

YMEP Final Report for Rabbit Creek Placer Lease

For Work Completed in 2015

NTS Maps 115H03 & 115H04

Lease Owner: Adam Riley Gibson

Location: 61° 11' 6" N, -137° 58' 12" W

Whitehorse Mining District

Ruby Range, Yukon Territory

Casey Cardinal, Edward Long & Riley Gibson

1/31/2016

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Introduction

The Rabbit Creek placer project is located on an officially unnamed tributary of Larose Creek, which has been nicknamed “Rabbit Creek”. Larose Creek is a tributary to south-draining Fourth of July Creek, in the Ruby Range of southwestern Yukon. The lease is located approximately 50 km northwest of the community of Haines Junction, situated in the area between Kluane Lake and Aishihik Lake. This region has long been a target for hard rock and placer exploration, with ~25,000 oz of placer gold previously recovered from Fourth of July Creek alone. However, since the rush in this area began in 1903, subsequent exploration history is limited with only several recorded mineral occurrences. Work on the Rabbit Creek lease seeks to further evaluate placer potential within the depositional extent of the creek. Previous grassroots exploration in 2010 - 2014 on the DUN quartz claims (E. Charles Long) has sought to find the hard rock source of placer gold in the Fourth of July Creek drainage, and has gradually outlined the Rabbit Creek and Larose Creek drainage as the most geochemically anomalous in gold of the Fourth of July and Twelfth of July tributaries.

The main focus of work on the Rabbit Creek lease in 2015 was to build on encouraging results obtained from preliminary test sluicing completed on the creek in 2014. A 20-ton excavator was rented and walked to the property to dig 10 test pits. One hundred standard hand shovels of material from each hole were then run through a 12-foot Keene power sluice to test for placer potential. Concentrates from each hole were panned down and the gold recovered was weighed. In addition to the 10 test pits, 9 different locations on the Rabbit Creek lease as well as up Larose Creek from the confluence of the two creeks were tested using a simple hand panning method. One pan of material from the bottom of pits (also dug using the excavator) were panned out by hand, and the approximate amount of gold was estimated.

Location

The Rabbit Creek placer lease is located on an officially unnamed tributary of Larose Creek, which has been nicknamed “Rabbit Creek”. Larose Creek is a tributary to south-draining Fourth of July Creek, in the Ruby Range of southwestern Yukon. The lease is located approximately 50 km northwest of the community of Haines Junction, situated in the area between Kluane Lake and Aishihik Lake. The Rabbit Creek placer lease is centered on latitude 61° 11' 6" N and longitude - 137° 58' 12" W, in NTS Map Sheets 115H 03 and 115H 04.

Access

The Rabbit Creek placer lease can be accessed by following the Alaska Highway for 56 km northwest of Haines Junction, then traveling an additional 38 km by 4x4 along the Cultus Lake Road, east of Kluane Lake. There is 4x4 road access to the foot of the Rabbit Creek property from previous placer mining operations up Fourth of July and Twelfth of July Creeks (M. Jounay, T. Churchill). Alternative access is by helicopter, which is a ~50 km flight from Haines Junction.

Regional Geology

The region encompassing the placer lease is characterized by rocks of the Kluane Assemblage. The area in which the lease is situated consists of Kluane Schist (appears as a light to dark grey, fine-grained, quartz-muscovite schist, variably carbonaceous, and as a dark grey to black, fine-grained, quartz-biotite schist), and Eocene-aged Hayden Lake intrusive suite (a medium to coarse-grained salt and pepper, light and dark grey hornblende +/- biotite, diorite to quartz diorite). Thrust faulting is present a short distance to the north, marking the contact between the Kluane schist and orthogneiss / paragneiss which are late Cretaceous and older in age. Large-scale faults surround the property especially to the south, and range from northeast-northwest to east-west in orientation. The Paleocene Ruby Range Batholith extends north of the property on the northern margin of the gneiss.

