YEIP
2015-048

2015 YUKON MINING EXPLORATION PROGRAM — FINAL REPORT.

GRASSROOTS PLACER PROJECT 15-048.

2015 TECHNICAL REPORT

on geological and geophysical works

performed on 3 miles Prospect Lease grant # ID 01302,

at UNRLT of Black Hills Creek

(Kingsley Creek)

N.T.S. 115-O-07

Latitude 63.408° Longitude -138.837°

DAWSON MINING DISTRICT

Work performed between July 2, 2015 and July 27, 2015.

By Valeri Volodine, B.Sc., P.Geo.,

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Enclosed in attached envelope.

a) Photo Map Geological Interpretation of Prospecting lease ID#01302, NTS 115-O-07, (Kingsley Creek project YMEP #15-048), Scale 1:21,000.

b) Detailed Map of GPR lines locations, Scale 1: 3,950.

c) Map of the Sampling points, Scale 1:9,500.

d) DVD - GPR surveys data. Interpretation of GPR surveys data.

SUMMARY.

The field program of 2015 was consisted of geophysical investigation, geological and geomorphological studies of the property and testing of gold bearing alluvial deposits.
Geophysical works comprise of 15 GPR (Ground Penetrating Radar) surveying lines wth total length 1,69km. The main goal of GPR survey was mapping of the depth of bedrock surface, as well as measuring the thickness of gold bearing sediments and overburden. Data gathering and all interpretations of GPR surveys were performed by B. Logutov, 47129 Yukon Inc.
The main goal of geological research was to find and map prospective spots, and then test favorable gold bearing sediments. Geomorphological study was conducted with the purpose of discovery and outline the prospective form of landscape in the limits of Kingsley Creek, and distinguish the boundary between mainly colluvium and diluvial and mainly alluvial formations. Testing was performed commonly by hand panning.
The work was performed during July 2, 2015 to July 27, 2015.

1.0 INTRODUCTION

This report describes placer prospecting work conducted on the Prospecting Lease grant # ID 01302, on UNRLT (Kingsley Creek) tributary of the Black Hills Creek, YMEP # 15-048.
This work was conducted to explore the of placer gold deposits on the property during July 2 to July 27, 2015

2.0 LOCATION and ACCESS.

The property, is situated in the Dawson Mining District, and located on a UNRLT (Kingsley Creek) tributary of the Black Hills Creek, approximately 76km S-E from Dawson City and 12.5km S-E from Henderson Dome. Access to the property is from the Klondike Highway #2, then by Hunker Creek road, Dominion road, follow Stuart River road, with total driving distance approximately 124km. The exploration camp was located in the nearest proximity (~300m) to the Kingsley Creek mouth, on the east bank of the Black Hills Creek. Figure 1 shows the property location within the Yukon, and Figure 2 shows the regional location and access.

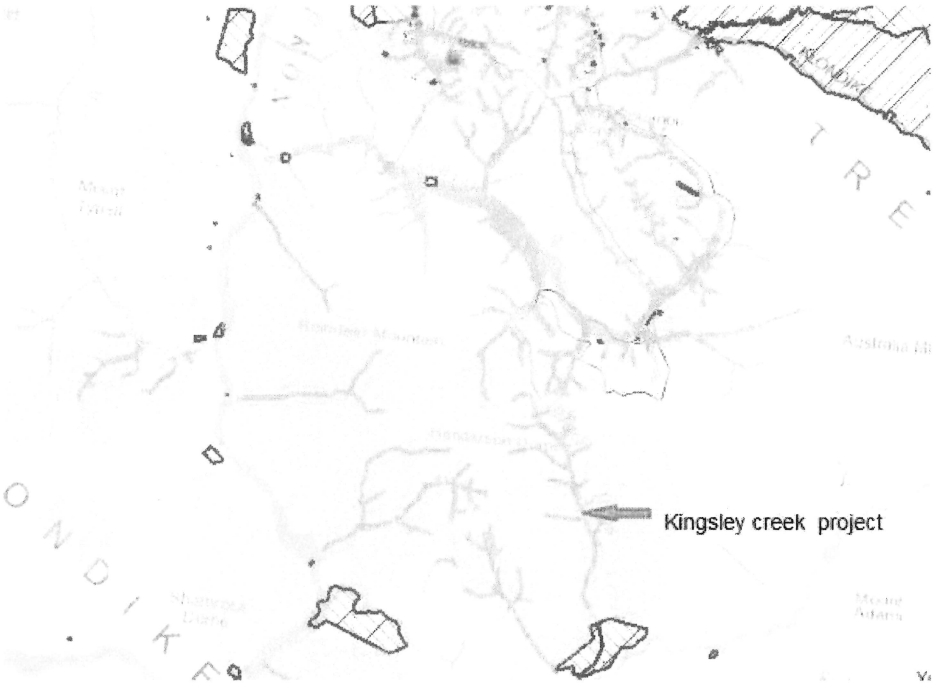


Figure1. Location of the Prospecting Lease at Kingsley Creek on region scale map.

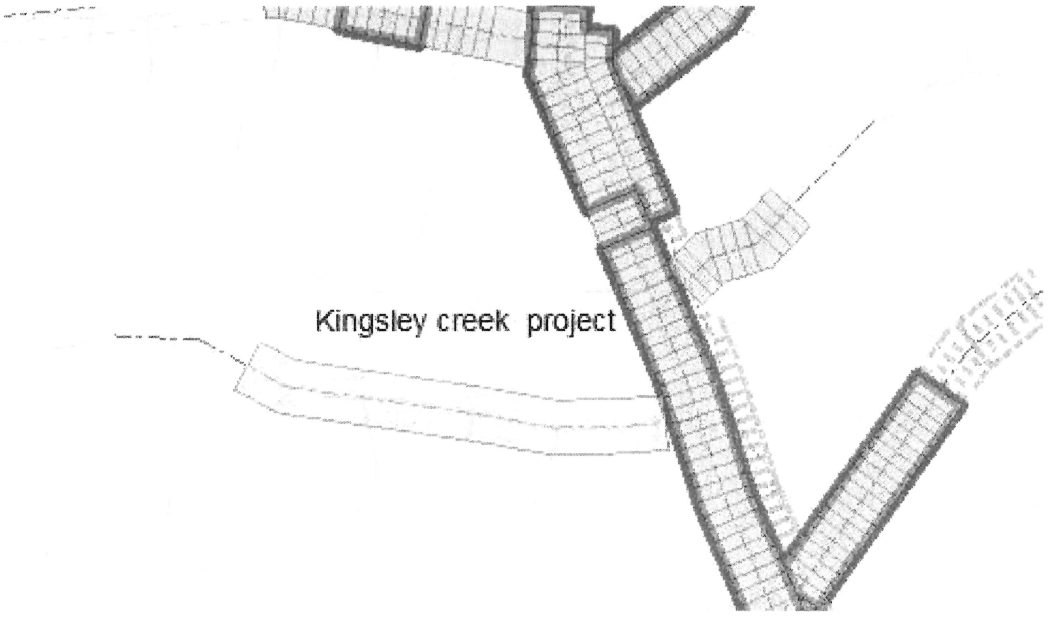


Figure2. Location of the Prospecting Lease (3 miles) at Kingsley Creek (NNRLT) , tributary of Black Hills Creek.

3.0 PROPERTY DESCRIPTION.

The Prospecting Lease has East-West spatial orientation within the valley of Kingsley Creek to the west of the Black Hills Creek Valley. The valley of the Creek is V- shaped and has asymmetrical configuration: southern side of the valley has steeper slopes compare to northern side, with respect of the cross section of the slopes. Thus the bedrock outcrops were found more often in the limits of southern walls of the valley. Kingsley Creek has a very narrow channel incised in modern landform at the depth 0.6m to 1m with just about vertical slopes of the creek water channel. The difference of landscape elevation at the upper part of the creek (638m) and at the junction with Black Hill Creek(563m) is estimated around 75m at the distance 4,482m. That indicated the gradient of the stream equal 1.6%. Such gradient is cause of the remarkably fast current of the Kingsley Creek and high erosion potential. See Figure 3.

Figure 3. The Kingsley Creek's water channel.

Overall, the area does not have any roads or trails, except the moose trails along the valley. There are several parts of the Prospecting Lease are covered by old forest fires with fallen dead trees, what made the access to the property even more challenging. Please see Figure 4.

Figure 4. Old forest fire areas are common to the Prospecting Lease area.

Figure 5. Kingsley Creek at the confluence with Black Hills Creek

4.0 EXPLORATION HISTORY.

The Kingsley Creek most likely has been searched during the period of discovery of placer gold in the limits of the Black Hills Creek. However, there is no evidence found, if the Kingsley Creek valley area was steadily explored. Also it is no evidence of any mining or production in the Kingsley Creek area up to date.

However, several attempts to explore the possibility of the placer gold deposit were conducted in recent time. It is known to author at least two of them. The earliest is the placer claim staked by James Campbell (P31349). The claim post was found at the coordinates: N:63 24.596 W:138 47.924. It was expired on 24/08/1989.

The Prospecting Lease was staked at Kingsley Creek by Gunter Staeglich in May 2005 . The Prospecting Lease is expired on May 2, 2007. No reports or other information was found in regards to the work was done on the property.

Black Hills Creek area was first staked in 1898 and was worked sporadically in the early years of Gold Rush. (Bostock, 1979). Later, several studies were carried out in the described area. The stratigraphy of surficial geology of the Black Hills Creek drainage has been subdivided into four mappable categories; (1) fluvial terraces, (2) fluvial active floodplains, (3) colluvial veneer, and (4) bedrock or near bedrock formations. (FULLER, E.A., and ANDERSEN, F., I993.).

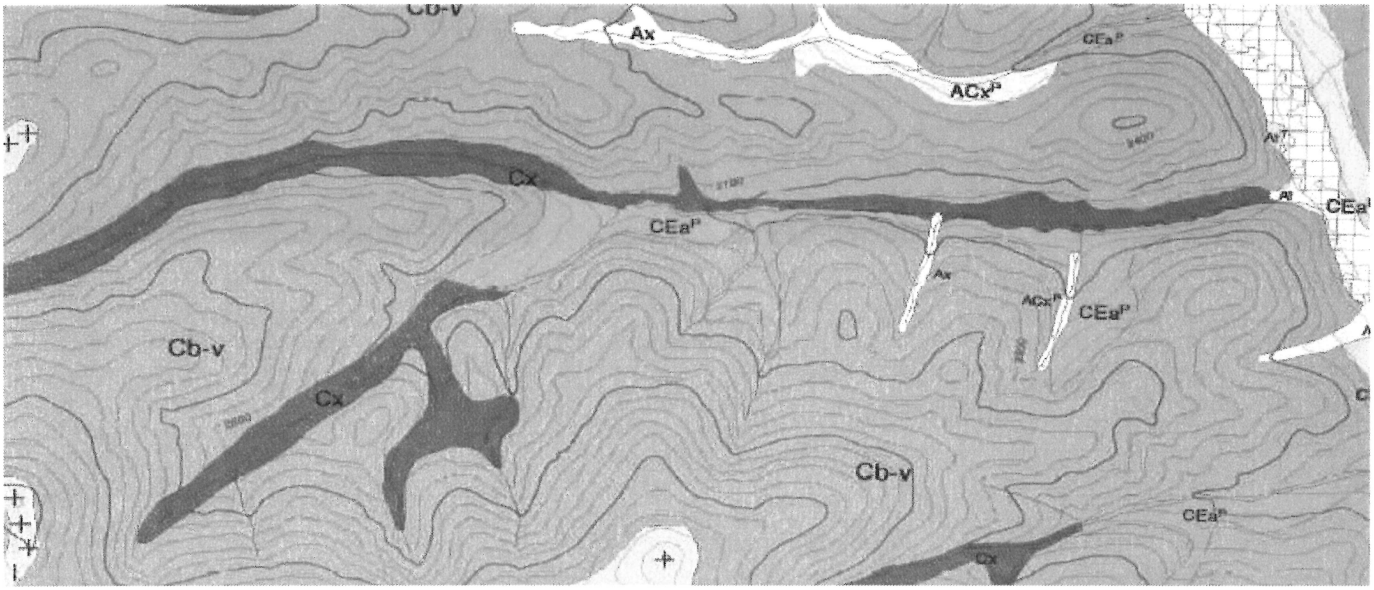


Figure 6. Extract from the map "Surficial geology, Black Hills Creek, Yukon Territory [cartographic material] / geology by L. E. Jackson Jr, Lionel E. Jr, OF 4584, Ottawa, ON : Geological Survey of Canada, 2005" .

