres by 10 metres. If time and equipment availability allows, these initial bulk samples should be expanded across the entire valley floor, especially in the location of the pre-stripped bulldozer trench.

Since magnetite is a significant component of the heavy minerals present, a magnetometer or gradiometer geophysical survey is recommended for the area along the Candace Creek valley between the 2014 bulldozer trench and the Arctic Geophysics 2012 Resistivity line. Magnetic geophysical response may potentially be correlated with the interpreted location of paleochannels as delineated by the resistivity geophysics, which may provide a starting point for subsequent bulk sampling programs.

## Introduction

This report is submitted as a final requirement for grant number YMEP14-048 under the Target Evaluation Module of the Yukon Mineral Exploration Program, for Candace Creek Mining Ltd. The Candace Creek Property was previously funded under grant number YMIP13-051 in 2013.

## Dates of Work and Personnel

The work documented herein was conducted on the property between April 15 and September 2, 2014. The project manager was William LeBarge of Geoplacer Exploration Ltd. The heavy equipment operator was Bud Davis of La Tierra Resources Ltd. The geophysics and auger drilling contractors were James Coates and Astrid Grawehr of Kryotek Arctic Innovation Inc. Other contractors included Bedrock Mining Corporation Inc., which generated the bulldozer trench and Tatra Ventures Ltd., which supplied the Caterpillar 225 excavator.

## Location and Access

Maisy May Creek is a right limit tributary of the lower Stewart River, located in central Yukon approximately 100 km by air south of Dawson City, Yukon (Figure 1).

The Candace Creek Property is located on an un-named left limit tributary of Maisy May Creek, which is locally known and will heretofore be referred to in this document as Candace Creek. The placer claims of the Candace Creek Property are all adjoining.

The extent of the current property has geographic coordinates from 63°18'36"N to 63°21'11"N and 138° 53°36"W to 138°56'39" W, on NTS map sheet 115O/07, in the Dawson Mining District. Figures 2 and 3 illustrate the property boundaries relative to other creeks and claims in the South Dawson area.

Access to the property can be gained via secondary gravel roads, with the usual route along Hunker Creek to King Solomon Dome, down Sulfur Creek to Indian River, up Eureka Creek to Eureka Dome, down Black Hills Creek to the Henderson road turnoff towards Henderson Dome. At Henderson Dome a south-fork turn leads down Maisy May Creek road towards the property. The total road distance from Dawson City to the Candace Creek placer claims is approximately 145 kilometres. A 600 metre-long "bush" airstrip is located in the valley of Maisy May Creek a distance of 3.7 km north of the Candace Creek property. The geographic coordinates of the airstrip are 63°20'05"N and 138°59'02"W.


Figure 1 - General Location of Candace Creek Project, Yukon.

## Placer Tenure

The Candace Creek property consists of 42 adjoining claims, shown in Figure 3. The Van 1 claim (P508833) is in good standing until October 9, 2016 with 4 years of excess credit remaining. The Van 2-10 claims (P508834-P508842) are in good standing to October 9, 2016 with 5 years of excess credit remaining. The Van 11-18 claims (P515264-P 515271) are in good standing to October 4, 2016 with 5 years of excess credit remaining, and the Van 19-42 claims (P515272-P515295) are in good standing until October 4, 2016 with 4 years of excess credit remaining. Table 1 illustrates the current claim status of the Candace Creek property.

Plate 1 – View looking downstream of the confluence of Maisy May Creek and Candace Creek, June 13, 2013. Candace Creek in mid-foreground joins Maisy May Creek from the lower right side of photo.

## Table 1 - Claim Status, Candace Creek Property

| Grant Number | Claim Name | Claim Owner | Recording Date | Staking Date | Claim Expiry Date | Status | Lease | Total Excess Credit | NTS Map Number |
|---|---|---|---|---|---|---|---|---|---|
| **P 508833** | Van 1 | Candace Creek Mining Ltd. - 100% | 09/07/2012 | 07/07/2012 | 09/10/2016 | Active | ID00933 | 4 | 115O07 |
| **P 508834** | Van 2 | Candace Creek Mining Ltd. - 100% | 09/07/2012 | 07/07/2012 | 09/10/2016 | Active | ID00933 | 5 | 115O07 |
| **P 508835** | Van 3 | Candace Creek Mining Ltd. - 100% | 09/07/2012 | 07/07/2012 | 09/10/2016 | Active | ID00933 | 5 | 115O07 |
| **P 508836** | Van 4 | Candace Creek Mining Ltd. - 100% | 09/07/2012 | 07/07/2012 | 09/10/2016 | Active | ID00933 | 5 | 115O07 |
| **P 508837** | Van 5 | Candace Creek Mining Ltd. - 100% | 09/07/2012 | 07/07/2012 | 09/10/2016 | Active | ID00933 | 5 | 115O07 |
| **P 508838** | Van 6 | Candace Creek Mining Ltd. - 100% | 09/07/2012 | 07/07/2012 | 09/10/2016 | Active | ID00933 | 5 | 115O07 |
| **P 508839** | Van 7 | Candace Creek Mining Ltd. - 100% | 09/07/2012 | 07/07/2012 | 09/10/2016 | Active | ID00933 | 5 | 115O07 |
| **P 508840** | Van 8 | Candace Creek Mining Ltd. - 100% | 09/07/2012 | 07/07/2012 | 09/10/2016 | Active | ID00933 | 5 | 115O07 |
| **P 508841** | Van 9 | Candace Creek Mining Ltd. - 100% | 09/07/2012 | 07/07/2012 | 09/10/2016 | Active | ID00933 | 5 | 115O07 |
| **P 508842** | Van 10 | Candace Creek Mining Ltd. - 100% | 09/07/2012 | 07/07/2012 | 09/10/2016 | Active | ID00933 | 5 | 115O07 |
| **P 515264** | Van 11 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID01054 | 5 | 115O07 |
| **P 515265** | Van 12 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID01054 | 5 | 115O07 |
| **P 515266** | Van 13 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID01054 | 5 | 115O07 |
| **P 515267** | Van 14 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID01054 | 5 | 115O07 |
| **P 515268** | Van 15 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID01054 | 5 | 115O07 |
| **P 515269** | Van 16 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID01054 | 5 | 115O07 |
| **P 515270** | Van 17 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID01054 | 5 | 115O07 |
| **P 515271** | Van 18 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID01054 | 5 | 115O07 |
| **P 515272** | Van 19 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID01054 | 4 | 115O07 |
| **P 515273** | Van 20 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID01054 | 4 | 115O07 |
| **P 515274** | Van 21 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID01054 | 4 | 115O07 |
| **P 515275** | Van 22 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID01050 | 4 | 115O07 |
| **P 515276** | Van 23 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID01050 | 4 | 115O07 |
| **P 515277** | Van 24 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID01050 | 4 | 115O07 |
| **P 515278** | Van 25 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID01050 | 4 | 115O07 |

| Grant Number | Claim Name | Claim Owner | Recording Date | Staking Date | Claim Expiry Date | Status | Lease | Total Excess Credit | NTS Map Number |
|---|---|---|---|---|---|---|---|---|---|
| **P 515279** | Van 26 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID01050 | 4 | 115O07 |
| **P 515280** | Van 27 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID01050 | 4 | 115O07 |
| **P 515281** | Van 28 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID01050 | 4 | 115O07 |
| **P 515282** | Van 29 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID01050 | 4 | 115O07 |
| **P 515283** | Van 30 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID01050 | 4 | 115O07 |
| **P 515284** | Van 31 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID01050 | 4 | 115O07 |
| **P 515285** | Van 32 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | - | 4 | 115O07 |
| **P 515286** | Van 33 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID00934 | 4 | 115O07 |
| **P 515287** | Van 34 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID00934 | 4 | 115O07 |
| **P 515288** | Van 35 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID00934 | 4 | 115O07 |
| **P 515289** | Van 36 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID00934 | 4 | 115O07 |
| **P 515290** | Van 37 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID00934 | 4 | 115O07 |
| **P 515291** | Van 38 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID00934 | 4 | 115O07 |
| **P 515292** | Van 39 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID00934 | 4 | 115O07 |
| **P 515293** | Van 40 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID00934 | 4 | 115O07 |
| **P 515294** | Van 41 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID00934 | 4 | 115O07 |
| **P 515295** | Van 42 | Candace Creek Mining Ltd. - 100% | 04/07/2013 | 03/07/2013 | 04/10/2016 | Active | ID00934 | 4 | 115O07 |

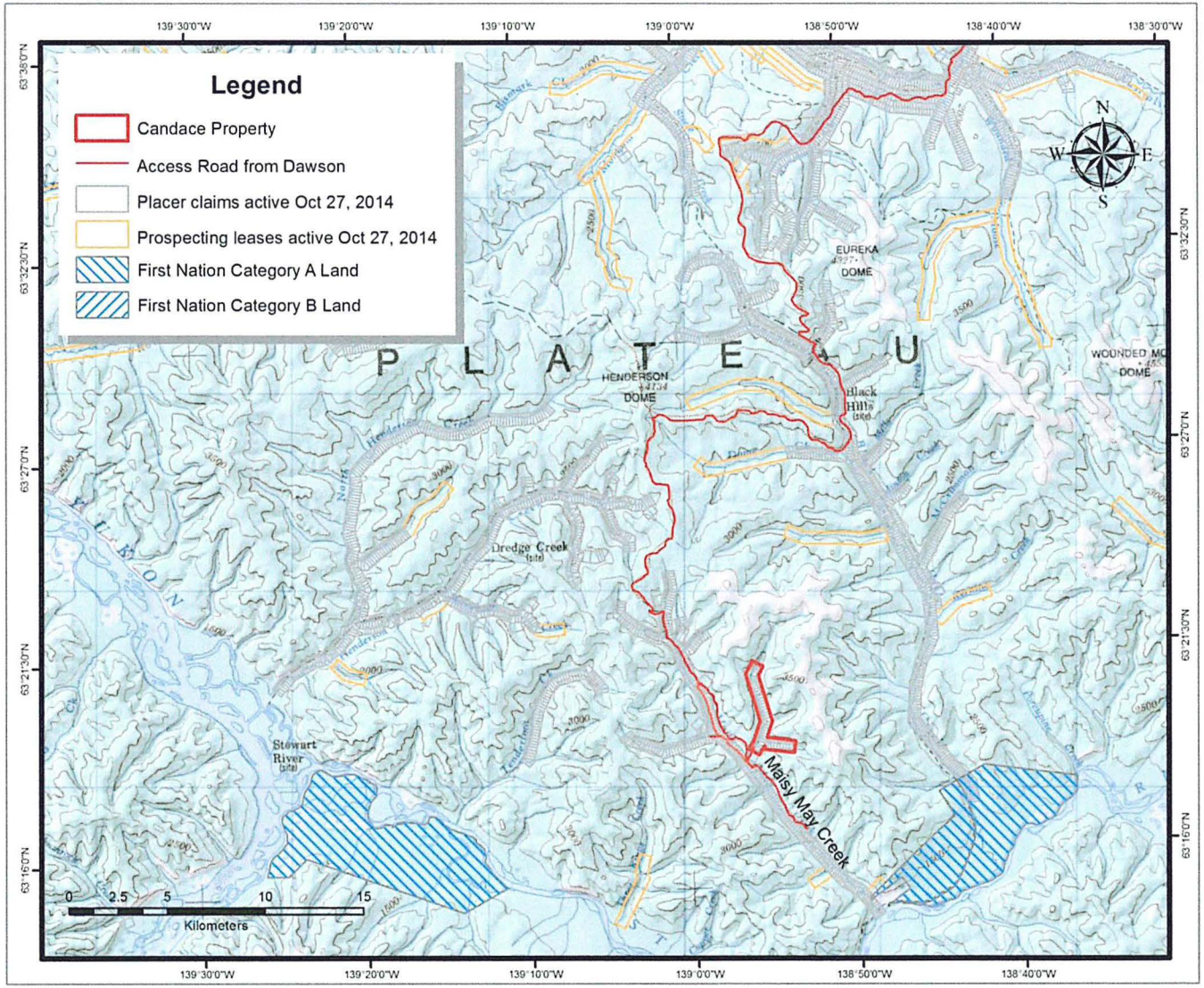


Figure 2– Location of Candace Creek Placer Project and South Dawson region placer tenures.