Local Geology

The region south of Fourth of July creek is underlain with a light to dark grey, medium grained, quartz-muscovite schist, alternating into a dark grey to black, fine-grained, quartz-biotite schist. Several granitic dykes intrude the schist unit in the southern region of the claims. The alternating biotite/muscovite-rich schist has regions of intense shearing, several vuggy and limonitic with chlorite quartz veins and cross-cut foliation. The northern portion of Rabbit Creek is intruded by an Eocene-aged intrusive suite (the Hayden Lake suite), a medium to coarse-grained salt and pepper, light and dark grey hornblende +/- biotite, diorite to quartz diorite with common large garnets. Northwest and northeast-trending fault structures within the Kluane Schist are inferred, and are likely smaller parallel structures to nearby regional structures. However, these structures warrant further investigation. Structurally-controlled epithermal gold and arsenopyrite mineralization in quartz carbonate veins systems within the Kluane Schist (especially the biotite rich subunit) is the

most prominent mineralization found in the surrounding area. The relationship between the Hayden Lake Suite intrusion and local mineralization within Kluane biotite Schist remains unclear.

History

On July 4th, 1903, the first discovery claim in the area was staked by “Tagish” Charlie on Fourth of July Creek upon discovering gold. This initiated a large rush to the Kluane area which would last for several years to come. Tagish Charlie’s find in 1903 was the first payable placer gold found in the Kluane district. Tagish Charlie, together with George Carmack and Skookum Jim Mason, had discovered placer gold on Bonanza Creek in 1896 which started the Klondike Gold Rush. Ephemeral work (limited shafting) continued within the Fourth of July drainage until the early 1970’s, when Fourth of July and Twelfth of July Creeks were staked by Tom Churchill. Churchill mainly optioned the claims to other parties who mined a few stretches of Fourth of July and Twelfth of July during the 80’s and early 90’s, sometimes collecting as much as 1000 oz in one month (T. Churchill, personal communication). The presence of economical gold within both creeks is well known with over 25,000 oz recovered; however, its source was always debated. As mentioned, grassroots exploration geochemistry (heavy stream sediments and soils) completed on the DUN quartz claims from 2010-2014 indicate the Rabbit Creek drainage as the most highly anomalous tributary (Au in particular) within the Fourth of July catchment.