The most recent study of project area is the map of surficial geology presented by L. E. Jackson at all, 2005 (Surficial geology, Black Hills Creek, Yukon Territory, 2005). This map is revised partially after Fuller 1993. According to Jackson the most developed stratigraphic unit in the area is " colluviated blanket (**Cb-v** at the legend) , which is generally conformed to underlying bedrock, and exceed 1m in thickness" . These deposits are Holocene -Pleistocene and undivided in the scale of the map. There is another unit colluvial by origin (**Cx** at the legend) – which is developed along the Kingsley creek water bed. It is described as "Colluvial Complex Sediments; areas of integrated colluvial and alluvial sediments which are too complex to subdivide at the scale of mapping" L.E. Jackson at all, 2005. And finally Colluvial/Eolian Apron (muck): (**CEaP** at the legend) -primary deposits of eolian fine sand and silt resedimented and interstratified with organic silt , and detritus, alluvial fan gravel and sand, and variable amounts of stony colluvial diamicton; thickness 1 to 20 m;" Above mentioned combination of the sediments were generally observed in the project area. Bedrock outcrops are relatively rare in the limits of the Kingsley Creek valley.

Several studies described the area is underlain by greenschist to lower amphibolite facies, basement schist and gneiss of the Yukon-Tanana Terrane (Gordey and Ryan, 2005; Berman et al., 2007).These rocks were metamorphosed and deformed in the Paleozic through to Late Permian time, ending with the Klondike orogeny at the end of the Permian (Beranek and Mortensen, 2011; MacKenzie and Craw, 2012). The main underlying rock unit in this region consists of meta-siliciclastic rocks (quartzite, quartz-muscovite schist and biotite schist) and meta-igneous rocks, mainly biotite-quartz-feldspar gneiss (Berman et al., 2007; MacKenzie and Craw, 2012).

Ryan, J.J. and Gordey, S.P concluded in their paper in 2002: " Poly-deformed and metamorphosed Paleozoic rocks of the Yukon-Tanana terrain underlie a large part of the Stewart River area, Yukon

Territory. Quartz-rich metaclastic rocks (quartzite, quartzite-mica schist, psammite) are regionally widespread, and locally interstratified with, and structurally interdigitated with, metavolcanic rock (mafic and intermediate garnet-amphibolite)"(Ryan, J.J. and Gordey, S.P., 2002.)

5. DESCRIPTION OF WORK PERFORMED.

The work was conducted during July 2015 and consisted of two modules: a) geophysical survey, interpretation and analysis: b) geological field study, testing and analysis.

5a) Geophysical survey:

Geophysical surveys were designed to gather data in regards to distribution and thickness of the placer gold bearing formations, overburden and the depth of the bedrock. The surveys was conducted by using the Ground Penetrating Radar (GPR) "Python" See Figure 5 . The radar used in the field works is wireless monostatic Ground Penetrating Radar with one receiving-transmitting antenna. For the study was selected the 1 m length antenna and frequency 100 MHz, which is provided resolution ~0.2m and effective ground penetration to the depth up to 5-12m. More technical characteristic available at: http://georadar.gr/. GPR surveys and interpretation of the collected data was performed by B. Logutov (47129 Yukon Inc.) in the field, by using the software packages as: "Intel PROSet Wireless" and "Prizm 2.5".

Figure 7. Surveys were conducted by using the Ground Penetrating Radar (GPR) "Python".

There were conducted 15 surveying lines (profiles) with the total length approximately (1690m as a straight lines) or 1920m recorded by Garmin GPS unit. The distances between lines are approximately 500-800m, most of the lines are oriented North-South, crossing the Eastern-Western direction of the Kingsley Creek Valley.

The overview map with locations of the survey's lines are presented at the Figure 8, 8a, map with more details is attached to report (See Detailed Map of GPR lines locations, envelope enclosed).

The coordinates and elevations of the "Start"-"End" points ("p0"-"end of line") of the lines were recorded by "Garmin" handheld GPS and presented at the Table 3. (See Appendix 1). Overview of the layout of GPR line at the prospecting lease is presented at the Figure 8a and at enclosed Map.

It is noticed some discrepancies between the real location at the landscape and representation the points of survey at the GPS map. Thus, the location coordinates were taking at the actual Kingsley Creek water channel by handheld GPS often reflected at the map slightly differently compare to actual location at the ground.

The "Prizm2.5" software package is used for the interpretation of data collected at the field. Analysis of the data allows to distinct the reflective boundaries of the main lithological units in the limits of the Kingsley Creek valley and determines the thicknesses of the formations and the depth of the bedrock surface.

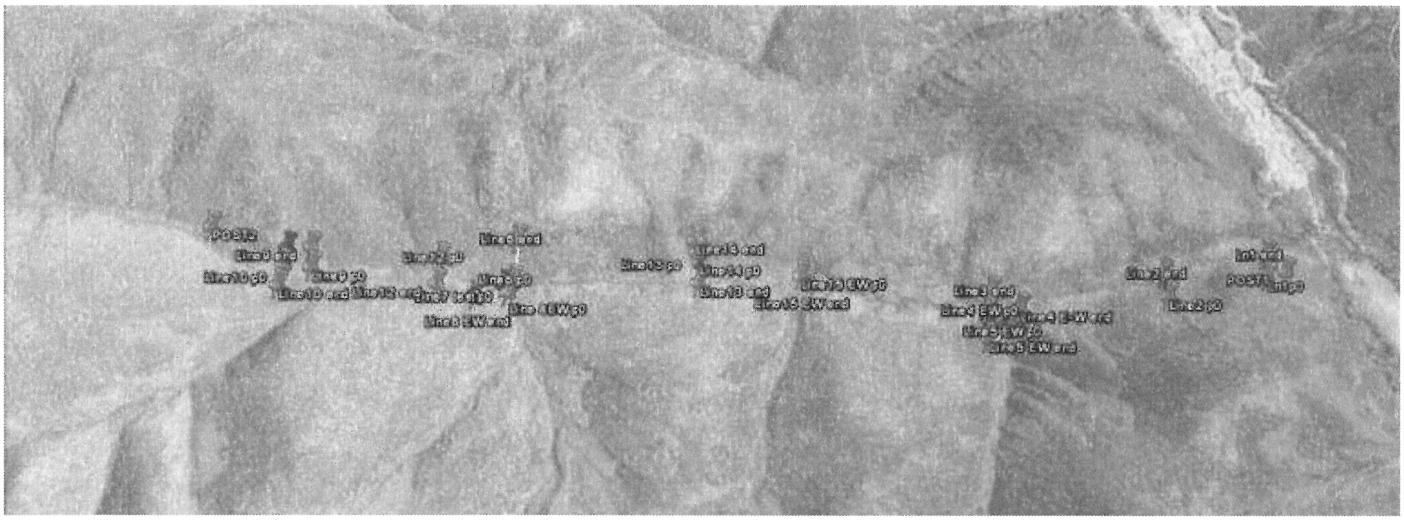


Figure 8. Overview of the GPR lines location at The Prospecting Lease (Google Earth and Air photo)

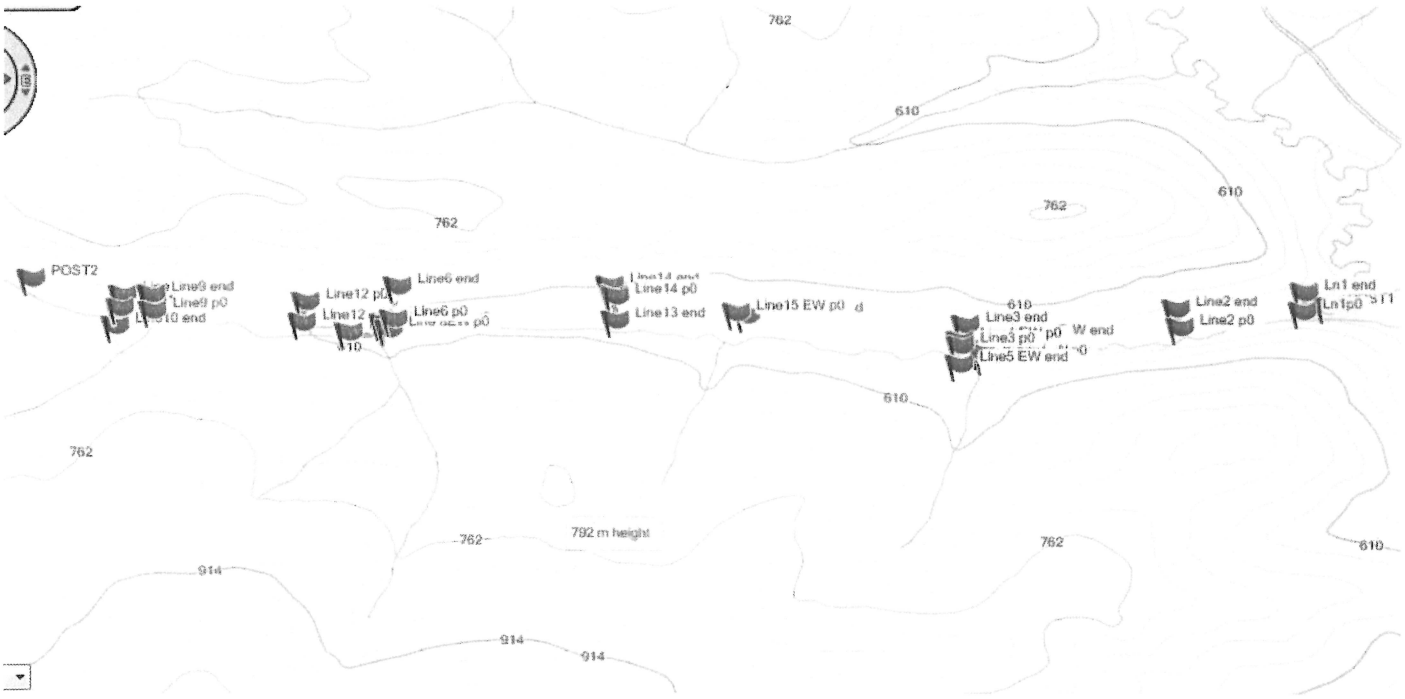


Figure 8a.Overview of the GPR lines location at The Prospecting Lease (Garmin Map)

Reflective boundaries of the lithological units were confidently recognized during interpretation of the surveys data. Thus, such lithological units as were documented at the radaro-grams cross-section as: Overburden (Muck); Alluvium (Potential gold bearing gravel); Colluvium ; Possible location of paleo channel.