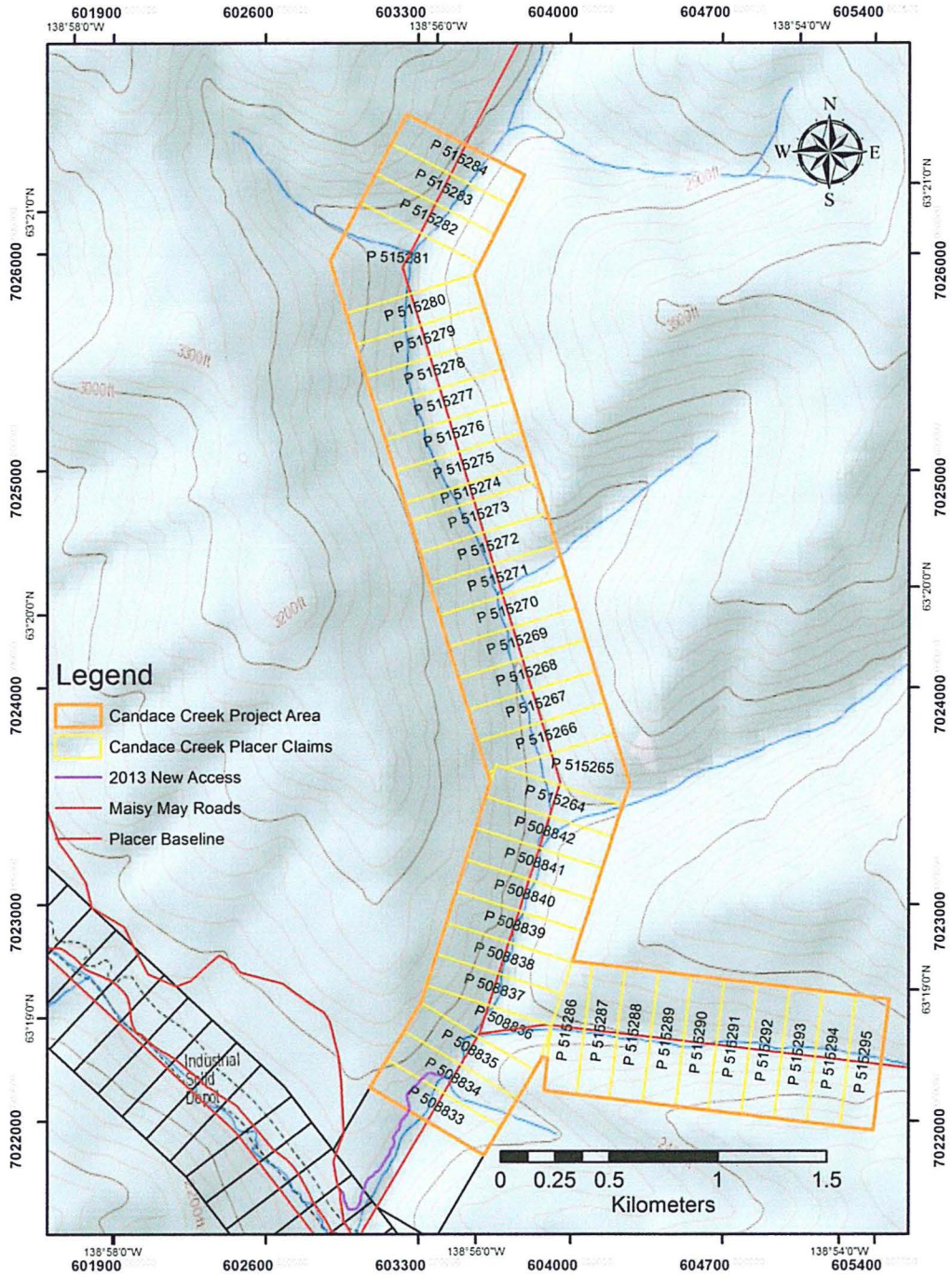


Figure 3 - Candace Creek Project Area Claims.

## Permitting

A Type B Water Use Licence (PM12-070) for Placer Mining and a Class 4 Mining Land Use Permit (AP12070) are in place for the Candace Creek placer project. The Water License and Mining Land Use Permits are valid until June 4, 2023.

## Quartz Tenure

The area of the Candace Creek placer project is coincident with the southern extent of the JP Ross property owned by Kinross Gold Corporation. The quartz claims which overlap include Maisy 125, 127; 153-158; 179, 181-184; 207-212; 235-240; and Maisy 257- 268. A Quartz Mining Land Use permit (LQ00293) is in good standing until June 17, 2015. There is no perceived conflict between the placer exploration and mining activities of Candace Creek Mining Ltd. and the past or future quartz exploration activities of Kinross Gold Corporation.

## History of Exploration and Mining – Maisy May Creek

Anecdotal evidence suggests some exploration and hand-mining was conducted on Maisy May Creek in the 1920's (Queenstake Resources, 1987), but the first documented mining activity on Maisy May Creek was by Maisy May Mines Ltd. They operated from 1980 to 1983 at a location about 11.7 km upstream of the confluence with the Stewart River (Figure 4).

According to Government royalty records, Maisy May Creek produced at least 25,926 crude ounces of gold between 1980 and 2010 (LeBarge, 2007; LeBarge and Nordling, 2011). The majority of that gold (19,202 crude ounces) was produced by Queenstake Resources in the period 1984 to 1989 (LeBarge, 2007). The main area that Queenstake Resources mined is outlined in Figure 4.

Based on the work done during the 1984 season, Queenstake estimated that with selective mining, there were (pre NI43-101, non "compliant") "reserves" of 200,000 cubic yards (152, 911 cubic metres) of gravel with a recoverable grade of 0.012 ounces of fine gold per cubic yard (0.488 grams per cubic metre) at the property (LeBarge, 2007).

From 1990-1993, Jasper Equipment continued mining upstream from where Queenstake had finished mining in 1989 (Figure 4), recovering approximately 2,650 ounces (LeBarge, 2007).

From 1993 to 1998, John VanEvery and Richard Fitch intermittently mined under VanEvery Inc. upstream near the headwaters of Maisy May Creek (Figure 4; LeBarge, 2007). Art Christiansen operated a small mine in the same area from 2007 to 2009 (LeBarge and Nordling, 2011). Mr. Christiansen was active in the same area in 2013 and 2014.

35249 Yukon Inc. mined Maisy May Creek approximately 3.5 miles (5 km) upstream from its confluence with the Stewart River from 2001 until 2003 (Figure 4). Maisy Mae Mining Inc. bought the operation in 2006 and processed a mine cut in 2007 and 2008 located about 4 miles (7 km) upstream of the confluence (Figure 4; LeBarge and Nordling, 2011). The claims were later returned to 40419 Yukon Inc., who conducted a limited test program late in the 2014 season.

H.C. Mining Ltd. conducted a limited test program on the uppermost right-limit tributary of Maisy May Creek in 2012, 2013 and 2014.

In 2013, Bedrock Mining Ltd. bought many of the Maisy May Creek claims (in the middle reaches) from 40419 Yukon Inc., and subsequently conducted a program of camp and access construction as well as limited test mining. In 2014, the test mining was expanded to an area on Maisy May creek downstream of the confluence of Candace Creek and just upstream of the 2014 test cut of 40419 Yukon Inc.

## Previous Exploration History – Candace Creek

### Early History

Airphoto number 86 from Flight Line A27325 (Figure 4) shows a test pit approximately 120 feet upstream from Post #1 on Placer Claim Van 1. This pit has approximate dimensions of 90 feet by 40 feet. This pit was probably excavated by Queenstake Resources Ltd. during their activity in the area from 1984 to 1988, as a Prospecting Lease was held by them at this location during that time (Queenstake Resources, 1987). No results are known from this pit, and Queenstake left the Yukon in 1989 for reasons unrelated to their mining and exploration activities in the Yukon.

In 1989, Mr. Allan Dendys staked a prospecting lease on Candace (known at the time as Moosetooth) Creek and conducted a brief stripping program with a D8 bulldozer. He did not reach bedrock due to equipment problems and subsequently allowed the lease to expire.

In 2012, Candace Creek Mining Ltd. commissioned Arctic Geophysics Inc. to conduct three lines of Resistivity & induced polarization on the property. These included: a) 237 metre line on Placer Claim Van 2; b) 94.5 metre line on Prospecting Lease ID 00934; and c) 146 metre line on Prospecting Lease ID 01054. Bedrock was interpreted to be relatively shallow (less than 6 metres) and follow-up drill testing on line a) during the 2014 program determined that the surveys were reasonably accurate. The location of these surveys is shown on Figure 8 and Figure 12.

## Candace Creek Mining 2013 Exploration Program

Results of the 2013 Exploration program are fully documented in the Final Report for YMIP Grant YMIP13-051 (LeBarge, 2014) and are therefore only summarized here.

The 2013 exploration program included staking the leases to claims, access construction, 2D resistivity geophysics, sonic drilling, excavator test-pitting, geological descriptions and gravel sampling for gold and heavy mineral content.

### *Resistivity Surveys*

The geophysical and sonic drill contractor was Kryotek Arctic Innovation Inc. of Whitehorse. A total of 551 metres of geophysical surveys were completed. Initially, seven survey lines were conducted on the property. During the sonic drill program, additional resistivity lines were measured along the proposed drill lines, in order to estimate the depths to which the drill could expect to encounter bedrock.

The geophysical response was reasonably good, with the exception of two lines (CC1 and CC2) which were uninterpretable due to interference from surface ice. For the remainder of the resistivity surveys, bedrock was interpreted to be between 3 and 5 metres below the surface.

### *Sonic Drilling*

The location of the 2013 sonic drill hole collars are shown in Figure 12. Ten sonic drill holes were completed totalling 150 feet (46 metres). The sonic drill reached a maximum depth of 16.4 feet (5 metres) but most of the holes averaged 15 feet (4.5 metres) in depth. Bedrock was apparently reached in nine out of ten of the drill holes, mainly in the range of 13 -15 feet (4-4.5 metres). For the most part, bedrock appeared to coincide with the interpreted depth from the resistivity surveys. Recovery was variable from 46% to 100%, and the drill was usually unable to penetrate more than several centimetres into frozen bedrock when encountered. The track-mounted drill was not very mobile on the swampy ground and the compressor was separately mounted on the 4X4 truck, so it was not accessible during the drilling program.

### *Excavator test-pitting*

A Caterpillar 345LC excavator was hired from local Maisy May miner Bedrock Mining Ltd. to dig test pits. The most successful test pit was BD Pit 3, which reached apparent bedrock at an approximate depth of 16 feet (5 metres), although since it was under water the stratigraphic details were not visible. Bedrock consisted of clay-altered mafic schist with abundant fresh pyrite. The gravel was a subangular mixture of mafic schist, quartzite, muscovite schist and vein quartz.

### *Sample Processing*

Both drill and excavator test pit samples were washed into a Keene A52 sluicebox with a wet hopper, fed by a 1 ½ inch Honda pump. The sluicebox was lined with angle iron and expanded metal riffles and ribbed rubber matting. A gold pan was used at the outflow of the sluicebox to recover any gold which was not caught in the sluice. Samples were hand-panned on-site and examined for heavy minerals and gold. The heavy minerals were archived into medium size freezer bags.

### *2013 Program Results*

No visible gold was encountered in any of the drillhole samples; however one excavator test pit (BD Pit 3) did return placer gold. This pit reached bedrock adjacent to the old Queenstake Mining pit, shown in Figure 12. Two medium colours and one small colour of "chunky" gold were recovered from approximately 50 litres of material scoured from the clay-altered, pyrite-rich bedrock (Plate 2). The heavy minerals appeared to be bi-modal in size range; fine pyrite and magnetite accompanied by significantly coarser garnet, ilmenite, rutile and cassiterite (wood tin).