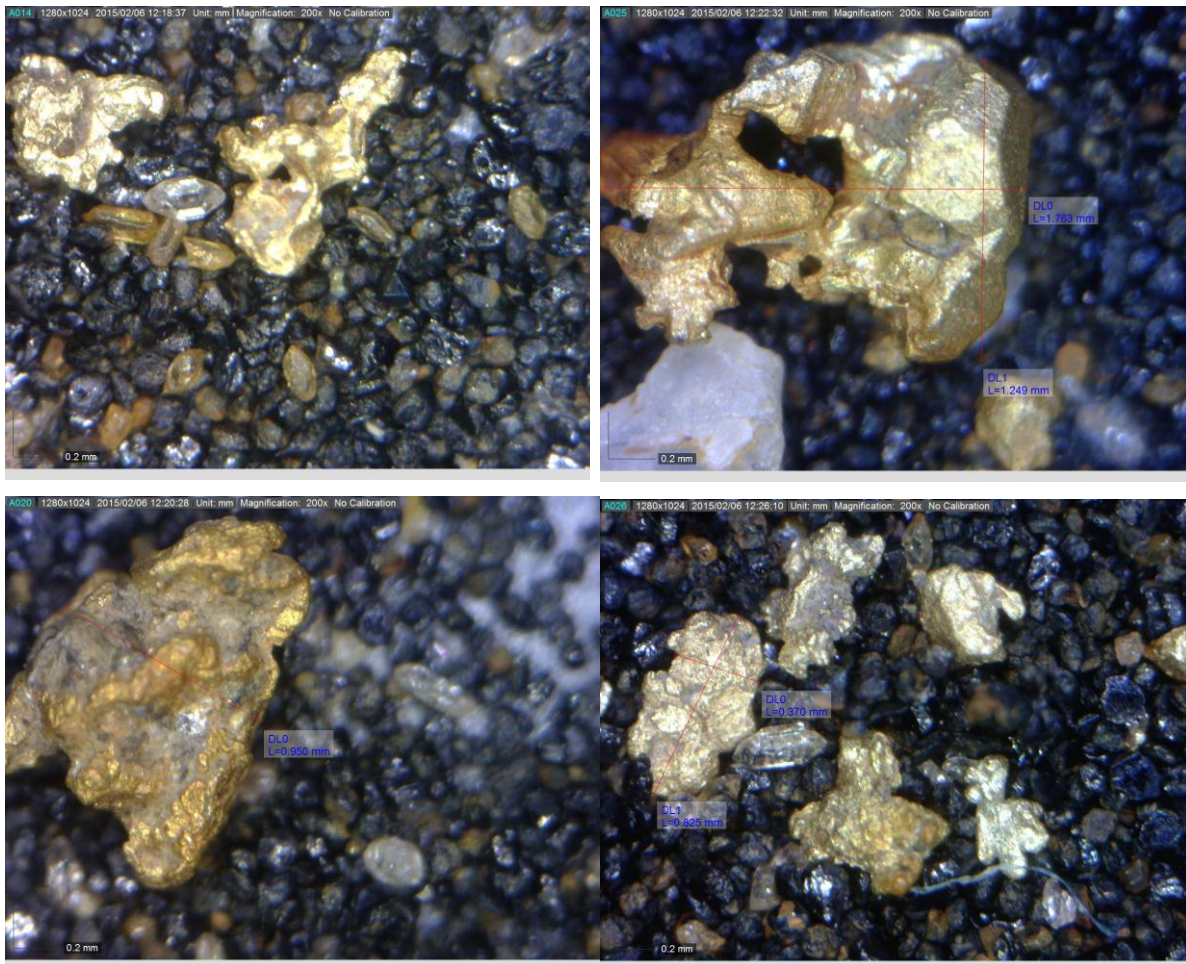
Past Field Work & Prospecting

The first indication of potential for placer within Rabbit Creek came during a 2013 regional stream sediment geochemical survey of the Fourth of July Creek tributaries, completed by All-In Exploration Solutions Inc. on the DUN property (E. Charles Long). A number of anomalous Au and As stream sediments were taken from the Larose Creek drainage, including one sample that ran 6506 ppb (6.5 g/t) from Rabbit Creek. In the spring of 2014, a 1-mile placer lease was staked by A.R. Gibson on Rabbit Creek. During the grassroots exploration program on the DUN property, a 4-foot Keene Power Sluice was hauled to the site of the 6506 ppb stream sediment sample. Test sluicing on Rabbit Creek revealed that the gravel at the test area is very boulder/cobble-rich and clast supported, with very little fine matrix material. The testing site was located 1 mile up Rabbit Creek (approximately halfway up the creek). Although ~4 yards of material were moved, it was at least 85% boulder and cobble over-sized material, therefore the true amount of interstitial material

actually sluiced was much less. Boulders were up to 1.5m x 1.5m in diameter and made hand sluicing of the test pit difficult. A small amount (1.4g) of very angular, coarse gold was recovered (small nuggets pictured in Figures 2-5); however, the successful recovery rate of the sluice is unknown. Given the large mean size of the gravel, the difficulty extracting sluiceable material and the debatable recovery rate of the testing sluice, the true grade of the limited test is unknown and likely higher than indicated during this preliminary test (0.35 g/yd). Despite this fact, it was extrapolated that the creek may potentially hold economic placer grades, particularly lower in the drainage in a large alluvial fan where the gravel is not as massive. The thickness of this alluvial fan is unknown; however, it is estimated to exceed 20 feet of pebble-cobble gravel.