5b) Results of GPR surveys and interpretation.

The surveys were conducted starting at the lowest part of Kingsley Creek valley in immediate proximity to the east boundary of the Prospecting Lease (Post#1) and moving upstream to the west. The lines were preliminary cut, cleaned and marked by flag tape ribbons. Each line were marked by flag tape at the beginning – "point 0" and at the end "end of the line#..) . Lines ## 1, 2, 3 were positioned crossing the Creek valley in general direction N-S. Each of these three surveys were started at the proximity to the Creek water channel; and stopped at the at the valley slop, where commonly bedrocks fragments angular in shape were observed on the ground surface.

Interpretation results of the lines #1, #2, #3 have common characteristics such as the depth of the bedrock at the level of 2.5-3m, the thickness of the overburden of 1.2-1.5m, and the thickness of the alluvium formations 1-1.5m. There is an anomaly was determined at the distance 90-120m at the Line #1, which could be described as deeply eroded bedrock channel or possible "paleo channel" of ancient valley of Kingsley Creek. The depth of the described paleo channels are estimated approximately up to 7.5m. Please see Appendix 3, Figures 28,29,30.

GPR survey's lines 4 and 5 were conducted in E-W direction along the Kingsley Creek valley orientation. Line 4 was taken at the northern (left) bank of the Creek, with the goal to discover

extension of fault zone, which is confidently recognized on air-photo and satellite images along the valley of Creek#1 (first right un-named tributary of Kingsley Creek) . The interpretation of the Line 4 radaro-gram shows the presence of fault deformation zone approximately at the point of 75m. Overall, the interpretation of the Line 4 GPR survey confirm the results of Line 1-3, with roughly the same depth of the bedrock at 2.5-3m and thickness of (Alluvium) potential gold bearing zone around 1 to1.2 m. Suggested fault zone could be a trapping structure for the alluvial gold deposit. See Appendix 3, Figure 31.

Line 5 was intended to test the area of confluence of "Creek #1" (first right un-named tributary) and Kingsley Creek. Considering the option of existence of the Creek's #1 fluvial fan at the described area, there are not clear if the deposits overlying the bedrock are completely alluvium. Most likely these deposits are the mixture of Colluvial and Alluvial sediments. The thickness of the described zone is about 1-1.5m with the maximum up to 1.8m around 100-120m points of the Line 5. The bedrock surface is deepening at that location to 4.5m, which could be considered as a shallow paleochannel. See Appendix 3, Figure 32.

After completion of the Line#5 the GPR surveying has been moved upstream approximately 2.1km west to the area of confluence of the third right un-named tributary (Creek #3) with Kingsley Creek. The reason for such remote relocation was just logistic convenience. It was decided to bring the radar as far as possibly it will be needed, to leave the equipment overnight, and then gradually moving back. Thus, in case of power battery is discharged, it will be easy to bring the radar back to the camp, and recharge the battery.

So, Line #6 was conducted in N-S direction, crossing the Kingsley creek valley, with the purpose to investigate left bank of the creek, in the area near to confluence with the third un-named right tributary (Creek #3) . Interpretation of the radaro-gram of the Line #6 shows the similar pattern of the depositional distribution to previous cross-sections. Thus, the depth of bedrock's top is determined at the interval from 2 m to 2.7m. The thickness of overburden was defined in interval 1.5-2.0m, and it looks like the alluvial deposits were mostly replaced by colluvial deposits. This conclusion was based on field observation and creek benches testing conducted at the upper part of the Kingsley Creek valley. See Appendix 3, Figure 33.

Except to Line 6, two more GPR surveys were conducted in the area of confluence Creek#3 and Kingsley Creek.

Line 7 is a short, approximately 30m in length, GPR survey which was made as a testing of the GPR equipment. However, the interpretation of the survey shows interesting results, such as: the depth of the bedrock boundary is fluctuating significantly, from 2.5-3m at the point 5m of the line to the depth of 7.5m at the point of 25m. The possible presence of paleochannels was determined at the interval of points 10 to 30m. See Appendix 3, Figure 34.

Line 8 was intended to test alluvial fan area of the Creek #3. The results of the interpretation of GPR survey suggest significant variation of the depth of bedrock's top boundary, with possible location of the paleochannel incised up to 8m in the interval of 30 to 75m of the line. Surficial deposits were

defined as a combination of dominated overburden and less developed colluvial deposits, with combined thickness up to 2.5-3m. See Appendix 3, Figure 35.

Line 12 is located approximately 310m west of the line 6; as it was explained early the sequence of the lines numbers was change, due to logistic convenience, please see the "Detailed Map of GPR lines locations" (Enclosed in envelope).

The interpretation of the Line 12 GPR survey shows fairly common distribution of the surficial deposits, such as overburden and colluvial deposits with combined thickness around 2.5-2.8m. The depth of the top of bedrock is slightly fluctuated at 2.5-2.8m and obviously declined toward the valley slope. See Appendix 3, Figure 39.

Line 9 is located in the area of the fourth Un-Named Right Tributary (Fork Creek) , approximately 570m west of line 12. The line was oriented in N-S direction with the goal to test the left bank of the Kingsley Creek. The interpretation of the GPR survey shows the noticeable fluctuation of the bedrock boundary at the depth 2.3-7m, with possible location of paleohannel at the interval 5to 60m of the line's points. Surficial deposits comprise overburden and colluvial sediments with combined thickness 2.5-3m. See Appendix 3, Figure36.

Line 10 is extended by line 11, and both are set in the N-S orientation. They are located at the furthermost part of the prospecting lease, just 370m east of the Post#2. Here, the valley of the Creek became noticeably narrow, and the Kingsley Creek water stream looks twice smaller compare to it Right Un-Named Tributary (Fork Creek) . The total joint length of two lines is about 184m (97m and 87m).

Line 10 was conducted to test the area of the alluvial- colluvial fan of the Fork Creek (RNNT) and right bench of the Kingsley Creek. The interpretation of the survey of Line10 shows increased thickness of combined overburden and colluvial sediments at the range 2.5-4m. There are fairly thick sediments (up to 3m) of silt were observed at left bank of the Fork Creek, Figure 9 . Near the water level of the creek was identified poorly sorted, semi angular cobble and gravel sized sediments, infillled with coarse grained sand and some silt. Also, the interpretation of the survey shows the depth of bedrock at the interval 2.5-4m. See Appendix 3, Figure 37.

Line 11 is located at the left bank of the Kingsley Creek and intended to investigate the valley as extension of Line 10 in N-S direction. The interpretation of survey is demonstrating fairly standard combination of overburden and colluvial sediments. The depth of bedrock top surface is altering significantly from 2 to 3.5m. Colluvial sediments is declined at the northern end of the Line 11, where the slope of the valley is about to develop. See Appendix 3, Figure 38.

Line 12 was surveyed crossing the valley of the creek in N-S direction in the interval between Line6 (west of L6 about 310m) and Line 9 (east of L9 about 500m). The interpretation of the GPR survey demonstrates fairly standard setting of the depth of bedrock surface at the 2.8-3.5m, and combined thickness of overburden and colluvial deposits around 3.5m. See Appendix 3, Figure 39.

Lines 13 & 14 were positioned at the main N-S direction at the widest part of the Kingsley creek valley; the total length of the two lines is almost 200m. The interpretation of GPR survey of the Line 13 shows possible paleochannel at the interval 8-65m of the Line 13. The cumulative thickness of the overburden and colluvial deposit as it appears at the GPR diagram is about 2.8-3m. See Appendix 3, Figure 40.

Line 14 was conducted as an extension of the Line 13 to the North toward the northern slope of the creek's valley. The interpretation of GPR survey shows slightly reduced to previous line depth of the bedrock surface at approximately 2.5m, and reverently reduced thickness of the surficial deposits in the area nearly to the valley slope. Appendix 3, Figure 41.

Line 15 was conducted in W-E direction with the goal to test the area of the transition between upraised surface of the terrace and low level of the flood plain. The area of the transition was observed in the field as a gentle slope from plain landscape surface to lower level ground, with the difference in elevation approximately 0.7-1m. The results of the GPR survey interpretation shows fairly common depth of the bedrock's surface at 2.5m , with local interval incised up to 4m from 25m to 35m. There are alluvial sediments with thickness from 1.2 to 2m, with overburden sediments up to 1.2m at the top. See Appendix 3, Figure42.

5c) Results of geological field study, sampling and analysis.

The geological study was conducted during the field reconnaissance traverses with the main purpose to locate the most prominent places to conduct sampling. Preliminary interpretation of the air photos (1988, flight A-27325, photo 32-36, original scale 1:50,000) by using stereoscope shows fairly narrow creek valley with the width from 80m to 200m randomly. Most of plain surfaces locate at the left bank of the Kingsley Creek, and the slop of the right bank is fairly steep.

Field studies confirm the presumption of the nature of Kingsley Creek valley as a of narrow V-shape type valley.

There are also, defined several faults developed along the water channels of right-bank tributaries of Kingsley Creek. Intersection of the faults zones with main creek were selected as promising sampling points. However the testing of these points did not bring positive results. See enclosed photo map (ENCLOSED: PHOTO MAP, scale 1:21,000; MAP of sampling points , Kingsley Creek, scale 1:9,500) .

Thus, for instance the most remote right-bank tributary creek (Fork Creek) was incised in to thick Colluvial sediments, which did not look promising for testing. Except this, results of extensive erosion processes were observed close to the mouth of Fork creek. (Figure 9).

The sampling pits were digging by picks, shovels and striking bars. Sampling Pit#1 was started at the Line #3 at the point approximately 15m from the point "0" the L ine#3. There is a diagram of surficial stratigraphic sequence of sediments observed in the Pit#1 (Figure 10). The top of the permafrost was reached at the depth ~ 0.9m. The sampling pits were digging by picks, shovels and striking bars. Sampling Pit#1 was started at the Line #3 at the point approximately 15m from the point "0" the

L ine#3. There is a diagram of surficial stratigraphic sequence of sediments observed in the Pit#1. The top of the permafrost was reached at the depth ~ 0.9m.

Figure 9. Left bank of the right un-named tributary of Kingsley Creek (Fork Creek) near the confluence.

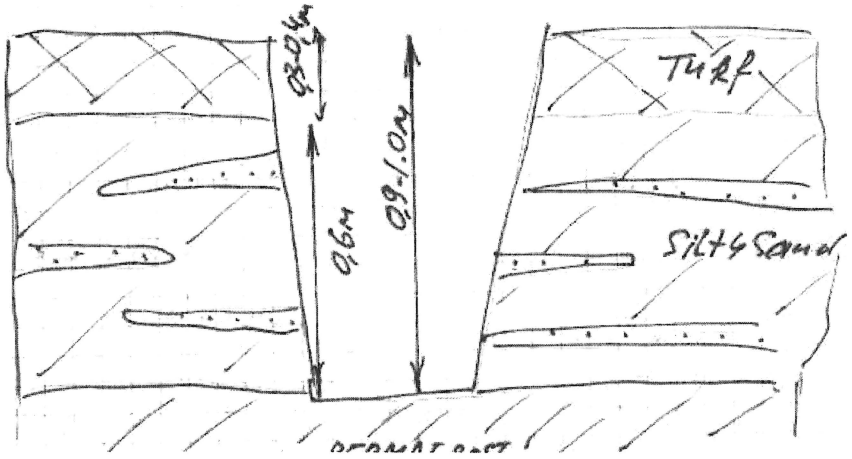


Figure 10. Surficial deposits observed at the testing Pit 1, permafrost surface is located at the depth 0.9-1m.