The fine pyrite found in the concentrates is likely derived from the local mineralized fault zone in bedrock as it was observed in clay-altered pieces from the bedrock contact. The coarser heavy minerals which accompany the fine pyrite are likely genetically different, probably a placer lag deposit resulting from numerous episodes of reworking of material on bedrock. The gold colours which were recovered (although small) were "chunky", and no fine or very fine gold was observed in any of the concentrates. Such material is notoriously difficult to sample and the small size of the sonic drill bore was a detriment to obtaining a representative indication of gold content in the gravels.

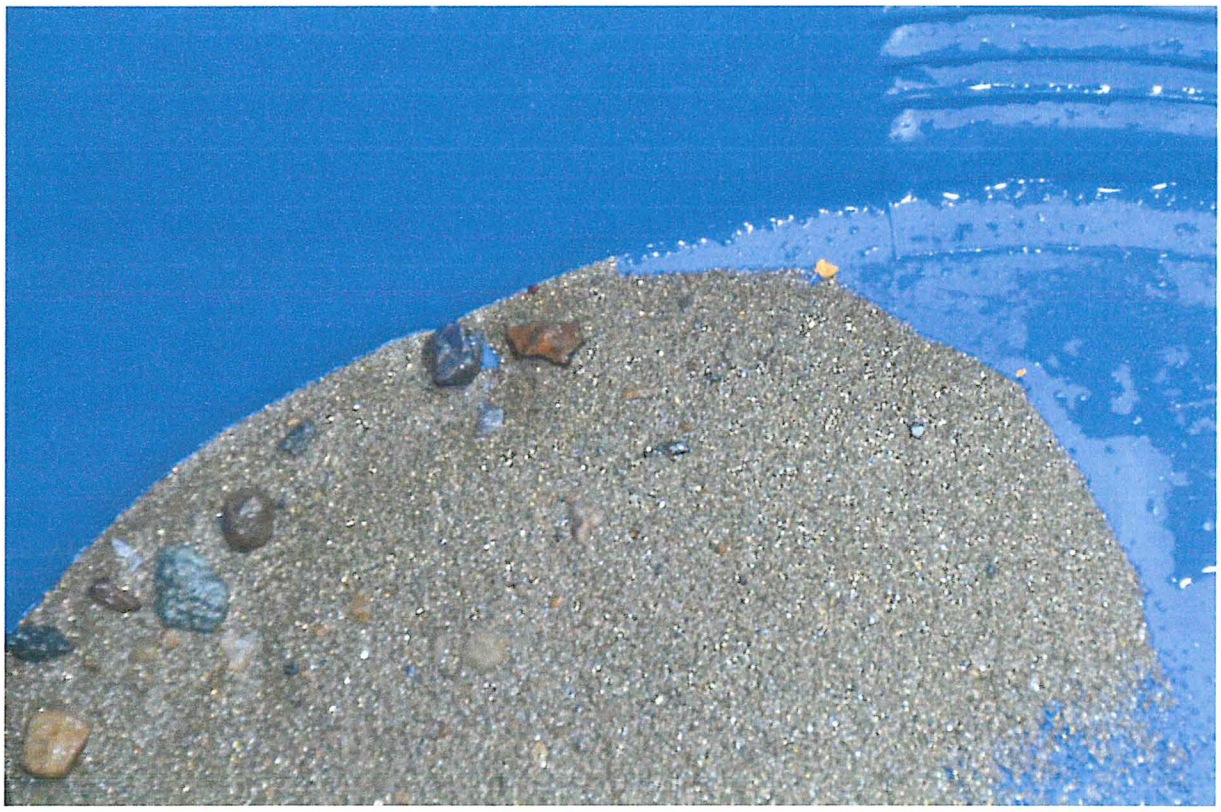

Plate 2 - Gold found in the BD-3 test pit in 2013 was "chunky" and tabular, not flat. Heavy minerals were a bi-modal mixture of fine-grained pyrite and coarse-grained magnetite, pyrite, garnet and scheelite.

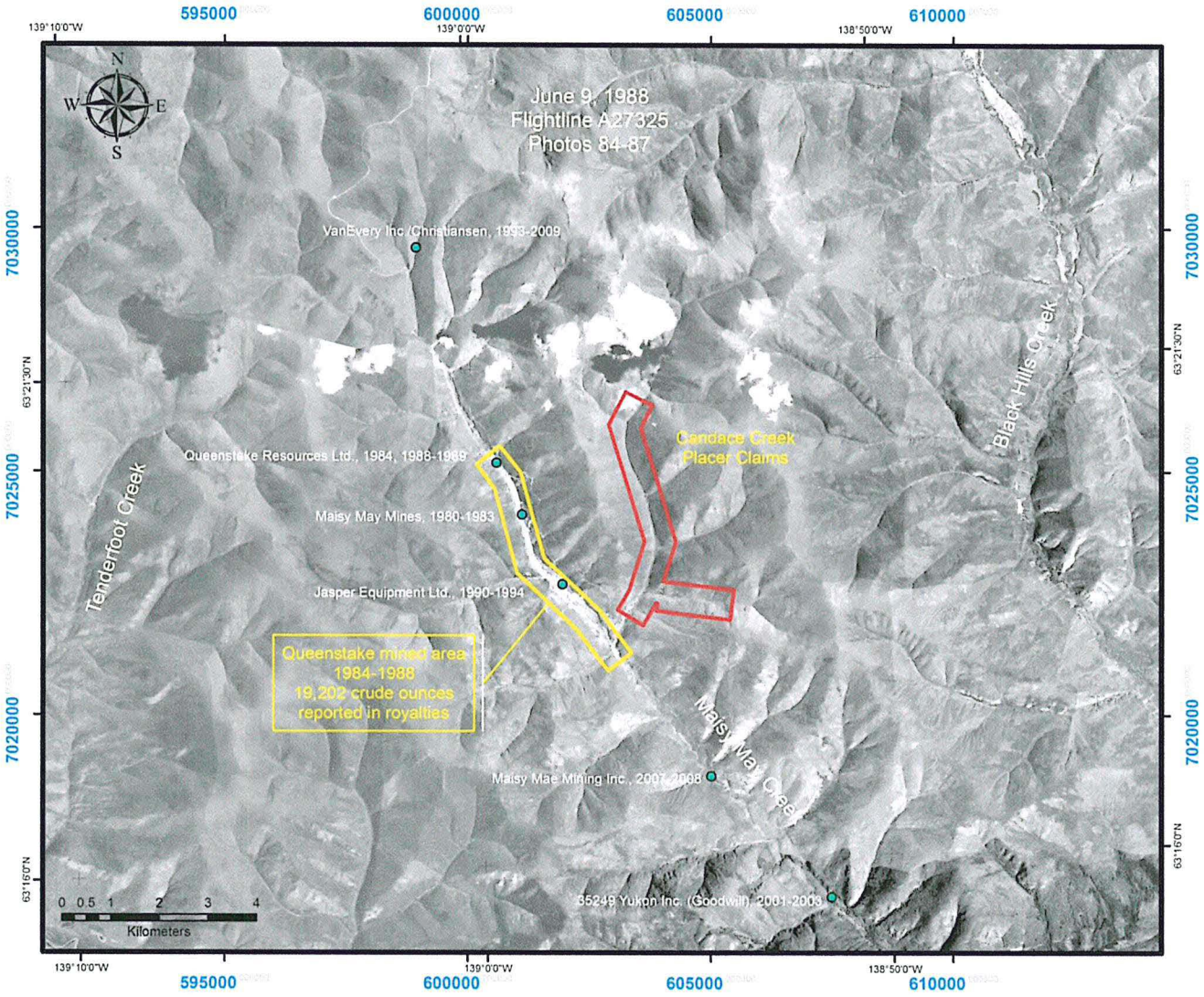


Figure 4 - Maisy May Creek and Tributaries - Location of claims and historical mining operations.

## Regional Bedrock Geology

The project area is situated within the Yukon-Tanana terrane, an accreted pericratonic sequence that covers a large part of the northern Cordillera from northern British Columbia to east-central Alaska (Gordey and Ryan, 2005; Colpron and Nelson, 2006). The Yukon Tanana Terrane consists of Paleozoic schist and gneiss that were deformed and metamorphosed in the late Paleozoic, and intruded by several suites of Mesozoic intrusions that range in age from Jurassic to Eocene (Colpron and Nelson, 2006). The Paleozoic rocks are pervasively foliated with at least two overprinting fabrics (Mackenzie and Craw, 2010; MacKenzie et al, 2008). During Late Permian to Early Jurassic time these rocks were tectonically-stacked along thrust faults which were parallel to regional foliation. Later tensional-extensional tectonics occurred during the mid-Cretaceous, and this resulted in brittle fracture of the Paleozoic rocks, which is likely responsible for structurally-controlled gold mineralization in the south Klondike area including the White Gold exploration camp (Mackenzie et al, 2008; Mackenzie and Craw, 2010; Mackenzie and Craw, 2012).

## Regional Geophysics and Major Structures

Enhanced regional total field aeromagnetic geophysics (modified from Hayward et. al., 2012) is shown in Figure 5, and regional first vertical derivative aeromagnetic geophysics (modified from Kiss, 2012) is shown in Figure 6. The maps show several northwest-trending magnetic anomalies which coincide with major structures and lineaments. One anomaly at the lower reaches of Candace Creek appears to follow the thrust fault mapped by MacKenzie and Craw (2012) – for reference this fault trace is overlain on the maps. Additionally, a narrow, linear magnetic high appears to splay off of this thrust fault, and trends SE to NW all the way from the right limit tributaries of Black Hills Creek to the headwaters of Tenderfoot Creek (Figures 5 and 6).

These structures and their associated cross-faults are thought to be related to structurally-controlled gold mineralization in brittle units of the Yukon Tanana Terrane including orthogneiss, amphibolite and quartzite (MacKenzie and Craw, 2010) and have been linked to the gold occurrences in the Coffee Creek area to the south (Wainwright et al., 2011).