Figure 1: 2014 Test sluicing site on Rabbit Creek after sluicing was completed (looking down from upslope). Footings on sluice are 4 feet long for scale.



Figures 2-5: Angular gold grains recovered from Rabbit Creek during test sluicing in 2014 (magnified 200x). Courtesy of Jeff Bond (YGS).

2015 Field Program & Findings

The main focus of work on the Rabbit Creek lease in 2015 was to build on encouraging results obtained from preliminary test sluicing completed on the creek in 2014. A 20-ton excavator was rented and transported via semi transport truck from Mendenhall Landing on the Alaska Highway to the Christmas Creek crossing on the Cultus Creek Road. The excavator was then ‘walked’ ~50km to the test site. One hundred standard hand shovels of material from each of 10 test pits (located on lower Rabbit Creek and on Larose Creek at the confluence of Rabbit Creek) were then run through a 12-foot Keene power sluice to test for placer potential. Concentrates from each hole were panned down and the gold recovered was weighed. In addition to the 10 test pits, 9 different locations on the Rabbit Creek lease as well as up Larose Creek from the confluence of the two creeks were tested. Samples from each test pit were also panned by hand in addition to being sluice tested. One pan of material from the bottom of pits (also dug using the excavator) were panned out by hand, and the approximate amount of gold recovered was estimated. Test pits were filled in upon

completion of the program, before the excavator was ‘walked’ out to the Cultus Creek turnoff and subsequently transported by truck back to Whitehorse.

A mobile, 6hp Keene Power Sluice with a 12-foot long, very high efficiency sluice box was used for testing materials recovered from the test pits (see Figure 9). This sluice is only capable of running 1 to 1.25 yds per hour; however, it has excellent fine gold recovery to give an accurate description of the true grade within the target areas. Material from the bottom of each pit (as far as the excavator could reach – approximately 20-25 feet, as bedrock could not be reached for any of the 11 pits) was piled next to the test sluice, where 100 standard hand shovels of this material were then fed through the sluice. Once finished, the sluice was cleaned thoroughly and the concentrate was collected. This concentrate was then panned down as much as possible and cleaned by hand, so that only the gold remained. The gold from each test pit was weighed to the nearest milligram, and values were recorded. Resulting grades from these tests are shown in Table 1. See Figure 6 for test pan locations, and test pit locations with their corresponding grades.

It is evident that the best grades for gold in sluiced material are located toward the bottom of Rabbit Creek, and on Larose Creek at the confluence of Rabbit Creek. The highest grade achieved was from TP15-4 with a grade of 0.4 g/yd, which is located near the confluence of Rabbit and Larose Creeks. Overall, test pans showed a considerable amount of colours, varying between 5 to 10 mg of gold per pan (depending on the depth and location of the sample). Test sluice pits were also panned, but due to time and weather restraints, some test pits could not be sluiced. Given the results from these tests, it is clear that the amount of placer gold in the test area is economically viable, and warrants further investigation as well as additional staking of open ground on Larose Creek.

Test Pit #	Easting	Northing	UTM Zone	mg gold/100 shovels (1/4 yd)	Grade (g/yd)
TP15-10	339190.9	6786120	8	22	0.088
TP15-9	339116.6	6786059	8	27	0.108
TP15-8	339141.1	6786044	8	51	0.204
TP15-7	339209.2	6785997	8	29	0.116
TP15-6	339073.3	6785954	8	91	0.364
TP15-5	338877.3	6785697	8	72	0.288
TP15-4	338816.6	6785628	8	100	0.4
TP15-3	338812.6	6785596	8	47	0.188
TP15-2	338806.1	6785562	8	63	0.252
TP15-1	338850	6785524	8	74	0.296

Table 1: Test pit locations with corresponding grades.



Figure 7: Excavating a test pit on Larose Creek.