The digging of the pit was stopped due to inability to dig through permafrost. There is an approximately 0.3-0.4m thickness of a bed of the organic rich turf overlaying the sediments of silty sand interbedded with lenses of fine grained sands, with thickness approximately 0.6m. Then, at the depth approximately 0.9m the top of the frozen permafrost zone was reached, hard as a concrete, essentially build by the same light beige silty sands. The black muck zone is the source of ground water, which was the reason of quick flooding in the sampling pit. All attempts to dig through the permafrost with handle tools were unsuccessful,(Figure 11).

There are two more testing pits were started in the limits of the Lines 1 to 3. However, the bedrock was not reached, because of the permafrost was discovered in each testing pit at the depth 0.8-1m. It was practically impossible to dig through permafrost by using hand tools, also considering an intensive flooding the pits by ground water. Locations of the in completed testing pits are presented at the Table 2, Appendix1. The dug pits were reclaimed (Figure 12). The described testing pits demonstrate the similar stratigraphy; there were observed from the top to the bottom: moss, turf, muddy soil with plants remnants, zone of interlaying silt, sand and soil, and finally the top surface of silty sand, which is hard as concrete. Thus, the energetic strike by hand tools as a pick or bar could cheep out only 2-3 sq.cm of the formation.

Figure 11. The testing Pit 1 at the Line #3 was stopped at top of permafrost zone.

Attempts to find the mechanical hummer jack in the Dawson area did not get to any results. Two more sampling pits were started in the proximity of the Line 2 by using the hand tools, but they were stopped at the depth of 0.8-0.9m.

It was decided to conduct sampling of the selected prospective places in the nearest proximity to water channel of the creek, where the permafrost was partially melted. These places were selected at the points close to bedrocks outcrops, creek's rapids, and alluvium deposits at the creek bends.

Figure 12. Reclamation of the testing pits was done.

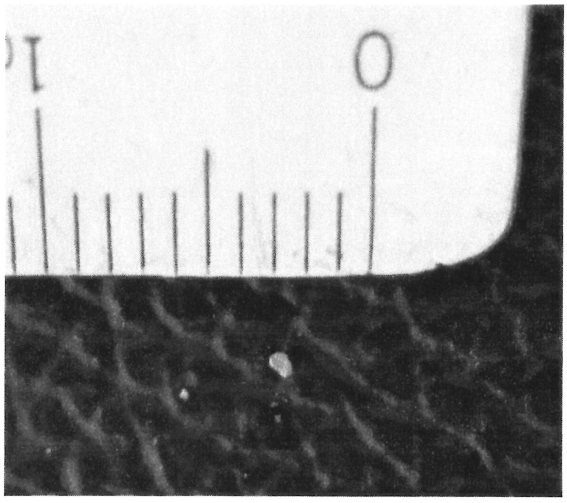
Most of the samples were collected at interval downstream of the Creek #2 to the staking Post#1. The decision of sampling this interval was made due to presumption of higher potential of the presence of economical gold deposit (concentrations) in the alluvial sediments compare to mostly colluvial sediments at the upper part of the stream, (MAP of sampling points , Kingsley Creek, scale 1:9,500) .

The sampling was performed by cleaning and opening the walls of the water channel by hand tools. Then the alluvial gravel was panned, (See Figure 13) . Each sampling location was tested by 2 or 4 times by prospecting pan, mostly by taking the samples from lowest possible interval of the potential gold-bearing zone, in close proximity to bedrocks. Usually this sediments looks like combination of well rounded gavel and cobbles infilled by highly oxidized rusty coarse grained sand. The black sand concentrate received was analyzed with hand lens.

However, only two locations of the sampling brought the results. Two *colors* were obtained at the sampling point near bedrock outcrop at the lower part of Kingsley Creek valley at the sampling point "Test 32m), Figure 14a. See, Appendix 1,Table 4, locations of the sampling points. One color was retrieved at the sampling point just downstream of the Line#3, from the alluvial bench accumulation at the creek's curve ("Test Creek1a") Figure 14 .

Sampling was performed by using the 15' prospecting pan. The field observations propose the following scheme of the sediments distribution along the Kingsley Creek valley.

Figure13. The Alluvial sediments are observed at the lover part of Kingsley Creek valley.



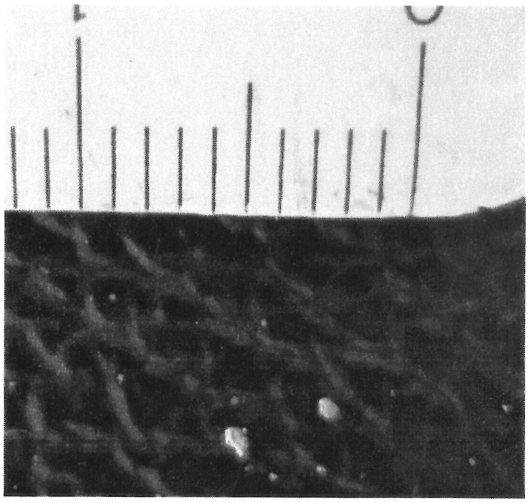


Figure 14. Gold speck obtained at sampling point "Test Creek1a" (N63 24.492,W138 48.990).

Figure 14a. Two gold specks obtained at sampling point "Test 32m" (N63 24.590, W138 47.635).

Figure 15. Sampling by using 15" prospecting pan.

Thus, the upper part of the Creek valley mainly consists of the Colluvial sediments, which are described different in size poorly sorted, semi angular in shape, gravel and cobble sizes sediments, infilled by coarse grained sands (~15%) with some silt, Figure 16.

Figure 16. Colluvial sediments. Sampling point at the upper part of Kingsley Creek valley.

Alluvial sediments were observed at the lower part of the Kingsley Creek, at the interval downstream of the Creek#2. The alluvial deposits consist of semi-rounded and moderately sorted gravel and cobble sizes material with cement of coarse grains brownish in color sand, locally oxidated.

Thus, it was decided to pay more attention for the lower part of creek, and concentrate sampling efforts at the area downstream of the Creek#2. Sampling of the upper part of the creek (upstream of the Creek#2 up to the Fork Creek was sporadic.

The locations of sampling points are presented at the Appendix 1, Table 4, The sampling points along the water channel were selected and samples were taking by digging the small sampling tranches or pits in the walls of the water channel. The samples were taking out of the deepest possible part of water channel walls. The locations of the sampling points were selected at the places where the bedrock's outcrops and large sizes of bedrock's fragments were found, or creek rapids were observed. Some examples of the sampling points presented at the Figures 13, 16, 17.

Figure 17. Sampling point at the lower part of Kingsley Creek valey.

6. RESULTS and CONCLUSIONS.

The results of the 2015 summer field works conducted at the Kingsley Creek Valley are summarized below.

GPR surveys show distribution of surficial deposits, depth to the top of bedrocks, several promising targets defined as a "paleo channels". Testing was not accomplished completely and presented only by limited information in regards to the potential of this Creek's valley. However, the data gathered allow conducting the preliminary assessment of the potential of the Prospecting Lease at Kingsley Creek, and calculating the Inferred Resources of the probable gold placer deposit.

We are assumed the CIM definition made for the Inferred Resources: "*Inferred Mineral Resource is that part of a mineral resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be of limited or uncertain quality and reliability*". (CIM Definition Standards. November 22, 2005, #4)

For calculations purpose the "blocks method" was used and several assumptions were accepted.

a). First of all, the volume of the potential gold bearing sediments has to be calculated. We are assumed that the potential gold bearing gravel associated with Alluvial sediments distributed along the Kingsley Creek valley mainly at the interval downstream of the Creek's #2 mouth to the east boundary of the Prospecting Lease (Post#1). The interval is extended approximately to 2.2km (2200m). (See Figure 18, Photo Map Enclosed)

b) The cross sections of GPR surveys of Lines1,2,3 (N-S orientation) and Line 15(W-E orientation) suggest the presence of potential gold bearing gravel at the depth interval from 1.6-1.8m to 2.5-3m. For the estimation purpose this segment of the Kingsley Creek valley was subdivided in three blocks, See Figure 18 .

The lengths of the GPR surveys Lines 1, 2, 3 and combined length of the Lines 13&14 are assumed as boundaries of the blocks and primary data for calculation. See Figure 15, and Table 1 below.

Table 1. Lengths and average alluvial sediments thicknesses used in calculations.

Line,#,#	Average thickness	Length
Line1	1.2m	110m
Line 2	1	90m
Line3	1.2	115m
Line 15	1.1	n/a
Line13&14 *	n/a	200m

(* the widest part of the valley located east of the Lines 13&14; for estimation purpose the summarized length of the Lines 13&14 was accepted).

c) Calculations of the areas and results for each block are presented below.

Block#1 : (200m+115m)/2 x 905m= 142,537 sq.m

Block#2 : (115m+90m)/2 x 786m= 80,565 sq.m

Block#3 : (90m+110m)/2 x547m= 54700 sq.m

d) Calculations of the volume of the potential gold bearing gravel are shown below. For this purpose the data received by interpretation GPR surveys were used. An average thickness of the Alluviual sediments were calculated and accepted for estimation. .

Block#1, average thickness =1.15m, The volume = 163,918 cub.m (1.15m x 142.537sq.m= 163,918 cub.m)

Block#2, average thickness =1.1m, The volume = 88,621 cub.m (1.1m x 80,565 sq.m= 88,621 cub.m)

Block#3, average thickness =1.1m, The volume = 60,170 cub.m (1.1m x 54,700 sq.m= 60,170 cub.m)

The total volume of three estimated blocks is equal to 312,709 cub.m (163,918 cub.m+ 88,621 cub.m+60,170cub.m)

e) The only gold values were obtained from samplings received from the points: "Test Creek1a"- 1 "color" and "Test 32m"- 2 "colors". The author understands the insufficiency of the obtained data, but there are not other data available at the present time. So, this data are used in the calculations with definitely high level of assumption and great precaution.

The 15" prospecting pan was used for the sampling (Figure !5). The volume of this pan is calculated approximately as 7.08 liters, which is equal to 1/141 part of the cubic meter. According to diagram "Yukon Placer Gold Scale" designed for rough visual estimate of the weight of small gold grains" at the card of Yukon Geological Survey, one grain of the gold is equal to 2mg, and there is assumed that two grains will be equal to 3mg at least.

Thus, the potential grade of the gold per cubic meter could be calculated as:

0.002g (2mg) x 141=0.282g/ cub.m;

or in case of two gold grains: 0.003g (3mg) x 141= 0.423g/cub.m.

f) Based on above presented results the Inferred Resources of the potential gold placer deposit could be estimated.

Grade 0.282g/ cub.m or 0.423g/cub.m) x Volume(312,709 cub.m)= 88,183g (132,276g). This is approximately 88.2kg to 132.2 kg of the gold, or about 2,835 oz to 4,253 oz.

Disclaimer: These calculations were made for illustration purpose, based on interpretation of GPR surveys, field observations and limited sampling data and need to be verified by further substantial research.