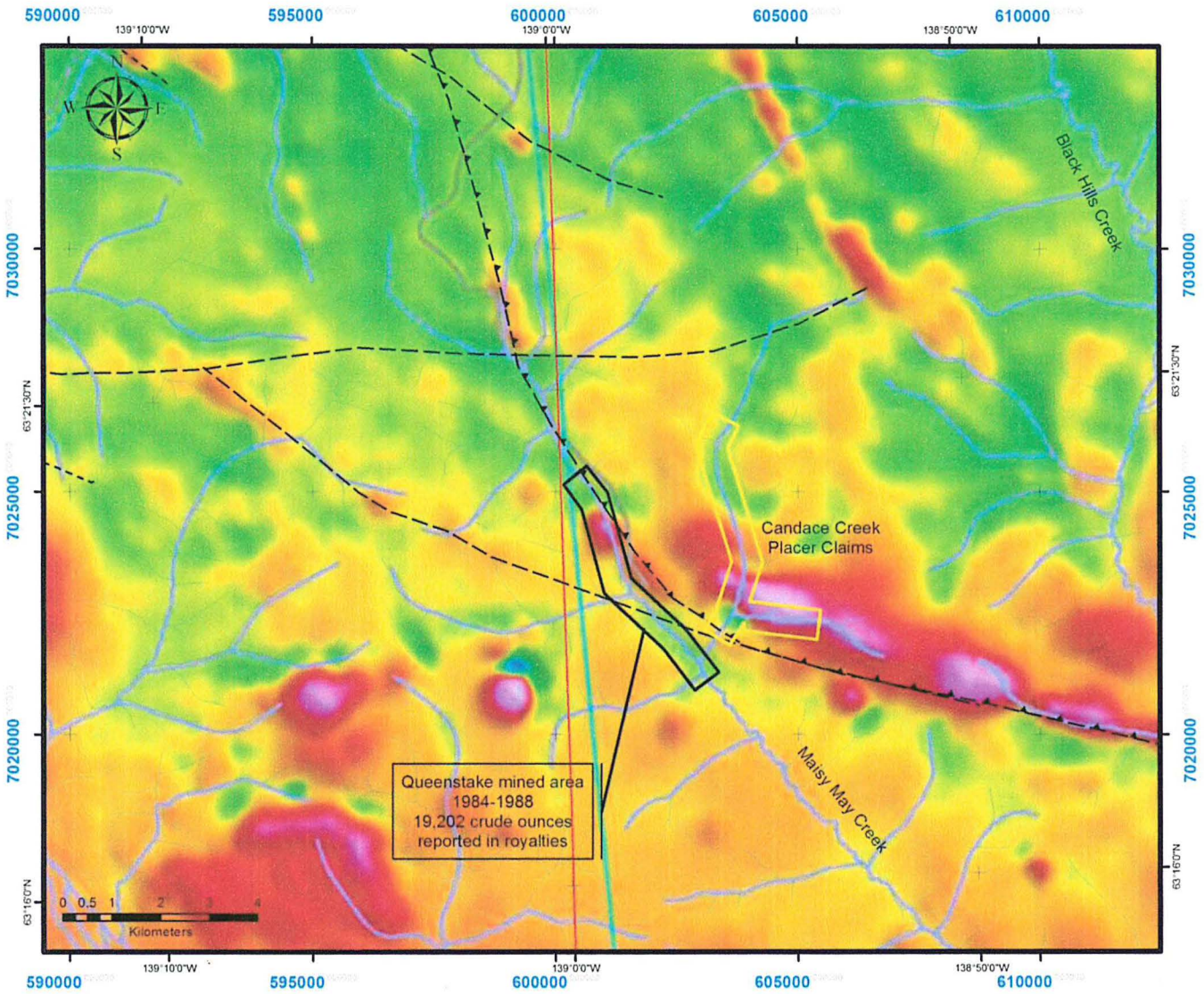


Figure 5 – Enhanced Residual Total Magnetic Field, Maisy May Creek area, modified from Hayward et. al. (2012). Fault traces overlain from MacKenzie and Craw, (2012).

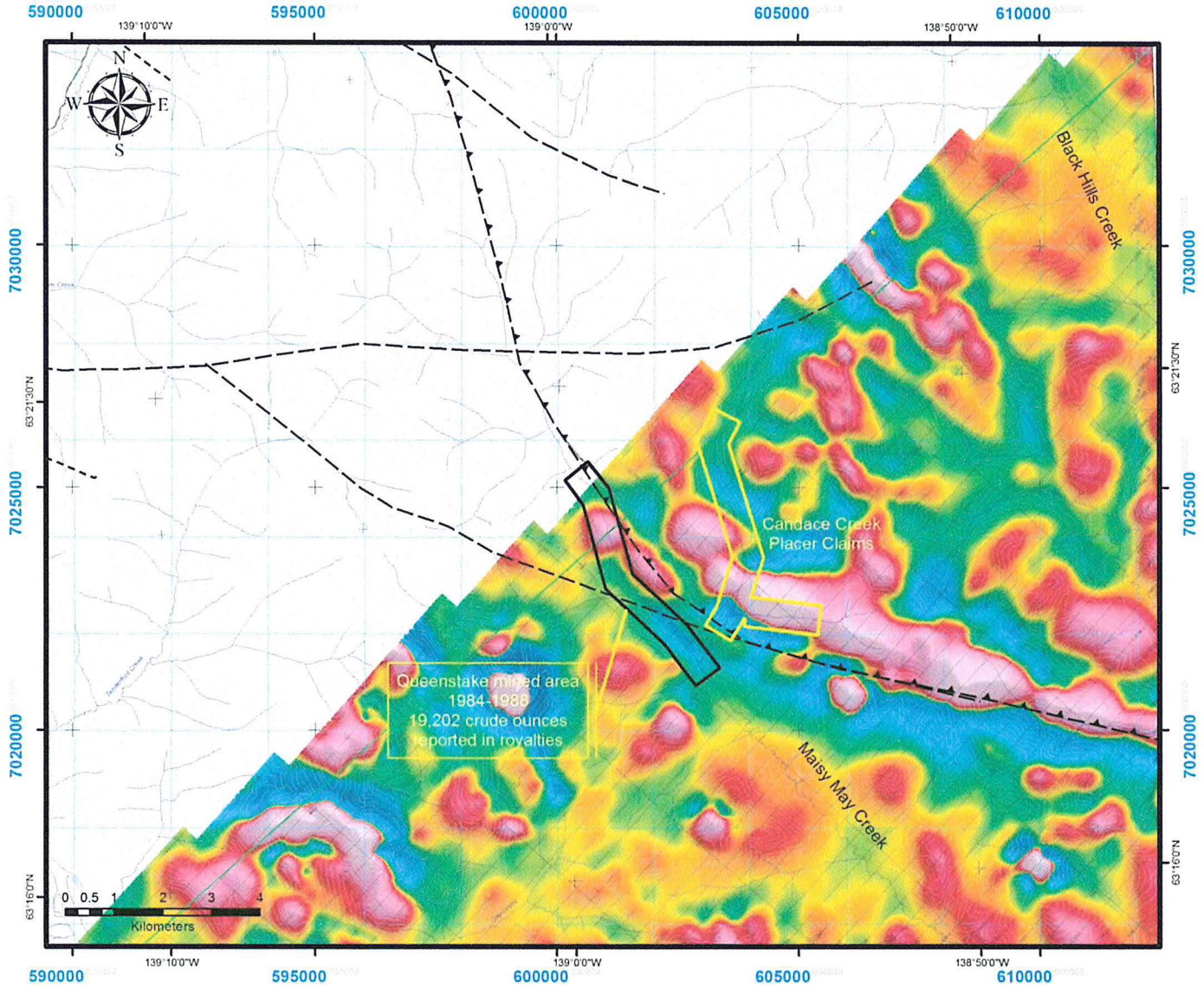


Figure 6 – Regional First Vertical Derivative Aeromagnetics, Maisy May Creek area, modified from Kiss, (2012). Fault traces overlain from MacKenzie and Craw, (2012).

## Regional Surficial Geology

Most of the south Klondike region has not been glaciated (Duk-Rodkin, 1999) and in fact strong evidence exists that all of Maisy May creek and most of Black Hills Creek escaped glaciation altogether (Jackson et al., 2001). As such, the south Klondike region is dominated by colluvium on the upper slopes and ridges, variably-buried Tertiary to Late Pleistocene alluvial terraces in mid-slope reaches and Late Pleistocene to modern alluvial fans, stream complexes and gulch deposits in the lowermost points of valleys (Jackson, 2005a; Jackson, 2005b). Major trunk valleys such as the Stewart River were the locale for meltwater channels during the Pleistocene glaciations and contain glaciofluvial terraces well beyond the maximum extent of the Cordilleran ice, however these did not affect most major tributaries (such as Black Hills, Maisy May and Henderson creeks) except at their confluence.

## Property Bedrock Geology

Maisy May Creek area bedrock is mapped as several metamorphic, plutonic and volcanic bedrock types (Figure 7). These include Devonian-Mississippian quartz-mica schist (map unit DMps), orthogneiss (map units DMt, DMag, DPg), marble (map unit DMc), amphibolite (map unit DMa), Paleozoic ultramafic-gabbro (map unit mPum) and Upper Cretaceous Carmacks volcanics (map unit uKCv). Gordey and Ryan (2005) show that the Candace Creek project area includes quartz-mica schist (DMps) as well as amphibolite (DMa), bedrock units that are contiguous with the upper reaches of the mined portions of Maisy May Creek. More recent mapping by MacKenzie and Craw (2012) shows numerous faults transecting the region between Maisy May and Black Hills creeks; this includes an east-dipping thrust fault which trends north along the mid-to upper reaches of Maisy May Creek before turning east to cross the lower reaches of Candace Creek.

## Property Surficial Geology

Figure 8 shows that Candace Creek has surficial units of several ages and types. These include CEaP/AtT (Pleistocene Colluvial-Aeolian sediments overlying Tertiary Alluvial Terrace sediments) at the confluence with Maisy May Creek; CEaP (Pleistocene Colluvial-Aeolian sediments) along the eastern slope (left limit); and ACxP (Pleistocene Alluvial Complex sediments) along the centre of the valley and within the major tributaries on both limits. Higher parts of the slope above the creek consist of Cb-v (Colluvial blanket-veneer) and in one location, Cl (Colluvial landslide). A prominent left-limit tributary, the location of the Van 32-42 claims, is mapped as having some placer tailings present (unit m), although an examination of the airphotos of the creek is not convincing for that interpretation. No history of this mining activity exists in the available data. Exposed bedrock (unit R) is mapped on the high points along the ridges.

Plate 3 - View looking north on Maisy May Creek at the confluence with Candace Creek, July 2008. Candace Creek is the drainage on the right side of the photo.

Plate 4 - View looking upstream on Candace Creek in September, 2014. The bulldozer trench can be discerned at the centre of photo. Photo courtesy J.D. Bond, Yukon Geological Survey.

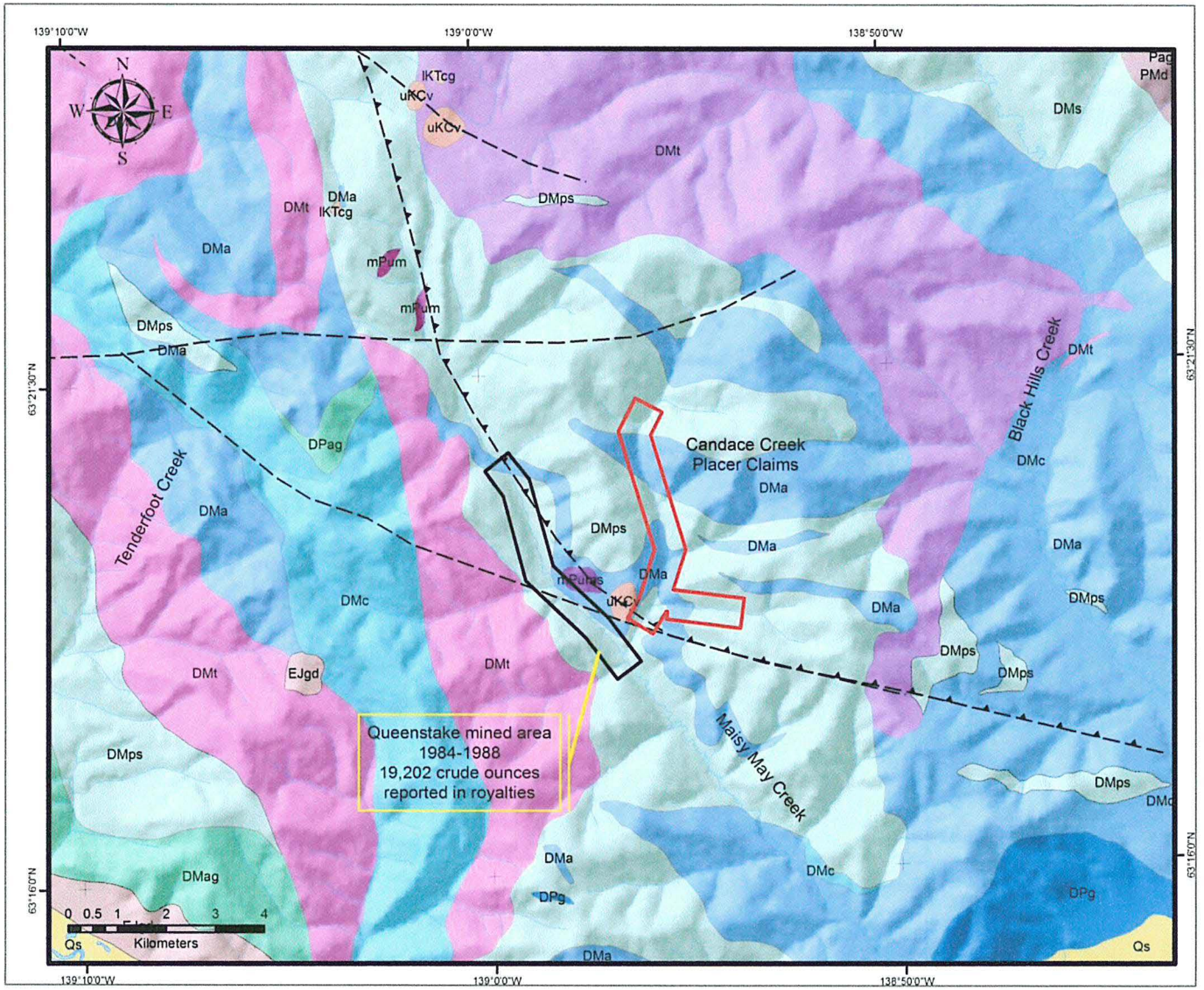


Figure 7 - Bedrock Geology, Maisy May and Candace Creeks, after Gordey and Ryan (2005) and MacKenzie and Craw (2012).