Figure 8: Test pit – Pits on lower Rabbit Creek and on Larose Creek filled with groundwater between 10-15 ft.



Figure 9: Setting up the Power Sluice.

Expenditures

July 14 2015

	Total
5 Man MOB in to Rabbit Property @ \$400/day	\$ 2,000.00
2 Trucks 350 km @ 60 cents/km	\$ 420.00
2 Trailer	\$ 32.00
4 Quads \$40/quad	\$ 160.00
Daily field expenses \$100/day	\$ 500.00
Generator \$10/day	\$ 10.00

July 15 2015

5 man Camp Building Crew @ \$400/day	\$ 2,000.00
2 Truck	\$ 100.00
2 Trailer	\$ 32.00
4 Quads \$40/quad	\$ 160.00
Daily field expenses \$100/day	\$ 500.00
Generator \$10/day	\$ 10.00

July 16 2015

	Total
5 man Camp Building Crew @ \$400/day	\$ 2,000.00
2 Truck	\$ 100.00
2 Trailer	\$ 32.00
4 Quads \$40/quad	\$ 160.00
Daily field expenses \$100/day	\$ 500.00
Generator \$10/day	\$ 10.00

July 17 2015

	Total
5 man Highbanker Sampling Crew @ \$400/day	\$ 2,000.00
2 Truck	\$ 100.00
2 Trailer	\$ 32.00
4 Quads \$40/quad	\$ 160.00
Daily field expenses \$100/day	\$ 500.00
Generator \$10/day	\$ 10.00

July 18 2015

	Total
5 Man MOB out to Whitehorse @ \$400/day	\$ 2,000.00
2 Trucks 350 km @ 60 cents/km	\$ 420.00
2 Trailer	\$ 32.00
4 Quads \$40/quad	\$ 160.00
Daily field expenses \$100/day	\$ 500.00
Generator \$10/day	\$ 10.00

September 5 2015

	Total
5 man mob in to Rabbit Property @ \$400/day	\$ 2,000.00
2 Trucks 350 km @ 60 cents/km whse. To Rabbit	\$ 420.00
2 Trailer	\$ 32.00
4 Quads \$40/quad	\$ 160.00
Daily field expenses \$100/day	\$ 500.00
Generator \$10/day	\$ 10.00

September 6 2015

5 man mob in to Rabbit Property @ \$400/day	\$ 2,000.00
2 Trucks	\$ 100.00
2 Trailer	\$ 32.00
4 Quads \$40/quad	\$ 160.00
Daily field expenses \$100/day	\$ 500.00
Generator \$10/day	\$ 10.00

September 7 2015

5 man mob in to Rabbit Property/complete First Pits @ \$400/day	Total \$ 2,000.00
1 Truck 350 km @ 60 cents/km Rabbit to Whse.	\$ 210.00
1 Truck	\$ 50.00
1 Trailer	\$ 16.00
4 Quads \$40/quad	\$ 160.00
Daily field expenses \$100/day	\$ 500.00
Generator \$10/day	\$ 10.00

September 8 2015

2 man Test Pit Crew Rabbit Property @ \$400/day	Total \$ 800.00
1 Truck	\$ 50.00
2 Quads \$40/quad	\$ 80.00
Daily field expenses \$100/day	\$ 200.00
Generator \$10/day	\$ 10.00

September 9 2015

2 man Test Pit Crew Rabbit Property @ \$400/day	Total \$ 800.00
1 Truck	\$ 50.00
2 Quads \$40/quad	\$ 80.00
Daily field expenses \$100/day	\$ 200.00
Generator \$10/day	\$ 10.00

September 10 2015

3 man Test Pit Crew Rabbit Property @ \$400/day	Total \$ 1,200.00
1 Truck	\$ 50.00
2 Quads \$40/quad	\$ 80.00
Daily field expenses \$100/day	\$ 300.00
Generator \$10/day	\$ 10.00