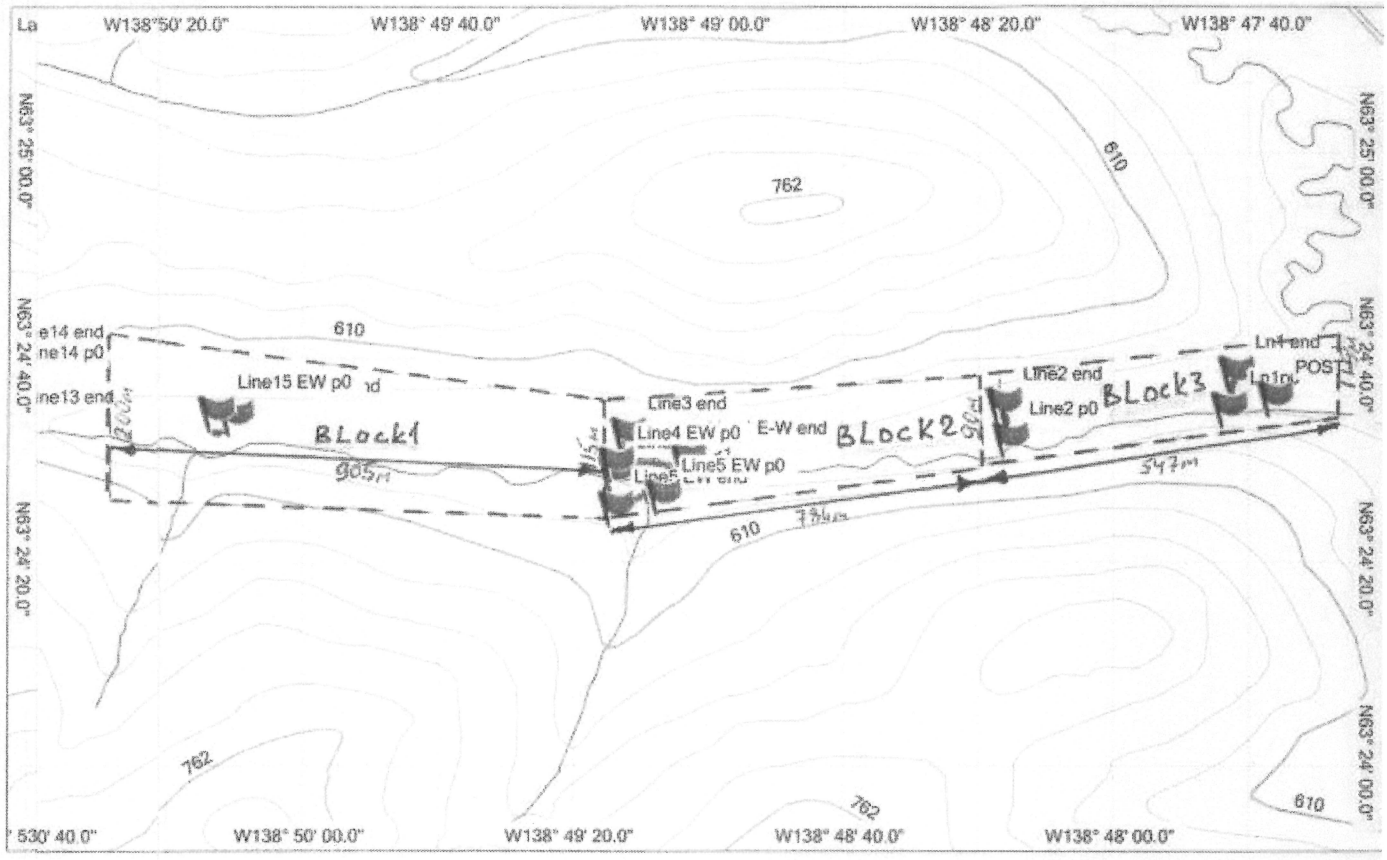


Figure 18. Lower part of Kingsley Creek Valley; Blocks1,2,3.

7. RECOMMENDATIONS.

Follow up works should be designed for obtaining more representative samples. Several testing pit should be excavated at the lower part of the Kingsley Creek Valley at limits of Blocks1, 2, 3.see Figure 15. The prospective targets such paleo channels have to be tested in first priority, see the Table 2 below. It is recommended to engage mechanical equipment for example at least 5 tonn excavator and sluicing box. Preparation works have to be done before sampling program including the stripping of the moss, vegetation and soil at the testing points by sizes 3x3m minimum. These places have to be left for couple months with the purpose of melting and softening the permafrost. These works should reduce the difficulties to dig the testing pits. It is highly recommended to devote time and efforts for development of simple access trail suitable for ATV.

Table 2 Locations of possible paleo channels.

GPR surveys ##	Line's Interval , m	Depth to bedrock	Target
Line 1	10 to 55m	7m	possible paleo channel
Line 4	60 to 75m	3.5m	fault zone,
Line 5	100 to 120m	~4.5m	possible paleo channel
Line 7	10 to 30m	7.5m	possible paleo channel
Line 8	30 to 75m	7.5m	possible paleo channel
Line 13	8 to 65m	7m	possible paleo channel

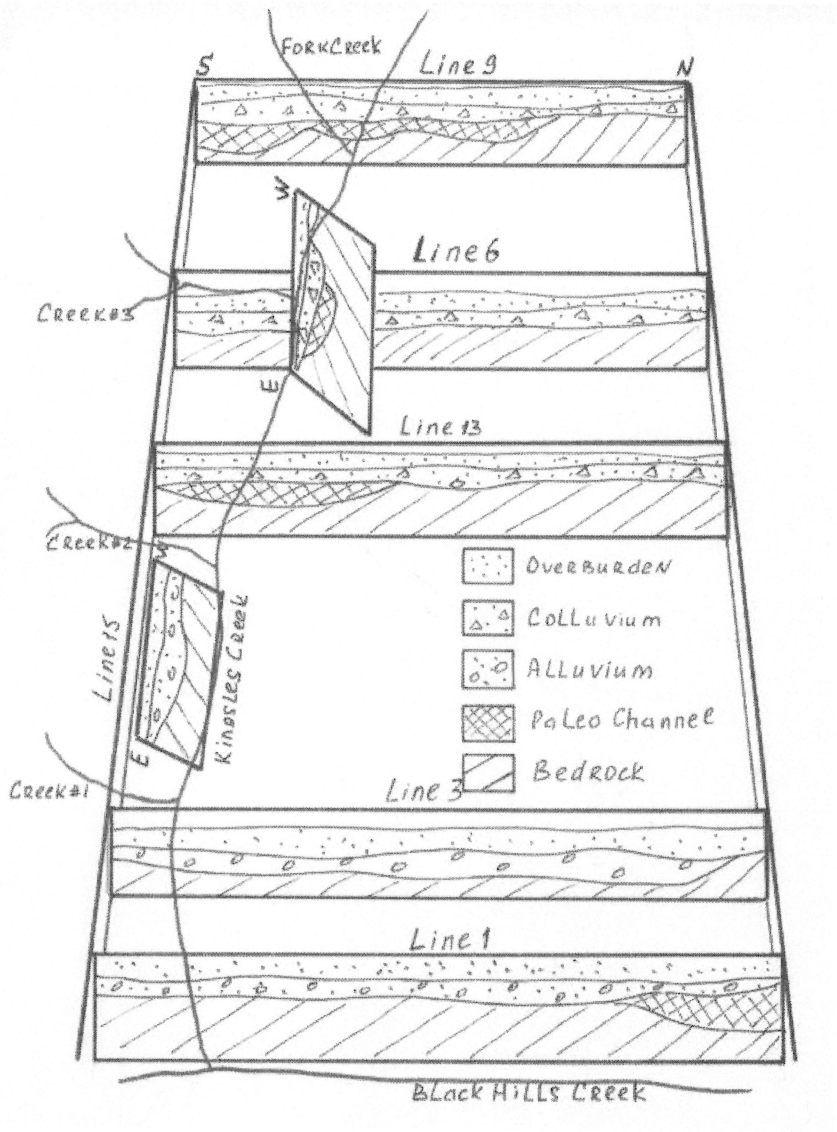


Figure 19. Diagram of the selected GPR surveys of the Kingsley Creek Valley.

Appendix 1.

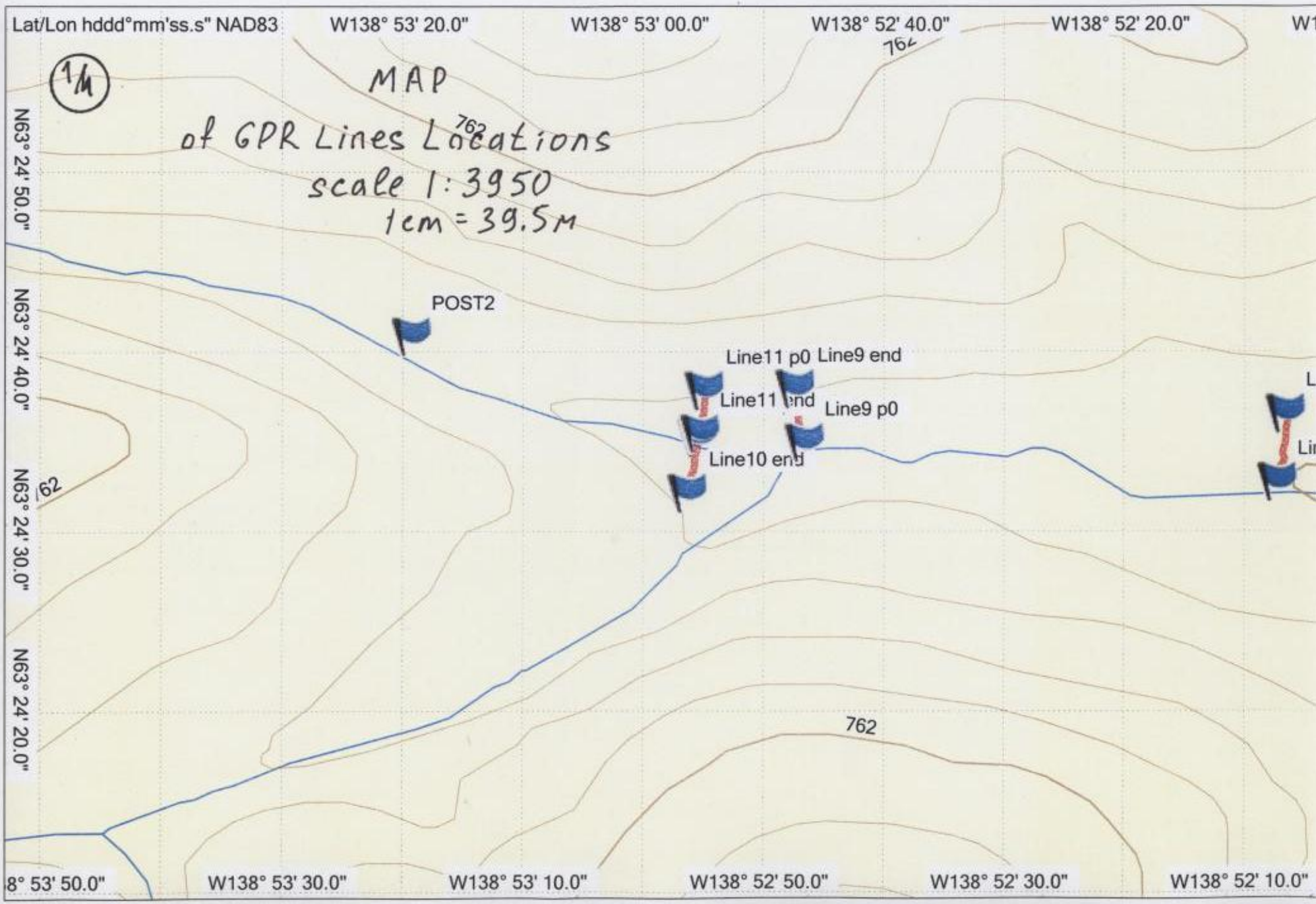
Table 3. Coordinates of the GPR lines.