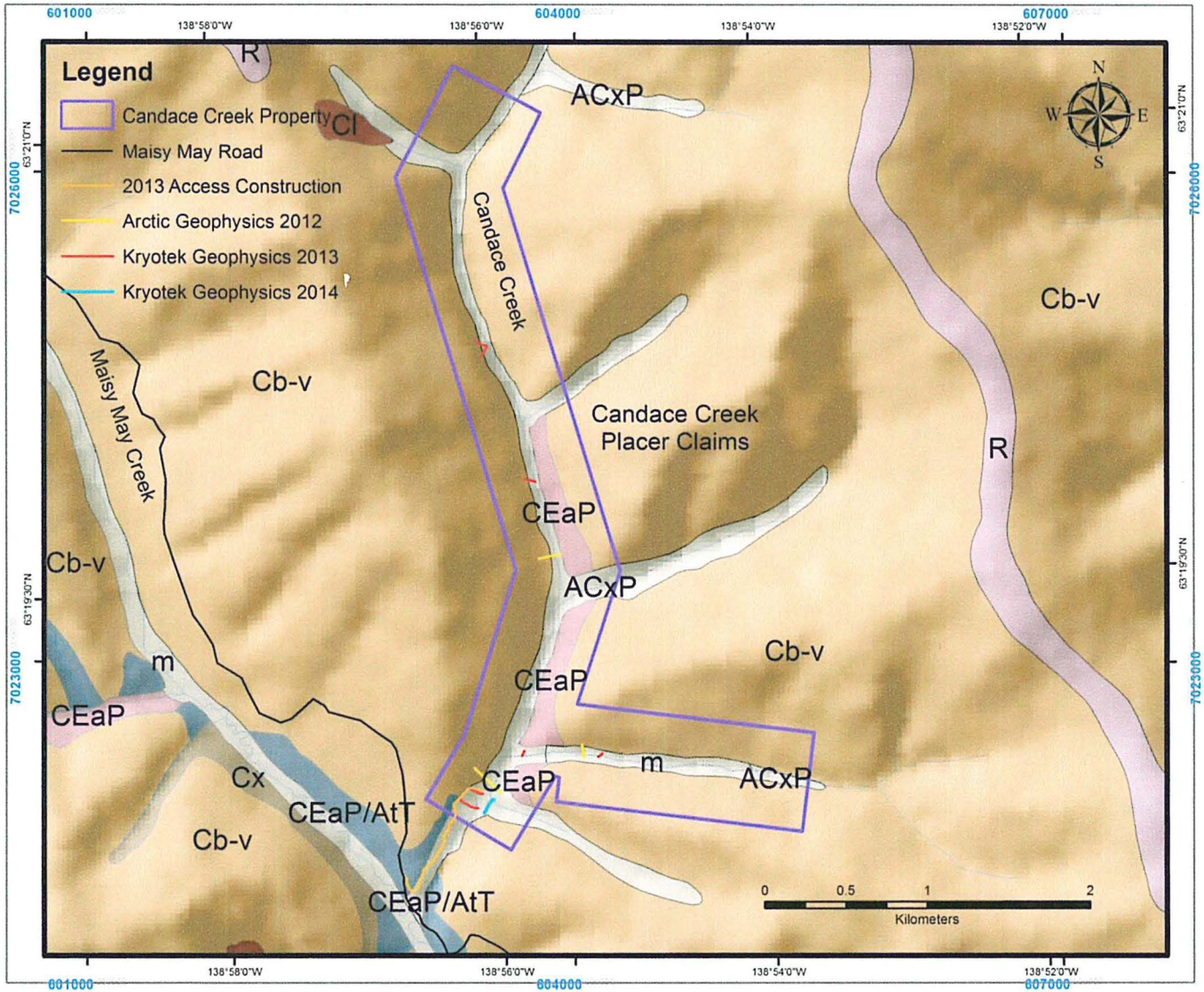


Figure 8 - Surficial Geology (after Jackson, 2005a) and location of 2012, 2013 and 2014 geophysical surveys, Candace Creek. Surficial unit description in text.

## 2014 Exploration Program

The 2014 exploration program consisted of resistivity geophysics, auger drilling, bulldozer trenching and excavator test-pitting, geological logging of drill hole and test pits, and processing of test pit and drill hole samples for gold and heavy minerals.

### Resistivity Geophysics

#### *Methodology and Background*

The geophysical contractor for 2014 was Kryotek Arctic Innovation Inc. Resistivity was selected as the electrical properties of silt, gravel and schist bedrock are distinct and usually easily definable. A Lippmann 4-point Resistivity System was used, which allowed up to 40 m (130ft.) of depth penetration. The start and end points of each survey line were measured in the field using a Garmin 60CSx GPS. Data was collected and inverted using AGI Earth Imager 2D software. Noisy data points and electrodes with poor contact resistance were removed and data was filtered for spikes or depressions in resistivity. The software produced two-dimensional tomograms using a smoothed, least squares damped and robust inversion parameters. The images were interpreted by James Coates.

#### *Summary of Geophysical Results*

One line of resistivity geophysics was surveyed on the Van 1 and Van 2 claims, across the unnamed left-limit tributary of Candace Creek locally known as Road Creek. The profile is shown as Figure 9, and the location of the survey is plotted on Figure 12. The total length of the survey was 58 metres (190 ft.).

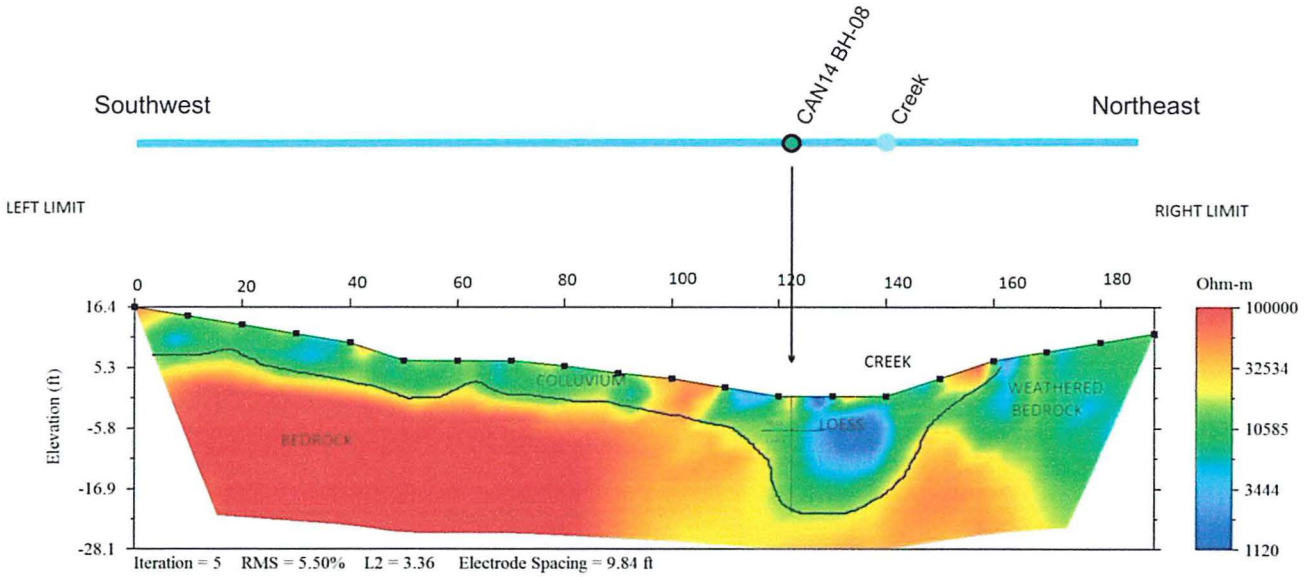


Figure 9 - Resistivity profile (RC-1) of Candace Creek LL tributary (Road Creek) by Kryotek Arctic Innovation Inc.

The geophysical response was good, and bedrock was interpreted to vary between 10 and 20 feet (3 to 6 m) below the surface. The majority of the RC-1 geophysical line traverses a gentle slope with 10-15 feet of muck and colluvium overlying solid bedrock. A significant depression occurs on the profile at approximately 130 ft. This location was drilled using the 6 -inch auger drill to a depth of 21 ft.; and muck, loess and colluvium were encountered (Drill hole CAN14-BH-08). Bedrock rises towards the right limit, becoming more fractured and degraded near the base of the south-facing slope, with correspondingly lower resistivity readings.

### Auger Drilling

Eight 6-inch diameter auger drill holes were completed in 2014, for a total of 93 feet (28.3 metres) of drilling. Two of the drill holes were targeted on the Arctic Geophysics 2012 resistivity profile (Moll, 2012) on claim V an 2 (CAN14-BH02, 03); one on a regional magnetic geophysical anomaly (CAN14-BH-01); two at the confluence of a tributary drainage (CAN14-BH-04, 05); and three on two separate left-limit tributary drainages to Candace Creek (CAN14-BH-06, 07, 08). Drill hole CAN14-BH08 was targeted to intersect a channel interpreted from the 2014 resistivity geophysics on the Road Creek drainage (Resistivity Profile RC-1 – Figure 9). Drill holes CAN14-BH-02 and CAN14-BH-03 were targeted to intersect a possible channel and fault zone on Arctic Geophysics 2012 resistivity survey profile. These are plotted on Figure 10.


Plate 5 - Caterpillar 225 excavator operated by Bud Davis at test-pit CAN 14-01.

Table 2 below lists the geographic coordinates of the drill hole collars and depths to bedrock for the 2014 drilling program on Candace Creek. The drill hole collars are plotted on Figure 12, and Placer Drill Logs are contained in Appendix A.

Table 2 - Drill hole collar geographic coordinates, 2014 Exploration Program.

| Drill hole number | Latitude Decimal Degrees | Longitude Decimal Degrees | Latitude DMS | Longitude DMS | Depth to bedrock (ft.) | Total depth (ft.) |
|---|---|---|---|---|---|---|
| CAN14-BH1 | 63.313969 | 138.936053 | 63° 18' 50.287" N | 138° 56' 9.791" W | 12.0 | 13.0 |
| CAN14-BH2 | 63.314231 | 138.935049 | 63° 18' 51.231" N | 138° 56' 6.176" W | 11.0 | 12.5 |
| CAN14-BH3 | 63.31441 | 138.93524 | 63° 18' 51.875" N | 138° 56' 6.866" W | undetermined | 9.0 |
| CAN14-BH4 | 63.31548 | 138.933377 | 63° 18' 55.730" N | 138° 56' 0.155" W | 12.0 | 12.5 |
| CAN14-BH5 | 63.315462 | 138.933325 | 63° 18' 55.662" N | 138° 55' 59.970" W | 9.0 | 9.5 |
| CAN14-BH6 | 63.315563 | 138.932004 | 63° 18' 56.027" N | 138° 55' 55.214" W | 8.0 | 9.0 |
| CAN14-BH7 | 63.315541 | 138.931958 | 63° 18' 55.947" N | 138° 55' 55.049" W | 6.0 | 6.5 |
| CAN14-BH8 | 63.313118 | 138.934749 | 63° 18' 47.225" N | 138° 56' 5.097" W | +/-21 ft. | 21.0 |

Plate 6 - A view looking south along the bulldozer trench excavated by the D10N. The Caterpillar 225 excavator can be seen at the south end of the trench.