September 11 2015

3 man Test Pit Crew Rabbit Property @ \$400/day	Total \$ 1,200.00
1 Truck	\$ 50.00
2 Quads \$40/quad	\$ 80.00
Daily field expenses \$100/day	\$ 300.00
Generator \$10/day	\$ 10.00

September 12 2015

3 man Test Pit Crew Rabbit Property @ \$400/day	Total \$ 1,200.00
1 Truck	\$ 50.00
2 Quads \$40/quad	\$ 80.00
Daily field expenses \$100/day	\$ 300.00
Generator \$10/day	\$ 10.00

September 13 2015**3 man Mob to Whse.**

1 Truck 350 km @ 60 cents/km
2 Quads \$40/quad
Daily field expenses \$100/day
Generator \$10/day

Total

\$ 1,200.00
\$ 210.00
\$ 80.00
\$ 300.00
\$ 10.00

September 15 2015**5 man Whse. To Rabbit**

1 Truck 350 km @ 60 cents/km
2 Quads \$40/quad
Daily field expenses \$100/day
Generator \$10/day

Total

\$ 2,000.00
\$ 210.00
\$ 80.00
\$ 300.00
\$ 10.00

September 16 2015**5 man Test Pit Crew Rabbit Property @ \$400/day**

1 Truck
2 Quads \$40/quad
Daily field expenses \$100/day
Generator \$10/day

Total

\$ 2,000.00
\$ 50.00
\$ 80.00
\$ 300.00
\$ 10.00

September 17 2015**5 man Test Pit Crew Rabbit Property @ \$400/day**

1 Truck
2 Quads \$40/quad
Daily field expenses \$100/day
Generator \$10/day

Total

\$ 2,000.00
\$ 50.00
\$ 80.00
\$ 300.00
\$ 10.00

September 18 2015**5 man Mob to Whse.**

1 Truck 350 km @ 60 cents/km
2 Quads \$40/quad
Daily field expenses \$100/day
Generator \$10/day

Total

\$ 2,000.00
\$ 210.00
\$ 80.00
\$ 300.00
\$ 10.00

September 23 2015**3 man Whse. To Rabbit**

1 Truck 350 km @ 60 cents/km
2 Quads \$40/quad
Daily field expenses \$100/day
Generator \$10/day

Total

\$ 1,200.00
\$ 210.00
\$ 80.00
\$ 300.00
\$ 10.00

September 24 2015**3 man Test Pit Crew Rabbit Property @ \$400/day**

1 Truck
2 Quads \$40/quad
Daily field expenses \$100/day
Generator \$10/day

Total

\$ 1,200.00
\$ 50.00
\$ 80.00
\$ 300.00
\$ 10.00

September 25 2015**3 man Test Pit Crew Rabbit Property @ \$400/day**

1 Truck		Total	
2 Quads \$40/quad		\$	1,200.00
Daily field expenses \$100/day		\$	50.00
Generator \$10/day		\$	80.00
		\$	300.00
		\$	10.00

September 26 2015**3 man Test Pit Crew Rabbit Property @ \$400/day**

1 Truck		Total	
2 Quads \$40/quad		\$	1,200.00
Daily field expenses \$100/day		\$	50.00
Generator \$10/day		\$	80.00
		\$	300.00
		\$	10.00

September 27 2015**2 man Mob to Whse.**

1 Truck 350 km @ 60 cents/km		Total	
2 Quads \$40/quad		\$	800.00
Daily field expenses \$100/day		\$	210.00
Generator \$10/day		\$	80.00
		\$	200.00
		\$	10.00

October 1 2015**3 man Whse. To Rabbit**

1 Truck 350 km @ 60 cents/km		Total	
2 Quads \$40/quad		\$	1,200.00
Daily field expenses \$100/day		\$	210.00
Generator \$10/day		\$	80.00
		\$	300.00
		\$	10.00