	Lines##	North	West	Elevation	Azimut	Distance straight m
1	Ln1p0	63° 24' 34.9"	138° 47' 42.8"	524m		109m
	Ln1 end	63° 24' 38.4"	138° 47' 42.0"	537m		
2	Line2 p0	63° 24' 31.9"	138° 48' 15.4"	544 m		106m
	Line2 end	63° 24' 35.3"	138° 48' 16.3"	551 m		
3	Line3 p0	63° 24' 28.6"	138° 49' 13.4"	552m	Az 348	118m
	Line3 end	63° 24' 32.4"	138° 49' 11.9"	561m		
4	Line4 EW p0	63° 24' 29.5"	138° 49' 13.4"	561m	Az 60	145m
	Line4 EW end	63° 24' 30.0"	138° 49' 03.0"	554m		
5	Line5 EW p0	63° 24' 26.3"	138° 49' 06.8"	561m	Az 47	104m
	Line5 EW end	63° 24' 25.2"	138° 49' 13.8"	566m		
6	Line6 p0	63° 24' 33.3"	138° 51' 43.3"	612m	Az 65	186m
	Line6 end	63° 24' 39.3"	138° 51' 42.5"	637m		
7	Line7 test p0	63° 24' 32.2"	138° 51' 44.3"	616m	Az 242	25m
	Line7 test end	63° 24' 32.5"	138° 51' 46.0"	615m		
8	Line 8EW p0	63° 24' 31.4"	138° 51' 44.5"	622m	Az240	146m
	Line 8EW end	63° 24' 30.9"	138° 51' 55.0"	618m		
9	Line 9 p0	63° 24' 34.9"	138° 52' 46.7"	639m	Az 331	96m
	Line 9 end	63° 24' 37.9"	138° 52' 47.3"	651m		
10	Line 10 p0	63° 24' 35.2"	138° 52' 55.5"	643m	Az 344	97m
	Line 10 end	63° 24' 32.1"	138° 52' 56.3"	643m		
11	Line 11 p0	63° 24' 37.8"	138° 52' 54.9"	648m	Az 65	180m total 97m&87m
	Line 11 end	63° 24' 35.4"	138° 52' 55.4"	639m		
12	Line 12 p0	63° 24' 36.5"	138° 52' 06.6"	627m	Az 219	123m
	Line 12 end	63° 24' 32.7"	138° 52' 07.3"	622m		
13	Line 13 p0	63° 24' 37.8"	138° 50' 45.1"	605m	Az153	137m
	Line 13 end	63° 24' 33.1"	138° 50' 44.5"	590m		
14	Line 14 p0	63° 24' 37.5"	138° 50' 44.6"	605m	Az 138	66m
	Line 14 end	63° 24' 39.5"	138° 50' 46.1"	608m		
15	Line 15 EW p0	63° 24' 34.5"	138° 50' 12.5"	582 m	Az 235	41m
	Line 15 EW end	63° 24' 34.1"	138° 50' 09.7"	583m		
						Total: 1679m

Table 4. Locations of the sampling points.

	Name	Elevation	Coordinates	Sampling results
1	Test at Fork	643 m	N63 24.560 W138 52.887	"black sands"
2	Test Creek 3	610 m	N63 24.538 W138 51.876	"black sands"
3	Test Creek2-3	596 m	N63 24.553 W138 50.858	"black sands"
4	Test Creek2	575 m	N63 24.517 W138 50.012	"black sands"
5	Test Creek1-2	554 m	N63 24.492 W138 49.374	"black sands"
6	Pit 1	562 m	N63 24.485 W138 49.220	permafrost at depth ~1m
7	Test Creek1	557 m	N63 24.449 W138 49.127	"black sands"
8	Test Creek1a	551 m	N63 24.492 W138 48.990	1 "color" & "black sands"
9	Test Creek1b	549 m	N63 24.482 W138 48.887	"black sands"
10	Test Creek1c	546 m	N63 24.484 W138 48.825	"black sands"
11	Pit2	557m	N63 24.529 W138 48.774	permafrost at depth ~0.8m
12	Pit 3	545m	N63 24.525 W138 48.583	permafrost at depth ~0.8m
13	Test 607m*	537 m	N63 24.505 W138 48.299	"black sands"
14	Test 438m*	527 m	N63 24.533 W138 48.104	"black sands"
15	Test 388m*	517 m	N63 24.562 W138 48.064	"black sands"
16	Test 237m*	523 m	N63 24.574 W138 47.878	"black sands"
17	Test 59m*	520 m	N63 24.591 W138 47.668	"black sands"
18	Test 32m *	515m	N63 24.590 W138 47.635	2 "colors"& "black sands"

*- "test 32m"- this sampling point is located 32m west of the Post#1, and "Test 607m" is located 607m of the Post#1, etc.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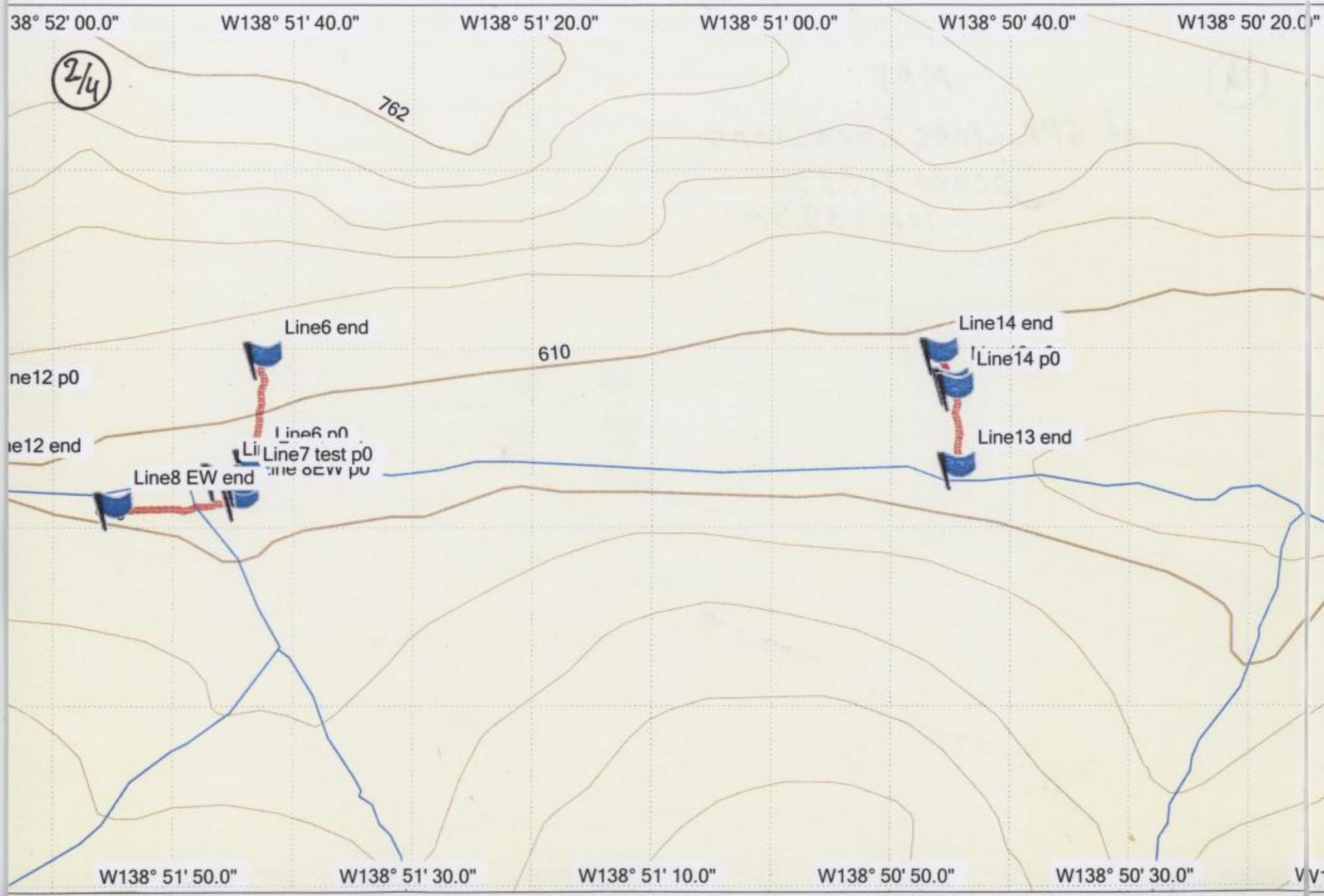
W138° 53' 00.0"
W138° 52' 40.0"
W138° 52' 20.0"
1/1
MAP
of GPR Lines Locations
scale 1:3950
1cm = 39.5M
762
N63° 24' 50.0"
N63° 24' 40.0"
N63° 24' 30.0"
N63° 24' 20.0"
POST2
Line11 p0
Line9 end
Line11 end
Line9 p0
Line10 end
762
W138° 53' 50.0"
W138° 53' 30.0"
W138° 53' 10.0"
W138° 52' 50.0"
W138° 52' 30.0"
W138° 52' 10.0"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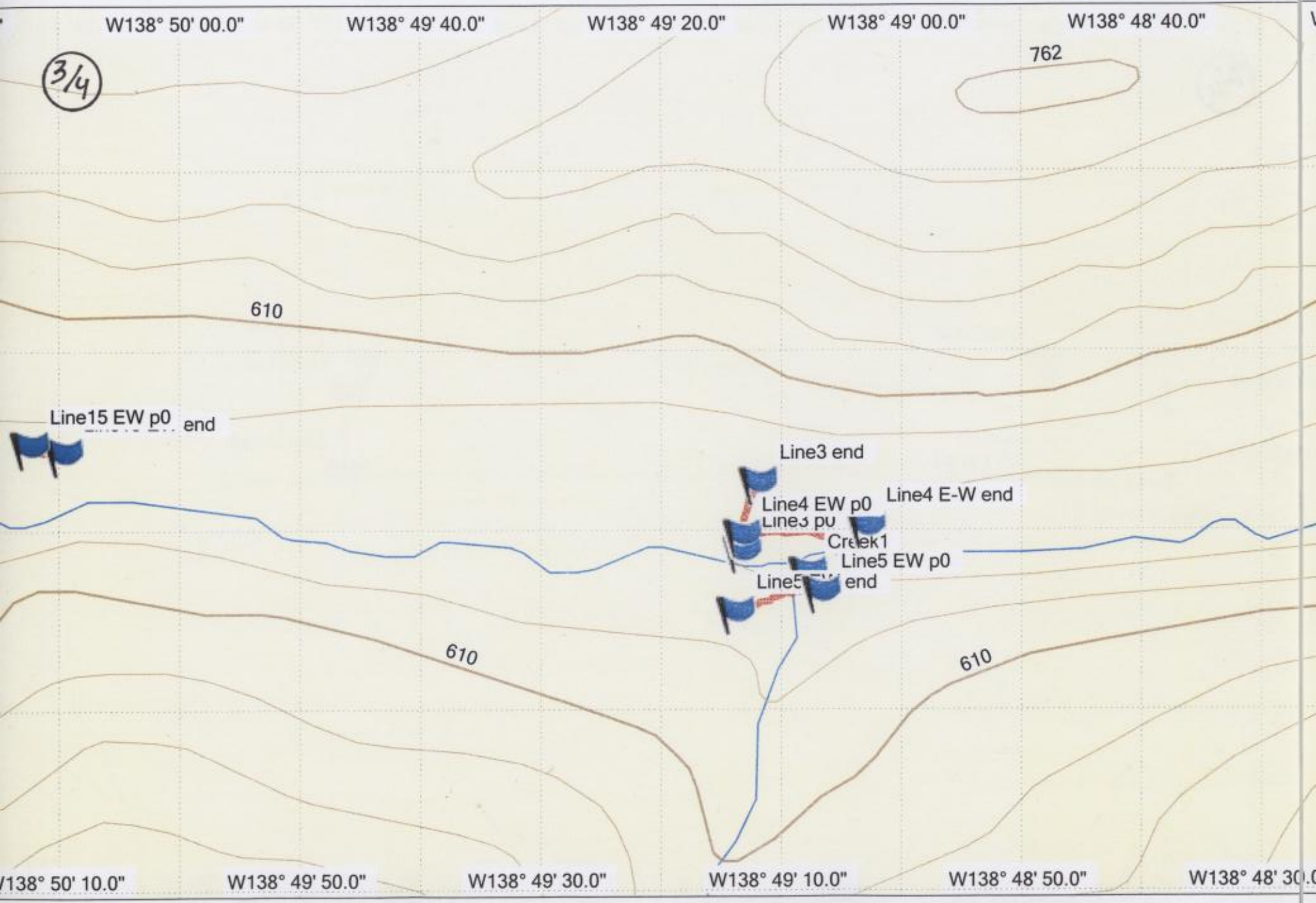
W138° 51' 40.0"
W138° 51' 20.0"
W138° 51' 00.0"
W138° 50' 40.0"
W138° 50' 20.0"
2/4
762
610
Line6 end
Line14 end
Line14 p0
ne12 p0
Line6 p0
Line7 test p0
Line13 end
Line8 EW end
W138° 51' 50.0"
W138° 51' 30.0"
W138° 51' 10.0"
W138° 50' 50.0"
W138° 50' 30.0"