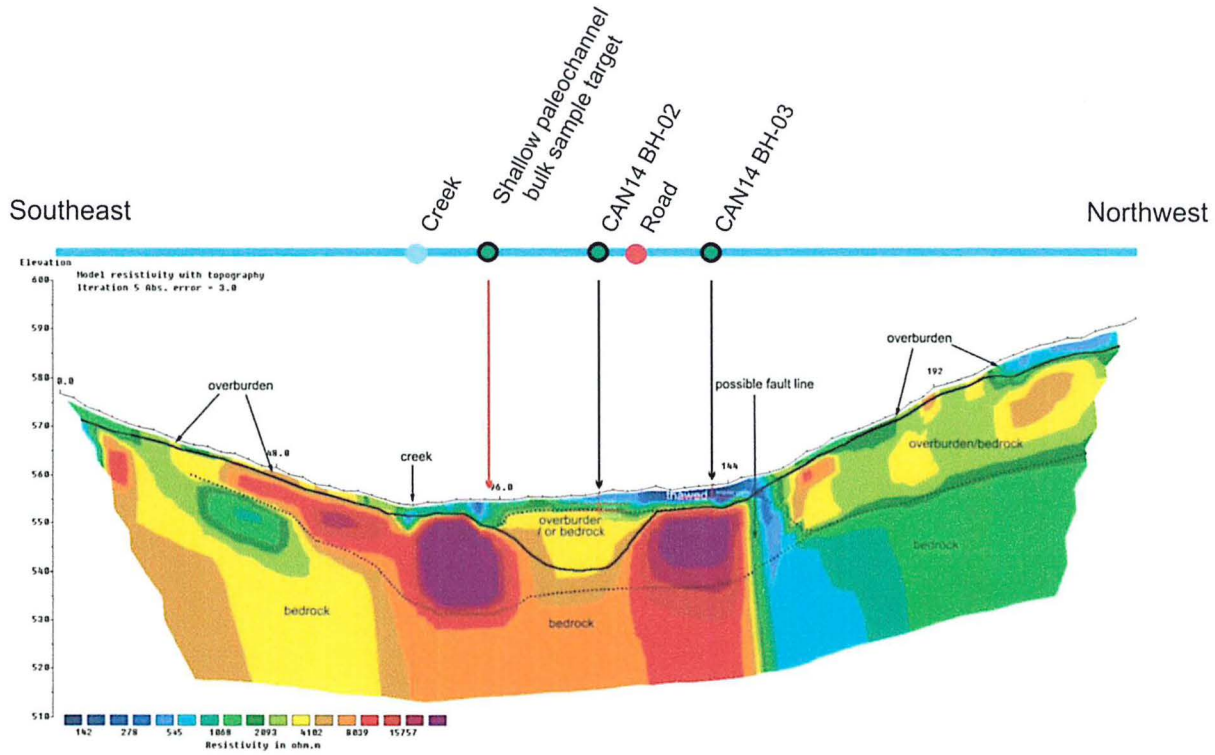


Figure 10 - Drill holes CAN14-BH-02 and CAN14-BH-03 plotted on Arctic Geophysics Resistivity profile from 2012, Van 2 claim (after Moll, 2012). View looking downstream on Candace Creek.

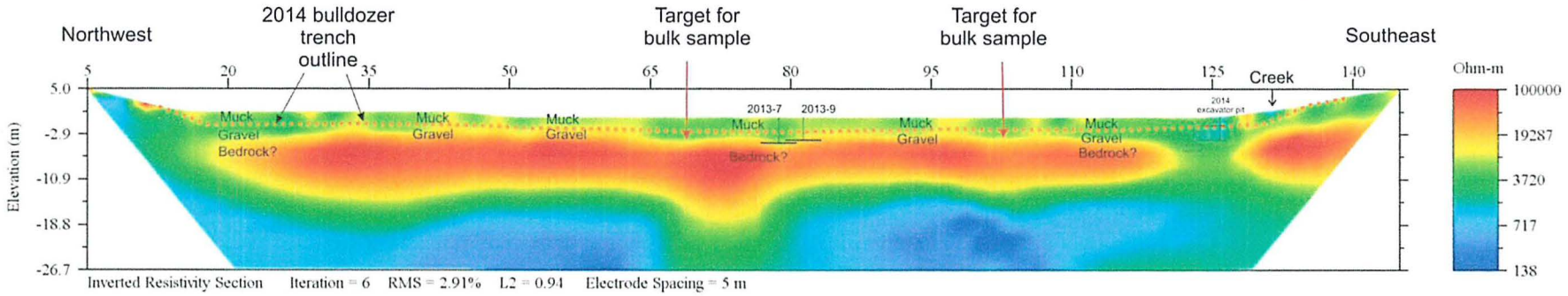


Figure 11 - Kryotek Resistivity Profile 2013 Line 7 with sonic drill holes 2013-07 and 2013-09 plotted along with the outline of the 2014 bulldozer trench and 2014 excavator test-pit, view looking upstream on Candace Creek. The location of this trench and geophysical line are shown in Figure 12.

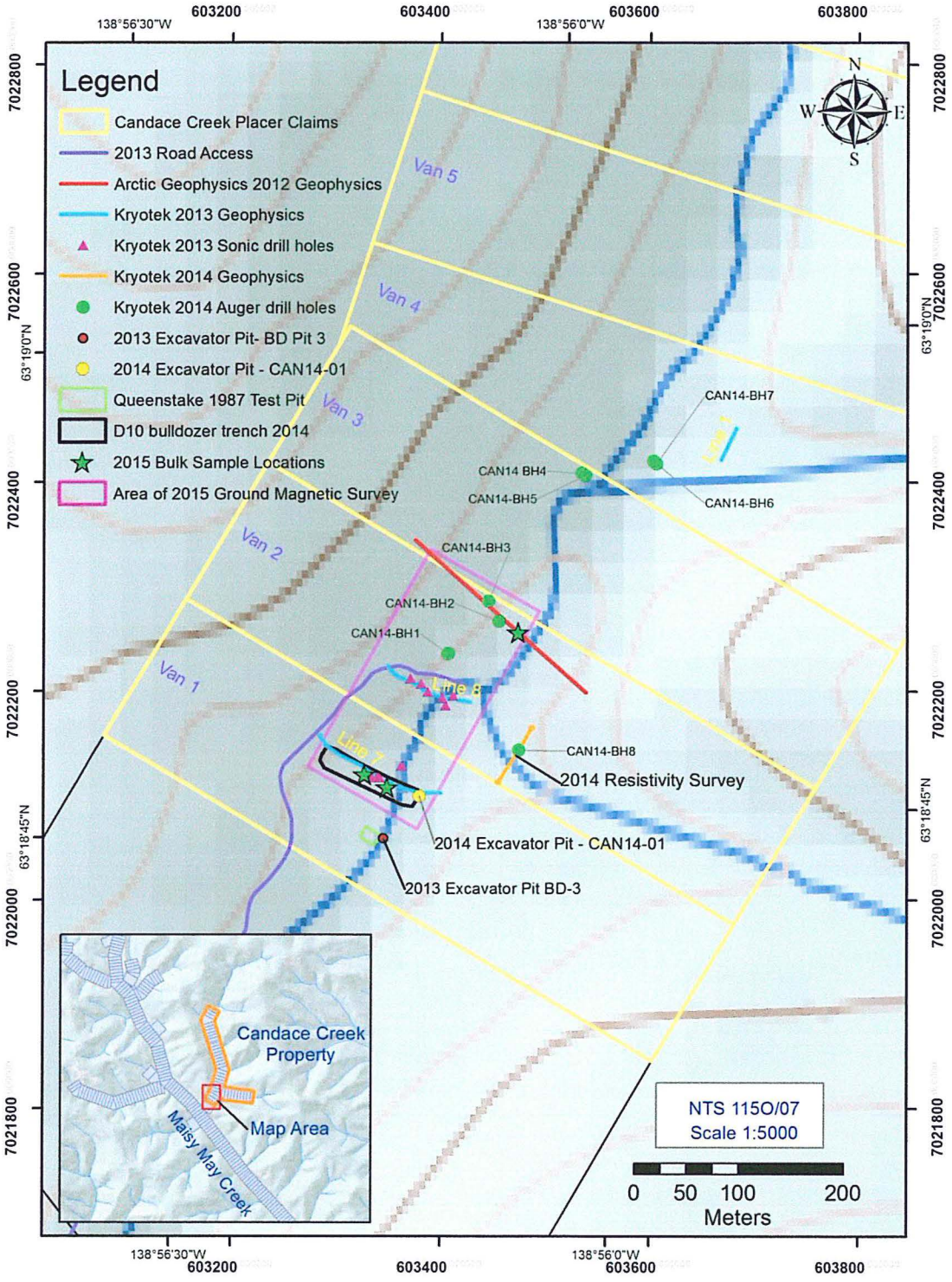


Figure 12 – Lower Candace Creek claims showing the location of 2012, 2013 and 2014 geophysical surveys, drill holes, trenches and bulldozer pits; and the location of proposed 2015 bulk samples and magnetic surveys.

## Bulldozer trenching and excavator test-pitting

In mid-April, a Caterpillar D10N bulldozer was used to strip an area on the Van 1 claim, which was coincident with Kryotek 2013 resistivity profile Line 7. Overburden consisting of small trees, moss, and extremely hard frozen black muck was cleared to a depth of 6 to 8 feet (2.0 to 2.5 metres), down to the top of the gravel layer. The dimensions of the bulldozer trench are 321 ft. (98 m) by 59 ft. (18 m) with a depth of 8 ft. (2.5 m). The trench is shown in Plate 6.

The Caterpillar 225 excavator (equipped with a "frost bucket") was brought to the site in August, and proceeded to establish drainage and dig a test pit on the southeast corner of the bulldozer trench (Plate 5). The test-pit has dimensions of 23 ft. (7 m) by 13 ft. (4 m) with a depth of 15 ft. (4.5 m).

Stratigraphy exposed in the excavator pit (Plate 7) consisted of 5 to 6 feet (1.5-2 m) of organics and black muck, overlying 5 to 6 feet (1.5-2 m) of massive to disorganized, poorly-sorted cobble-boulder pebble gravel, overlying 2.5 feet (0.75m) of pebbly clay, overlying fractured, mafic schist. A fossilized bone was obtained from the pit near the bedrock contact. The bulldozer trench and excavator test pit are drawn on the 2013 Kryotek resistivity profile shown as Figure 11, and the locations are shown on Figure 12.


Plate 7 - Excavator test-pit CAN14-01, showing the stratigraphy down to bedrock. View looking south-southwest.

## Sample Processing

Samples from the drill holes and the excavator test-pit were processed by hand using a "Le Trap" long tom sluice with a hopper feeder (Plate 8). A Honda 1.5 inch pump supplied the water for sluicing and panning. Sluice concentrates were obtained from the Le Trap sluice and hand-panned to recover final gold and heavy minerals.

Plate 8 - The "Le Trap" sluice was fed through a wet hopper and screened to -1/4 inch. Riffles were easy to clean in-between samples and single-person operation was possible.

## Gold and Heavy Mineral Results

Table 3 documents the gold and heavy mineral results from the drill sampling and excavator test pits, along with approximate volume of each sample and comments on the types of material encountered.