October 2 2015**3 man Test Pit Crew Rabbit Property @ \$400/day**

1 Truck		Total	
2 Quads \$40/quad		\$	1,200.00
Daily field expenses \$100/day		\$	50.00
Generator \$10/day		\$	80.00
		\$	300.00
		\$	10.00

October 3 2015**3 man Mob to Whse.**

1 Truck 350 km @ 60 cents/km		Total	
2 Quads \$40/quad		\$	1,200.00
Daily field expenses \$100/day		\$	210.00
Generator \$10/day		\$	80.00
		\$	300.00
		\$	10.00

Fuel - Diesel for excavator	\$	2,088.46
Excavator rental	\$	15,750.00
Excavator mob-in and demob	\$	1,554.00
	\$	1,165.50
	\$	236.25
Assesment Report Cost	\$	3,000.00

TOTAL \$ 79,654.21

Conclusion & Recommendations

Past geochemical sampling completed by All-In Exploration Solutions Inc. on the DUN claims outlined the Rabbit Creek and Larose Creek drainage as highly anomalous in gold, and warranted a follow-up limited sluice test for placer potential as well as the staking of a 1-mile placer lease up Rabbit Creek. It is evident that the best grades for gold in sluiced material are located toward the bottom of Rabbit Creek, and on Larose Creek at the confluence of Rabbit Creek. The highest grade achieved was from TP15-4 with a grade of 0.4 g/yd, which is located near the confluence of Rabbit and Larose Creeks. Overall, test pans showed a considerable amount of colours, varying between 5 to 10 mg of gold per pan. Given the results of these tests, there is strong evidence that lower Rabbit Creek, as well as Larose Creek at the confluence of Rabbit Creek, hold potentially economic grades of placer gold.

Recommended Future Work on the Rabbit Creek Placer Project:

- 1) Staking two (2) placer claims on lower Rabbit Creek above existing claims on Larose Creek, and at least three (3) claims on Larose Creek directly upstream from the existing claims.
- 2) Construct a valley ditch/drain to de-water upper 10-15 ft. of sluicable gravel in order to properly test deeper, and collect bulk samples from each pit.
- 3) Dig numerous additional test pits using a larger sluice, and collect placer bulk samples from each to analyze grade.
- 4) Possibility to start a small placer operation on the new claims – Start Water License and Mining Land Use application process.