W138° 50' 00.0"
W138° 49' 40.0"
W138° 49' 20.0"
W138° 49' 00.0"
W138° 48' 40.0"
3/4
762
610
Line15 EW p0
end
Line3 end
Line4 EW p0
Line4 E-W end
Creek1
Line5 EW p0
end
610
610
W138° 50' 10.0"
W138° 49' 50.0"
W138° 49' 30.0"
W138° 49' 10.0"
W138° 48' 50.0"

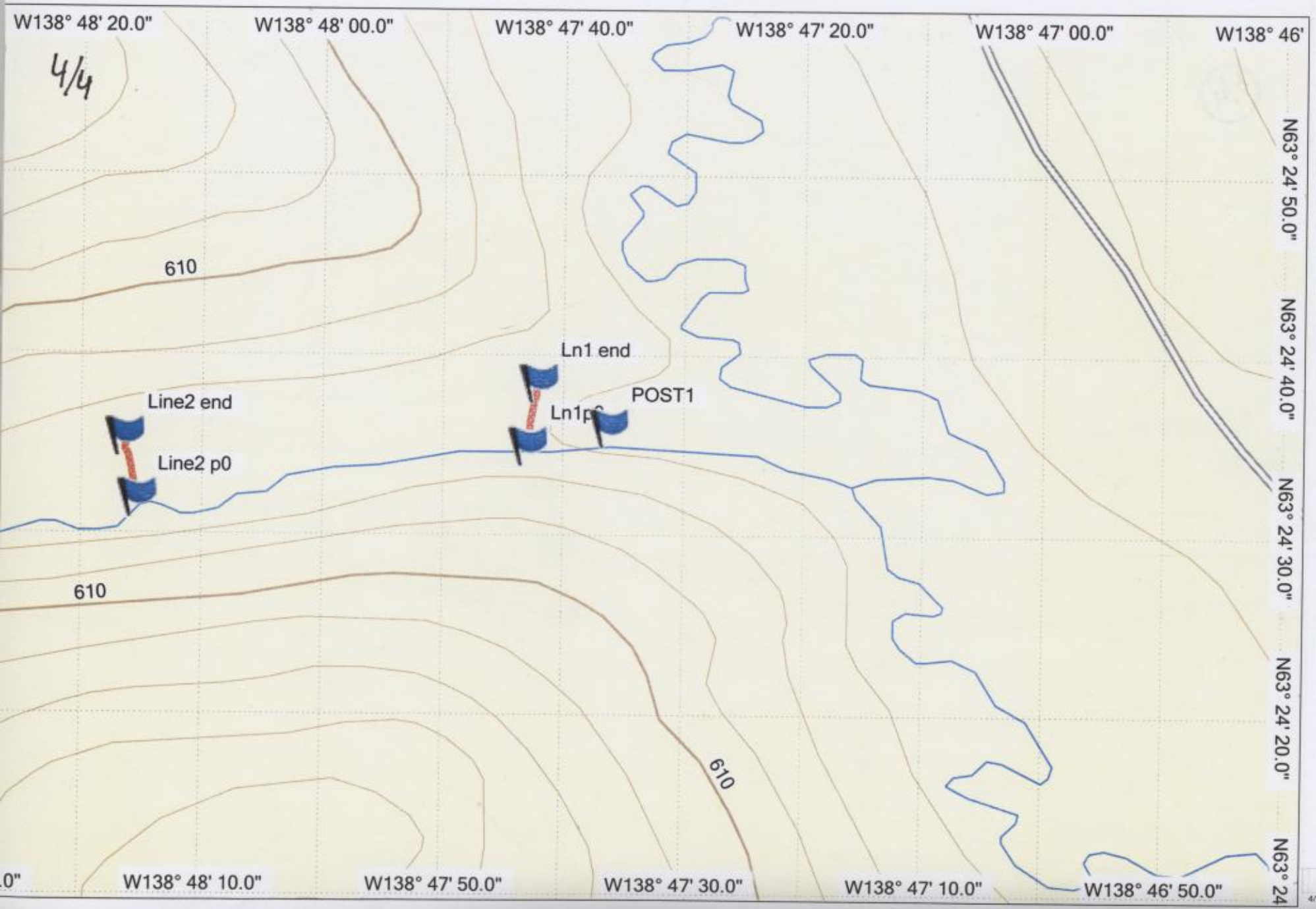
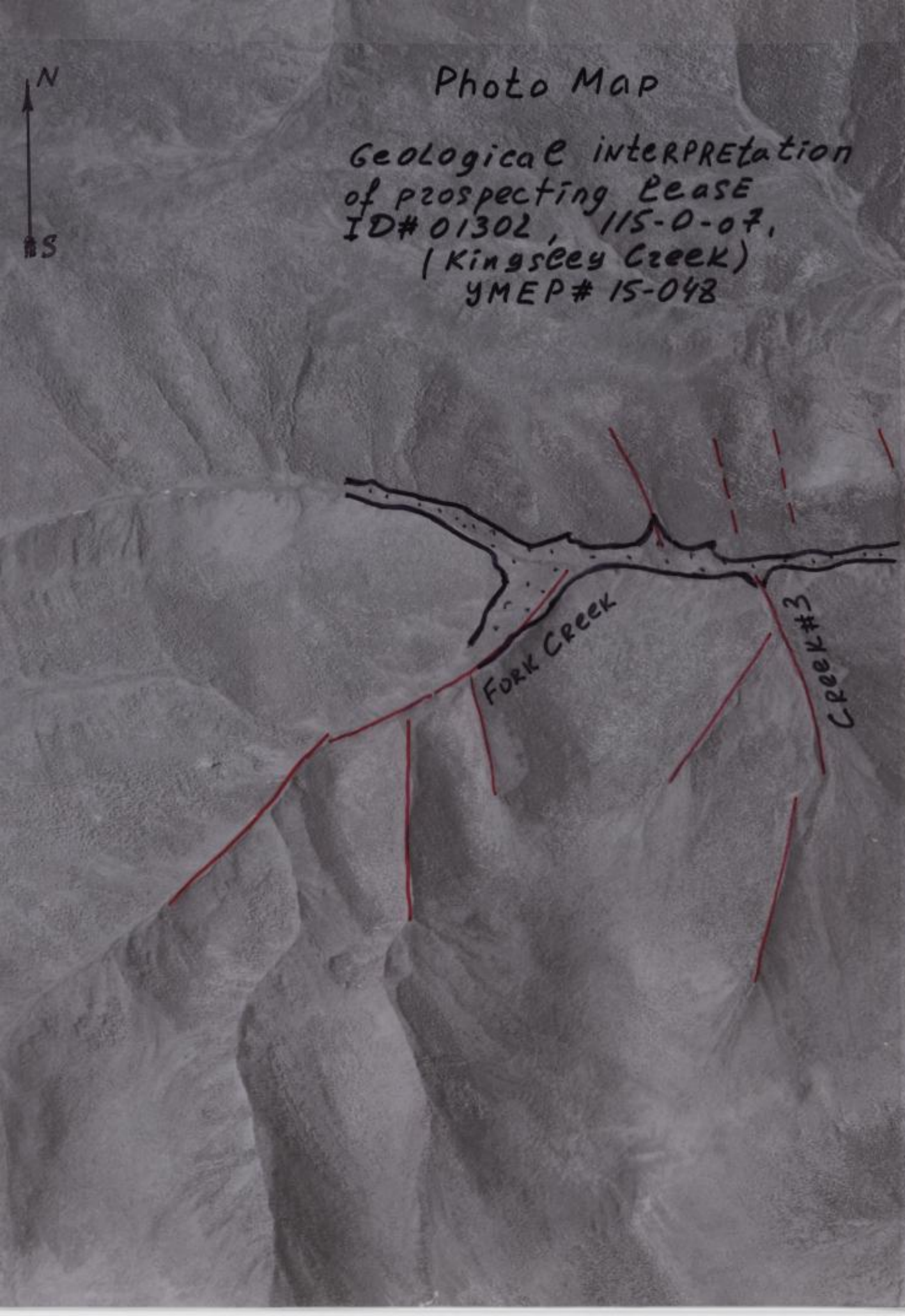
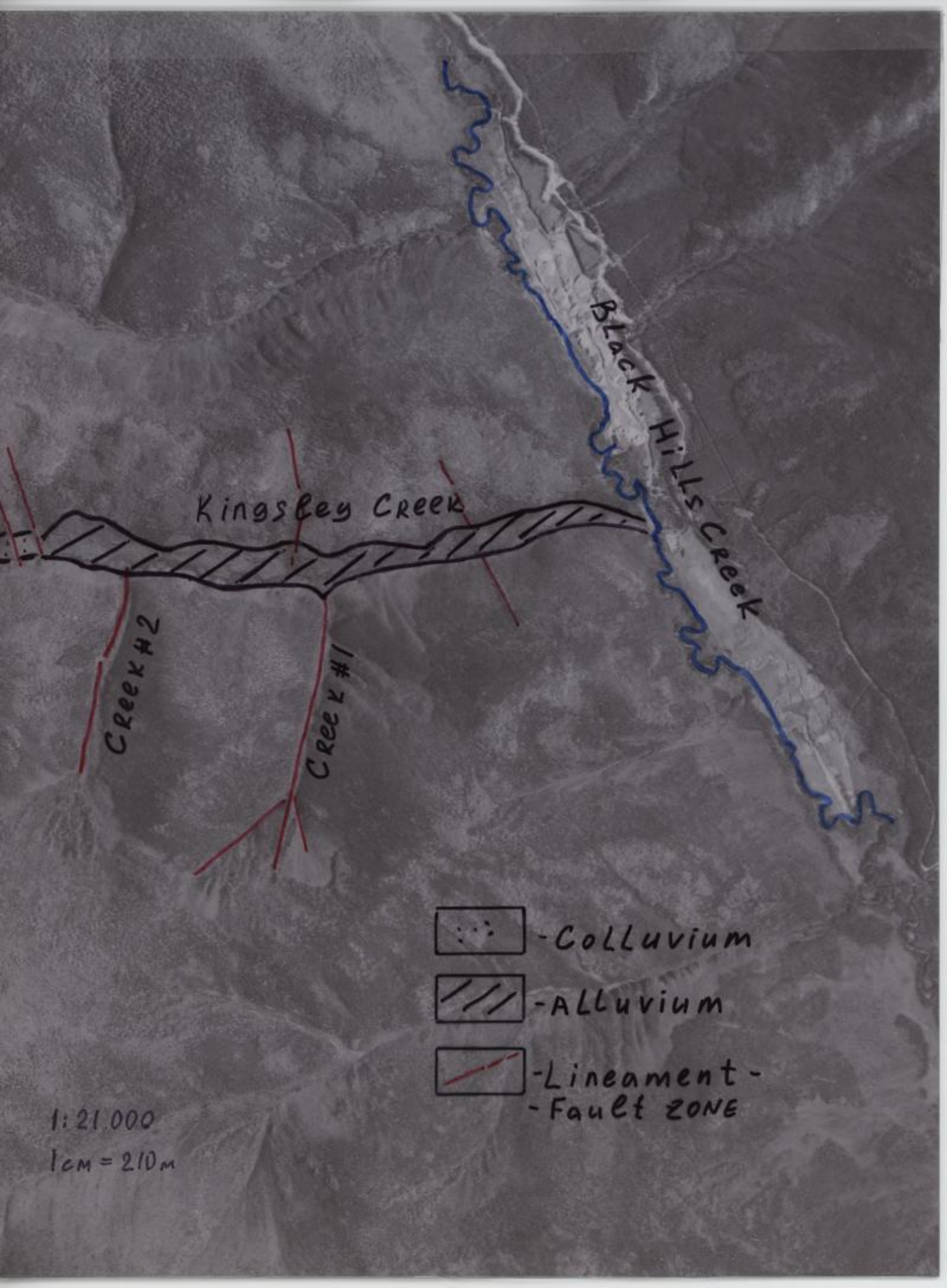
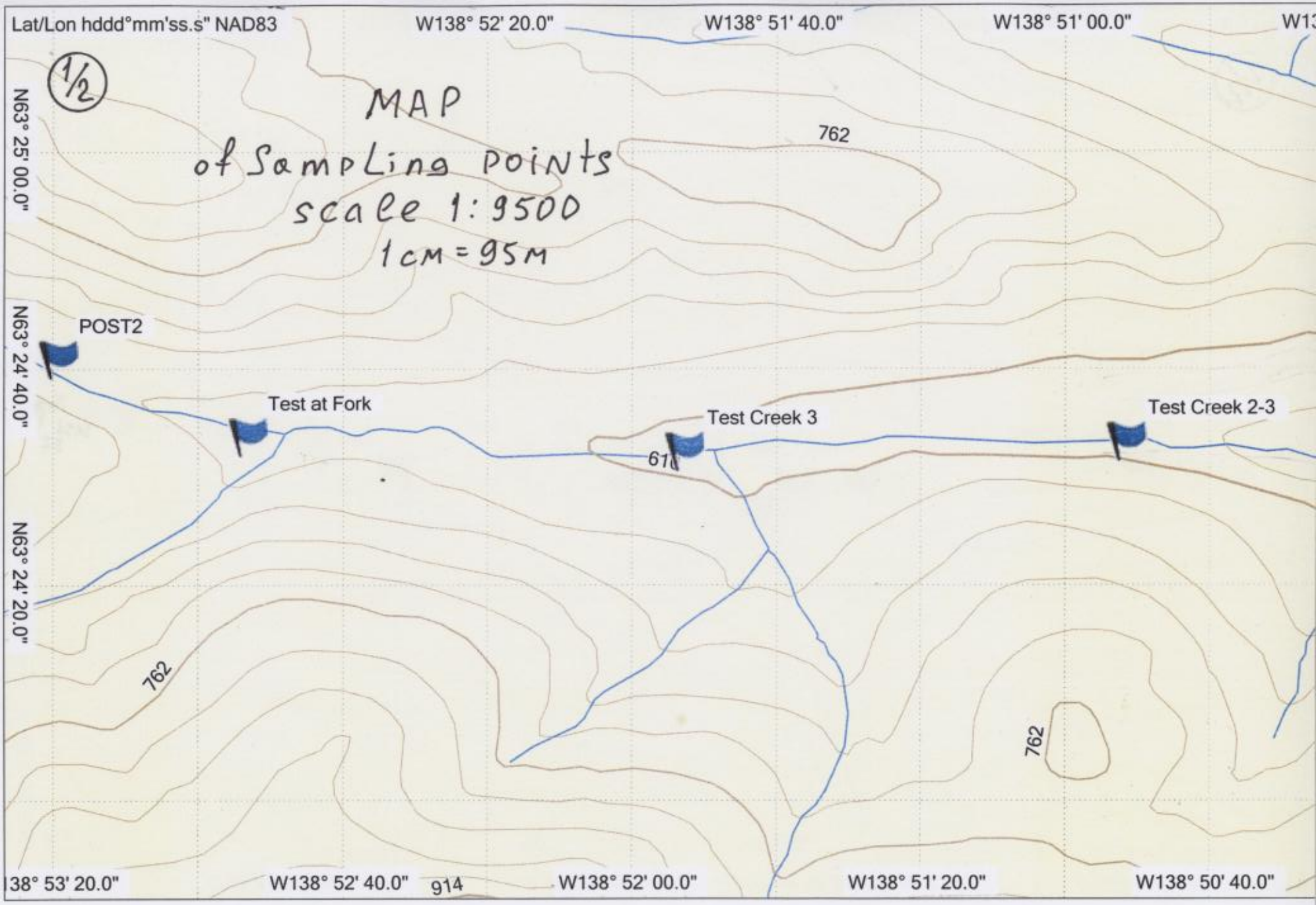