Table 3 - Gold and Heavy Mineral Results, Candace Creek 2014 Exploration Program.

| Sample number | Drillhole or Pit number | Gold | Heavy minerals | Approximate Volume | Comments |
|---|---|---|---|---|---|
| **CAN14-BH-01** | CAN14-BH-01 | 1 very fine colour | Abundant fine magnetite, garnet, one grain of corundum | 50 litres | 7 ft. of silty gravel |
| **CAN14-BH-02** | CAN14-BH-02 | 2 very fine colours | Abundant fine magnetite, pyrite, garnet, bright silver non-magnetic mineral | 15 litres | 4 ft. of sandy gravel |
| **CAN14-BH-03** | CAN14-BH-03 | 1 very fine colour | Abundant fine magnetite, pyrite, rutile, garnet | 15 litres | 9 ft. of colluvium |
| **CAN14-BH-04** | CAN14-BH-04 | 1 very fine colour | Fine magnetite and garnet | 15 litres | 1 ft. of gravel |
| **CAN14-BH-05** | CAN14-BH-05 | not seen | Fine magnetite and garnet, coarse garnet | 30 litres | 4 ft. of gravel |
| **CAN14-BH-06** | CAN14-BH-06 | not seen | Fine magnetite, garnet, pyrite, non-metallic wire (sulphosalt?) | 30 litres | 4 ft. of gravel |
| **CAN14-BH-07** | CAN14-BH-07 | not seen | Fine magnetite and garnet | 30 litres | 1 ft. of gravel |
| **CAN14-BH-08** | CAN14-BH-08 | not seen | Abundant fine magnetite and garnet | 8 litres | Mostly sandy muck |
| **WL14-02** | CAN14-01 | not seen | Abundant fine magnetite; coarse magnetite, ilmenite and garnet, rare rutile | 15 litres | Gravel above bedrock contact |
| **WL14-03** | CAN14-01 | Two "chunky" colours | Fine magnetite; coarse magnetite and garnet | 15 litres | At bedrock/gravel contact |
| **WL14-04** | CAN14-01 | not seen | Fine magnetite, garnet and pyrite; coarse magnetite and garnet | 15 litres | Below bedrock/gravel contact |

## Discussion of Results

Overall, the 6 inch diameter auger drill with the "permafrost" bit worked well, and recovered a considerable amount more sedimentary material than the sonic drill used the previous year. The correlation between drill holes and interpreted contacts from the resistivity surveys was somewhat mixed. Kryotek's 2014 profile RC-1 on Road Creek (Figure 9) correlated relatively well with the subsequent auger drill hole (CAN14-BH-08); and both CAN14-BH-02 and CAN14-BH-03 drill holes correlated well with the shallowest of three possible interpretations on Arctic Geophysics 2012 Resistivity line (Figure 10). However, the contacts seen on the 2014 bulldozer trench (which stripped the muck to the top of the gravel layer) and the excavator pit CAN14-01 (which reached bedrock) were not distinct on Kryotek's resistivity profile 2013 Line 7. As shown in Figure 11, the muck/gravel contact was not picked up on the resistivity profile along the length of the trench or at the excavator pit, and the gravel/bedrock contact was not discerned by the geophysics at the location of the excavator pit. Nonetheless, the resistivity geophysics methodology remains a valid and useful exploration tool even given the occasional inconsistencies.

Processing of the drill samples recovered some very fine gold particles and a variety of heavy minerals of both fine and coarse fractions, including corundum, an interesting variation. However, as in the 2013 program, the best gold results were from the excavator pit (CAN14-01), which recovered two moderately coarse, tabular gold grains. This gold was found from gravel sampled at the contact between the gravel and the clay-altered bedrock.

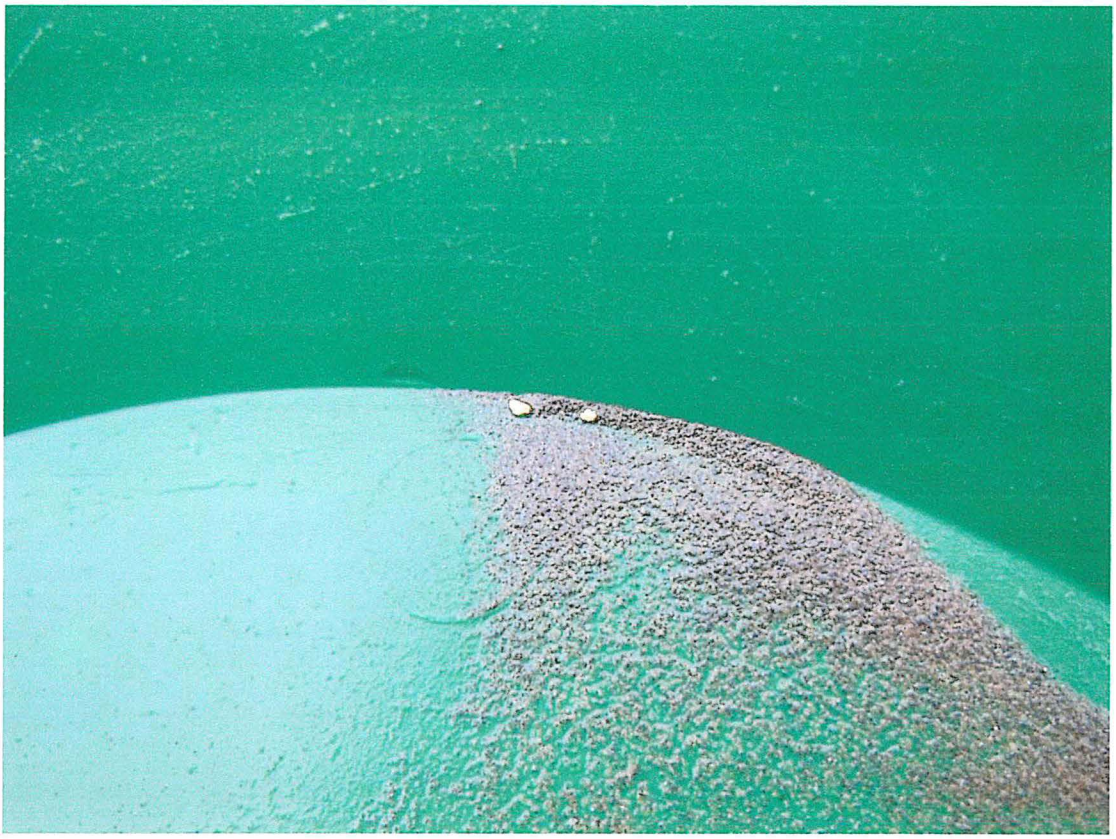

Plate 9 – Tabular, moderately-coarse gold grains obtained from sample WL14-03, from excavator pit CAN14-01.

## Conclusions and Recommendations

The 2014 exploration program was successful in defining the thicknesses of the gravel and muck in the location of the bulldozer trench and excavator pit on placer claim Van 1, while the auger drilling confirmed the interpreted depths to bedrock of the Arctic Geophysics 2012 resistivity profile and on the Road Creek tributary profile. The auger drilling also confirmed the presence of gold and heavy minerals in several of the holes. The best results for placer gold were obtained from bulk samples derived from the excavator pit, as was the case in the 2013 testing program.

It is evident that the relative coarseness of the gold in Candace Creek requires a bulk test of significant volume, in order to obtain a representative example of the amount of gold present. This sampling should target intervals along the entire stratigraphic section as well as the gravel/bedrock contact.

Therefore, bulk samples of no less than 250 cubic metres each are recommended to be processed at three locations, shown on Figure 12. The first two locations are located along the 2014 bulldozer trench, where depressions appear on the profile and a deeper anomaly of unknown origin appears (shown on the profile on Figure 11). The bulk samples should cover an area on bedrock of at least 10 metres by 10 metres. Given the expected thickness of 2.5 metres of gravel, each bulk sample would comprise a volume of 250 cubic metres. If time and equipment availability allows, these two initial bulk samples should be expanded across the valley floor to cover the entire length of the pre-stripped bulldozer trench.

The third location for a bulk sample is recommended to be along the Arctic Geophysics 2012 profile where there is an interpreted shallow paleochannel (shown in the profile on Figure 10), which is approximately 111 metres along the line from its southeast starting point. This bulk sample should also cover an area on bedrock of 10 metres by 10 metres.

In addition, since magnetite is a significant component of the heavy minerals present, a GPS-referenced, ground-based magnetometer or gradiometer geophysical survey is recommended for the area along the Candace Creek valley between the 2014 bulldozer trench and the Arctic Geophysics 2012 Resistivity line (Figure 12). This will allow for potential correlation of the magnetic geophysical response with the interpreted location of paleochannels as delineated by the resistivity geophysics. It will also provide a starting point for further bulk sampling should a good correlation exist between interpreted paleochannels from resistivity, magnetic geophysical anomalies and placer gold content in the creek gravels.

## Statement of Costs for 2014 Exploration Program

| 2014 Placer Exploration Program | Rate | Subtotal | GST | Total | Invoice # |
|---|---|---|---|---|---|
| **Geoplacer Exploration Ltd.- Project management, geological mapping, sample processing** | 7 days@$500/day | $3,500.00 | $175.00 | $3,675.00 | # 2014-003 |
| **Geoplacer Exploration Ltd.- Truck, ATV and ATV trailer rental** | 6 days@$106/day | $636.00 | $31.80 | $667.80 | # 2014-003 |
| **Geoplacer Exploration Ltd.- Data Compilation and Report Production** | 4 days@$500/day | $2,000.00 | $100.00 | $2,100.00 | # 2014-004 |
| **La Tierra Resources Ltd. - Field assistance, equipment operation, sample processing** | 6 days@$350/day | $2,100.00 | $105.00 | $2,205.00 | #2014-02 |
| **La Tierra Resources Ltd. - Demobilization Candace Creek to Whitehorse** | 700 km@0.62/km | $434.00 | $21.70 | $455.70 | #2014-02 |
| **Tatra Ventures Ltd. - Caterpillar 225 excavator rental** | 12 hours @$120/hr | $1,440.00 | $72.00 | $1,512.00 | #620342 |
| **Bedrock Mining Company Inc. - Caterpillar D10N with operator** | 18 hours@$395/hr | $7,110.00 | $355.50 | $7,465.50 | # 6 |
| **Kryotek Arctic Innovation Inc.** | 1 day@$2000/day | $2,000.00 | $100.00 | $2,100.00 | #CC2014A |
| **Camp costs - 2 persons** | 12 person days@$100/day | $1,200.00 | $0.00 | $1,200.00 | YMEP Flat rate |
| **Totals** | | $20,420.00 | $961.00 | $21,381.00 | |

## Statement of Qualifications – William LeBarge

I, William LeBarge, of 13 Tigereye Crescent, Whitehorse, Yukon, Canada, DO HEREBY CERTIFY THAT:

1. I am a Consulting Geologist with current address at 13 Tigereye Crescent, Whitehorse, Yukon, Canada, Y1A 6G6.
2. I am a graduate of the University of Alberta (B.Sc., 1985, Geology) and the University of Calgary (M.Sc., 1993, Geology – Sedimentology)
3. I am a Practicing Member in Good Standing (#37932) of the Association of Professional Engineers and Geoscientists of British Columbia (APEGBC).
4. I have practiced my Profession as a Geologist continuously since 1985.
5. I am author of the report entitled: "CANDACE CREEK PLACER PROPERTY, DAWSON MINING DISTRICT, YUKON TERRITORY; Yukon Mineral Exploration Program: 2014 Final Report for CANDACE CREEK MINING LTD.
6. I am President and a Shareholder of Candace Creek Mining Ltd., a Yukon Registered Company.
7. The aforementioned report is based on my personal observations and interpretation and compilation of previously existing data.

Dated this 19th day of November, 2014

William LeBarge, P. Geo.