Statement of Qualifications

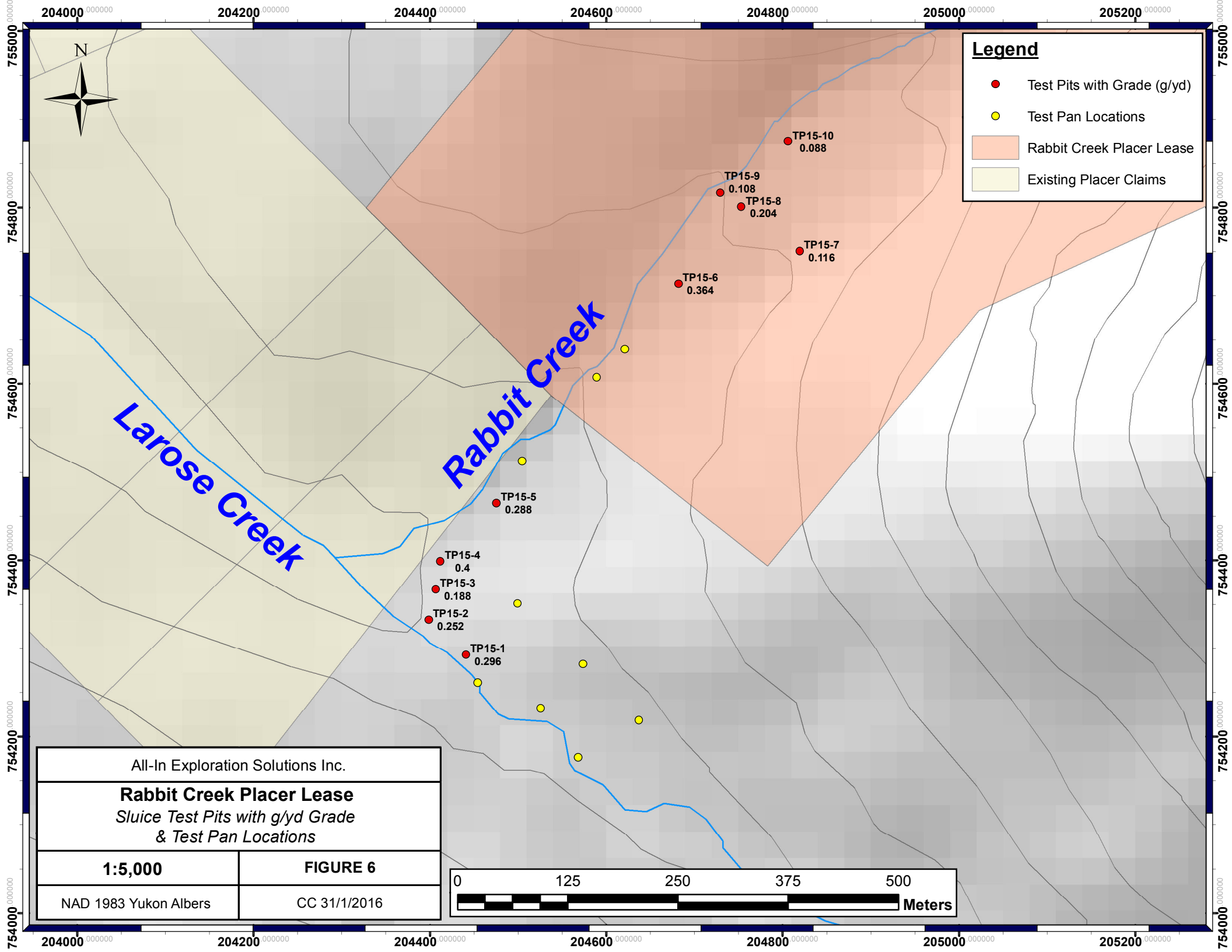
I, Adam Riley Gibson, Prospector, certify that:

- 1) I reside at 106 Titanium Way, Whitehorse, Yukon, Y1A 0E8.
- 2) I am Vice President, part owner of, and employed by All-In Exploration Solutions Inc. of Whitehorse, Yukon.
- 3) I graduated from The University of Lethbridge in Lethbridge, Alberta in 2012 with a Bachelor of Science Degree in Archaeology and Physical Geography.
- 4) I have spent a great deal of time prospecting and sampling on and around the property.

Dated this _____ day of _____ 2016, at Whitehorse, Yukon.

A.R. Gibson (Prospector)

Appendix A: Invoices



Pan #	Easting	Northing	UTM Zone
15-1	339015.5	6785877	8
15-2	338985.1	6785844	8
15-3	338904.5	6785746	8
15-4	338905.8	6785584	8
15-5	338864.5	6785492	8
15-6	338982.5	6785519	8
15-7	338937	6785466	8
15-8	339048.6	6785458	8
15-9	338981.6	6785413	8

Test Pit #	Easting	Northing	UTM Zone	mg gold/100 shovels (1/4 yd)	Grade (g/yd)
TP15-10	339190.9	6786120	8	22	0.088
TP15-9	339116.6	6786059	8	27	0.108
TP15-8	339141.1	6786044	8	51	0.204
TP15-7	339209.2	6785997	8	29	0.116
TP15-6	339073.3	6785954	8	91	0.364
TP15-5	338877.3	6785697	8	72	0.288
TP15-4	338816.6	6785628	8	100	0.4
TP15-3	338812.6	6785596	8	47	0.188
TP15-2	338806.1	6785562	8	63	0.252
TP15-1	338850	6785524	8	74	0.296