4/4
W138° 48' 20.0"
W138° 48' 00.0"
W138° 47' 40.0"
W138° 47' 20.0"
W138° 47' 00.0"
W138° 46'
N63° 24' 50.0"
N63° 24' 40.0"
N63° 24' 30.0"
N63° 24' 20.0"
610
610
610
Ln1 end
POST1
Ln1p0
Line2 end
Line2 p0
W138° 48' 10.0"
W138° 47' 50.0"
W138° 47' 30.0"
W138° 47' 10.0"
W138° 46' 50.0"

Photo Map

Geological interpretation of prospecting lease ID# 01302, 115-0-07, (Kingsley Creek) YMEP# 15-048




Black Hills Creek
Kingsley Creek
Creek #2
Creek #1
-Colluvium
-Alluvium
-Lineament-
-Fault zone
1:21,000
1cm = 210m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W138° 51' 40.0"
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1/2
MAP
of Sampling points
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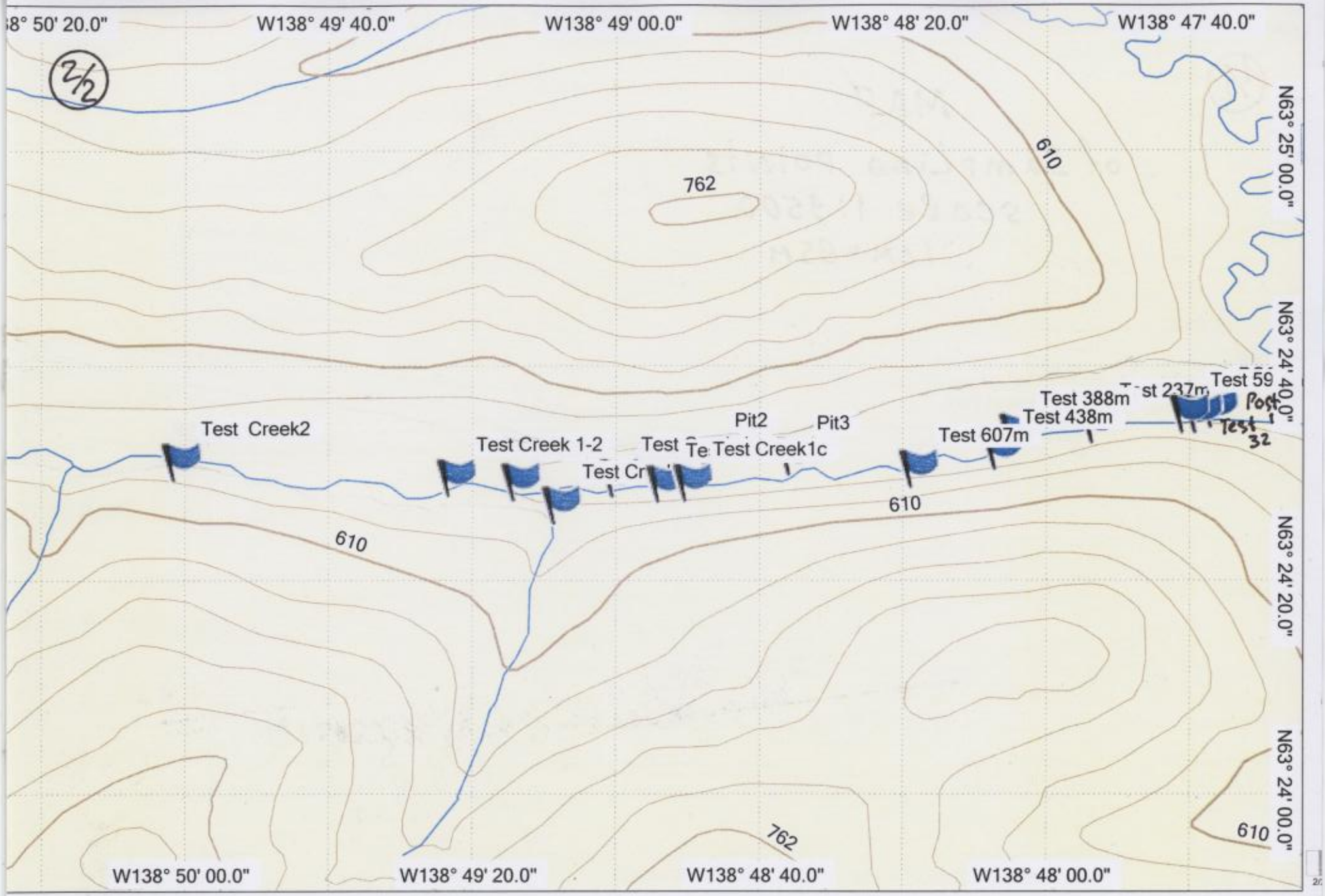
1cm=95m
N63° 25' 00.0"
N63° 24' 40.0"
N63° 24' 20.0"
762
POST2
Test at Fork
Test Creek 3
Test Creek 2-3
762
762
38° 53' 20.0"
W138° 52' 40.0"
914
W138° 52' 00.0"
W138° 51' 20.0"
W138° 50' 40.0"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W138° 49' 40.0"
W138° 49' 00.0"
W138° 48' 20.0"
W138° 47' 40.0"
2/2
N63° 25' 00.0"
N63° 24' 40.0"
N63° 24' 20.0"
N63° 24' 00.0"
762
610
Test Creek2
Test Creek 1-2
Test Cr
Pit2
Pit3
Test Creek1c
Test 607m
Test 438m
Test 388m
Test 59
Post
Test 1
32
610
610
762
610
W138° 50' 00.0"
W138° 49' 20.0"
W138° 48' 40.0"
W138° 48' 00.0"