## Statement of Qualifications – James Coates, President, Kryotek Arctic Innovation Inc.

Education

- BSc. Physical Geography. University of Calgary
- MSc. Physical Geography. University of Ottawa
- PhD (incomplete) Civil Engineering. Universite Laval

Geology, Prospecting and Exploration Experience

*Yukon Geological Survey*

- Bedrock mapping assistant to Project Geologist Maurice Colpron, Livingston area
- Geological assistant to Placer Geologist William LeBarge
- Bostock Core Library technician

*Kryotek Arctic Innovation Inc. - President*

- 10,000 meter shallow geochemical drilling program conducted in White Gold Area – Boulevard Property
- 2,000 meter shallow geochemical drilling program conducted in Stewart Area – Henderson Property
- Developed drilling and geophysics techniques and technologies

*Dark Side Drilling – Owner/Operator*

- Rio Tinto Minerals – Exploration/Drilling Contractor, Diavik Mine, Lac deGras NWT
- Geoplacer Exploration Ltd. – Exploration/Drilling, Patton Creek, Candace Creek, Nines Creek
- Golden Predator Minerals - Exploration/Drilling Contractor, Livingston, Yukon
- K-1 Mining – Exploration/Drilling Contractor, 60 Mile River, Yukon
- Western Copper Corporation – Drilling Contractor, Casino Minesite
- Casino Mining Corporation – Drilling Contractor, Casino Minesite
- XStrata Minerals – Drilling Contractor, Hackett River, Nunavut
- DeBeers Diamond Corporation – Exploration/Drilling Contractor, Churchill Manitoba
- Sector Resources Canada – Geophysics Contractor, Atlin, BC

*Independent Prospecting Experience*

Pelly River Placer Properties

- 2008 YMIP grant recipient
- Claims staked and prospected along Pelly River

McQuesten River Placer Properties

Whitehorse Copper Tailings Ponds Gold Property

- 2013 YMIP grant recipient

Atlin Placer Prospecting, Spruce Creek

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## Appendix A – Placer Drill Logs

Yukon
Energy, Mines and Resources

Date Stamp

# Placer Drill Log

Date: August 30, 2014 Driller: Dark Side Drilling

Type of Drill: Quad mounted auger Inside Diameter of Drill: 6 inch

Location: Candace Creek/UNLL Trib Maisy May Lease or Grant Numbers: Van 2 P 508834

| Drill Hole Number | Interval | Thickness | Materials Encountered | Remarks: Samples/Results |
|---|---|---|---|---|
| CAN14BH-01 | 0-5 ft. | 5 ft. | Modern organic layer and muck | |
| CAN14BH-01 | 5-12 ft. | 7 ft. | Sandy silt mixed with gravel | 3 – 5 gal. pails material |
| CAN14BH-01 | 12-13ft. EOH | 1 ft. | Bedrock or large boulder | |
| | | | | |
| | | | | |
| | Total thickness 13 ft. | | | |
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| | | | | |
| | | | | |

Date: _____ Signature (Driller or Representative): _____

Yukon
Energy, Mines and Resources

Date Stamp

# Placer Drill Log

Date: August 30, 2014 Driller: Dark Side Drilling

Type of Drill: Quad mounted auger Inside Diameter of Drill: 6 inch

Location: Candace Creek/UNLL Trib Maisy May Lease or Grant Numbers: Van 2 P 508834

| Drill Hole Number | Interval | Thickness | Materials Encountered | Remarks: Samples/Results |
|---|---|---|---|---|
| CAN14BH-02 | 0-7 ft. | 7 ft. | Modern organic layer and muck | Located on Arctic Line @117m |
| CAN14BH-02 | 7-11 ft. | 4 ft. | Sandy gravel | 1 – 5 gal. pail material |
| CAN14BH-02 | 11-12.5ft. EOH | 1.5 ft. | Bedrock - decomposed schist | |
| | | | | |
| | | | | |
| | Total thickness 12.5 ft. | | | |
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Date: _____ Signature (Driller or Representative): _____

Yukon
Energy, Mines and Resources

Date Stamp

# Placer Drill Log

Date: August 30, 2014 Driller: Dark Side Drilling

Type of Drill: Quad mounted auger Inside Diameter of Drill: 6 inch

Location: Candace Creek/UNLL Trib Maisy May Lease or Grant Numbers: Van 2 P 508834

| Drill Hole Number | Interval | Thickness | Materials Encountered | Remarks: Samples/Results |
|---|---|---|---|---|
| CAN14BH-03 | 0-9 ft. EOH | 9 ft. | Sand and gravel with bedrock | 1 – 5 gal. pail material |
| | | | fragments throughout | |
| | | | | Located on Arctic Line near hill |
| | | | | at approximately 140m |
| | | | | |
| | Total thickness 9 ft. | | | |
| | | | | |
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| | | | | |

Date: _____ Signature (Driller or Representative): _____

Yukon
Energy, Mines and Resources

Date Stamp

# Placer Drill Log

Date: August 30, 2014 Driller: Dark Side Drilling

Type of Drill: Quad mounted auger Inside Diameter of Drill: 6 inch

Location: Candace Creek/UNLL Trib Maisy May Lease or Grant Numbers: Van 3 P 508835

| Drill Hole Number | Interval | Thickness | Materials Encountered | Remarks: Samples/Results |
|---|---|---|---|---|
| CAN14BH-04 | 0-11 ft. | 11 ft. | Muck | |
| CAN14BH-04 | 11-12 ft. | 1 ft. | Gravel | 1 – 5 gal. pail material |
| CAN14BH-04 | 12-12.5 ft. EOH | 0.5 ft. | Bedrock or boulder | |
| | | | | |
| | | | | |
| | Total thickness 12.5 ft. | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
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| | | | | |

Date: _____ Signature (Driller or Representative): _____

Yukon
Energy, Mines and Resources

Date Stamp

# Placer Drill Log

Date: August 30, 2014 Driller: Dark Side Drilling

Type of Drill: Quad mounted auger Inside Diameter of Drill: 6 inch

Location: Candace Creek/UNLL Trib Maisy May Lease or Grant Numbers: Van 3 P 508835

| Drill Hole Number | Interval | Thickness | Materials Encountered | Remarks: Samples/Results |
|---|---|---|---|---|
| CAN14BH-05 | 0-5 ft. | 5 ft. | Muck | |
| CAN14BH-05 | 5-9 ft. | 4 ft. | Gravel | 2 – 5 gal. pail material |
| CAN14BH-05 | 9-9.5 ft. EOH | 0.5 ft. | Bedrock | |
| | | | | |
| | | | | |
| | Total thickness 9.5 ft. | | | |
| | | | | |
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| | | | | |

Date: _____ Signature (Driller or Representative): _____

Yukon
Energy, Mines and Resources

Date Stamp

# Placer Drill Log

Date: August 30, 2014 Driller: Dark Side Drilling

Type of Drill: Quad mounted auger Inside Diameter of Drill: 6 inch

Location: Candace Creek/UNLL Trib Maisy May Lease or Grant Numbers: Van 4 P 508836

| Drill Hole Number | Interval | Thickness | Materials Encountered | Remarks: Samples/Results |
|---|---|---|---|---|
| CAN14BH-06 | 0-4 ft. | 4 ft. | Muck | |
| CAN14BH-06 | 4-8 ft. | 4 ft. | Gravel | 2 – 5 gal. pail material |
| CAN14BH-06 | 8-9 ft. EOH | 1 ft. | Bedrock | |
| | | | | |
| | | | | |
| | Total thickness 9 ft. | | | |
| | | | | |
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| | | | | |

Date: _____ Signature (Driller or Representative):6 _____

Yukon
Energy, Mines and Resources

Date Stamp

# Placer Drill Log

Date: August 30, 2014 Driller: Dark Side Drilling

Type of Drill: Quad mounted auger Inside Diameter of Drill: 6 inch

Location: Candace Creek/UNLL Trib Maisy May Lease or Grant Numbers: Van 4 P 508836

| Drill Hole Number | Interval | Thickness | Materials Encountered | Remarks: Samples/Results |
|---|---|---|---|---|
| CAN14BH-07 | 0-5 ft. | 5 ft. | Muck | |
| CAN14BH-07 | 5-6 ft. | 1 ft. | Gravel | 2 – 5 gal. pail material |
| CAN14BH-07 | 6-6.5 ft. EOH | 0.5 ft. | Bedrock | |
| | | | | |
| | | | | |
| | Total thickness 6.5 ft. | | | |
| | | | | |
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Date: Signature (Driller or Representative):6

Yukon
Energy, Mines and Resources

Date Stamp

# Placer Drill Log

Date: August 31, 2014 Driller: Dark Side Drilling

Type of Drill: Quad mounted auger Inside Diameter of Drill: 6 inch

Location: Candace Creek/UNLL Trib Maisy May Lease or Grant Numbers: Van 2 P 508834

| Drill Hole Number | Interval | Thickness | Materials Encountered | Remarks: Samples/Results |
|---|---|---|---|---|
| CAN14BH-08 | 0-6 ft. | 6 ft. | Muck | |
| CAN14BH-08 | 6-21 ft. EOH | 15 ft. | Loess mixed with rock | ½ - 5 gal. pail material |
| | | | | |
| | | | | |
| | | | | |
| | Total thickness 21 ft. | | | |
| | | | | |
| | | | | |
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Date: _____ Signature (Driller or Representative): _____

# YMEP Expense Claim Form - Client Copy

| | | | | | |
|---|---|---|---|---|---|
| *YMEP no:* 14- 048 | *project name:* | Candace Creek | *Applicant name* | Candace Creek Mining Ltd. | |
| *Expense Claim no:* 2 | *program type:* | placer | *program module:* | target evaluation | |
| *date submitted* 19-Nov-14 | *phone:* | 867-334-1461 | *email:* | wlebarge@gmail.com | |
| *address* | 13 Tigereye Crescent, Whitehorse YT Y1A 6G6 | | | | |
| *Start/ end dates of fieldwork for this claim:* | *start* | *end* | *no of field days/ this claim:* | Final report writing | |

**eligible expenses** *Please refer to rate guidelines. Provide photocopy of receipts.*

| item | | unit/days | rate | total |
|---|---|---|---|---|
| daily field expenses | no persons: - | - | $100/day | $0.00 |
| Personnel | *Name (supply statement of qualifications)* | | | |
| | - | | | |
| | - | | | |
| | | | | |
| | | | | |

| equipment (rental) | private or commercial | unit/days | rate | total |
|---|---|---|---|---|
| | private | | | |
| | private | | | |
| | private | | | |
| | private | | | |
| | private | | | |
| | private | | | |
| | private | | | |
| | private | | | |
| | private | | | |
| | private | | | |
| | private | | | |
| | private | | | |

| other | *please provide details* | | | |
|---|---|---|---|---|
| Geoplacer Exploration Ltd. | invoice attached | | | $2,100.00 |
| | invoice attached | | | |
| | invoice attached | | | |
| | invoice attached | | | |
| | invoice attached | | | |
| | | | **Grand total this claim:** | $2,100.00 |

Geoplacer Exploration Ltd.

13 Tigereye Crescent, Whitehorse, Yukon Y1A 6G6

Date: September 18, 2014
Invoice #: 2014-004
Customer ID: Candace Creek Mining Ltd.

To: Candace Creek Mining Ltd.
13 Tigereye Crescent
Whitehorse, Yukon
Y1A 6G6

| Payment Terms | Date |
|---|---|
| Amount due on receipt | September 18, 2014 |

| Description | | Number of Days | | Rate/Details | | Subtotal |
|---|---|---|---|---|---|---|
| Data Compilation, Final Report Production | | 4.0 | $ | 500.00 | $ | 2,000.00 |
| | | | | | | |
| | | | | | | |
| **Subtotal for Services** | | | | | $ | 2,000.00 |
| **GST on Services** | | | | | $ | 100.00 |
| **Total for Services** | | | | | $ | 2,100.00 |

Please pay in Canadian Funds to Geoplacer Exploration Ltd.
13 Tigereye Crescent, Whitehorse, YK Y1A 6G6 (867) 334-1461 wlebarge@gmail.com
GST #829278712RT0001

*Bank Wiring Information:*
*Bank customer: Geoplacer Exploration Ltd.*
*Account number 99010-310-99015003619*
*Swift Code CUCXATTCAL*
*First Nations Bank of Canada*
*103-9016 Quartz Road*
*Whitehorse, Yukon Y1A 2Z5*
*bank email: fnbcservice@fnbc.ca*
*bank phone: 1-888-456-3622*