Yukon Mining Exploration Program 2016
Report on the

Gold Run Creek Placer Project

Target Evaluation 16-029

Gold Run 1-2: P44982-83
GR 6-7: P45560-62
GH 1-13: P48855-67
GH 14-17: P48915-18
GH 20: P517710
GRP 1-2: P517711-12
GH 21 P517717

NTS map Sheet 115 O/15
Dawson Mining District
63°47'N 138°48'W

April 5, 2017
By
Bill Harris

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1 Summary

The Gold Run Placer Project (the "Project") is located approximately 45 km southeast of Dawson City, Yukon. Gold Run Creek is a right limit tributary of Dominion Creek which it enters approximately four miles above its confluence with Sulphur Creek. The Project consists of 26 placer claims (GH 1-17, 20, 21 GR 5-7, GRP 1-2 and Gold Run 1-2), which cover approximately 2 miles of Gold Run Creek and cover property on a two left limit tributaries of Gold Run Creek. The Project commences approximately 8 miles above the confluence of Gold Run and Dominion Creeks. The centre of the property is at 63° 47' N latitude and 138° 48' W longitude, on NTS map sheet 115015.

Placer mining on Gold Run Creek since discovery of gold in 1898 has yielded close to 300,000 ounces of gold, of which ~70,000 ounces was mined by Yukon Gold Consolidated Company (YCGC) #6 dredge between 1911 and 1923. Of course, these are numbers of ounces reported to the Yukon Government, and local knowledge suggests many more ounces were recovered than were reported. The project claims are upstream from most of the significant mining on Gold Run Creek. Geophysical surveys, minor shafting and auger test holes to date indicated the presence of a very good exploration target. The excellent knowledge we gained from the successful GPR program on Gold Run during March 2017 will be very useful as we go forward. The extremely high values of 117 and 181 mg of recovered gold in two of the drill holes shows the possibility for a very high grade placer deposit. The 25 to 60 mg samples recovered away from the centre of the valley indicate that there could be a sufficient width of the pay channel to justify the excavation of a mining cut in the 60 foot deep area of Gold Run. The mag anomaly that parallels the main creek channel on the right limit is apparent for 1500 to 2000 feet. This mag anomaly could extend significantly further. The mag survey covered only a very small portion of the creeks.

The 2016-2017 program at Gold Run Creek included a Ground Penetrating Radar (GPR) Survey totaling 3.575 line km. This survey showed there are deep paleochannels under Gold Run Creek. They run under the present channel and along the right limit bank, separated by approximately 50 meters. The GPR paleochannels are in the same area as the magnetometer anomaly discovered in 2002.

Two new shafts (14 and 18 feet in depth) were dug entirely in black muck overburden, and no creek gravels were encountered. Attempts to locate and deepen existing shafts was not possible due to extensive frozen overflow covering the entire valley bottom.

Additional geophysical surveys, shafting, auger drilling and excavator trenching will help prove up the potential of the project, of which several large Klondike mining companies have expressed interest, once they see the additional results. A new, more modern magnetometer survey done over the area of the existing 2016 GPR survey will be very important in targeting 2017 and future drill holes. Aerial photography (UAV based) will also help define targets.

2 .Introduction

This report describes the field program carried out on Gold Run Creek in March of 2017. This report was prepared to satisfy requirements for the Yukon Mineral Exploration Program (YMEP) reporting. The work was carried out by Midnight Mining Services and Boris Logutov.

3 Project Description and Location

The Gold Run Placer Project (the "Project") is located approximately 45 km southeast of Dawson City, Yukon. Gold Run Creek is a right limit tributary of Dominion Creek which it enters approximately four miles above its confluence with Sulphur Creek. The Project consists of 26 placer claims (GH 1-17, GH 20-21, GR 5-7, GRP 1-2 and Gold Run 1-2), which cover approximately 2 miles of Gold Run Creek and cover property on two left limit tributary of Gold Run Creek. The Project commences approximately 8 miles above the confluence of Gold Run and Dominion Creeks.

All claims are owned by and registered to Bill Harris or are held in trust for him by stakers. All claims are located in the Dawson Mining District and in good standing. The centre of the property is at 63° 46' N latitude and 138° 44' W longitude, on NTS map sheet 115015. Claim data is presented in Table 1.

Claims6/22/17	Grant Number	No. of Claims	Registered owner	Recording Date	Expiry Date
Gold Run 1-2	P44982-83	2	Bill Harris	6/11/01	6/22/17
GR 5-7	P45560-62	3	Bill Harris	6/23/04	6/24/17
GH 1-13	P45561-48867	13	Bill Harris	7/6/07	7/9/17
GH 14-17	P48915-17	4	Bill Harris	7/12/07	7/13/17
GH 20	P517710	1	Group Ten Metals	6/6/16	6/8/17
GH 21	P417717	1	Andrew Robinson.	6/6/16	6/13/17
GRP 1	P517711	1	Bill Harris	6/6/16	6/8/17
GRP 2	P517712	1	Midnight Mining Services	6/6/16	6/8/17

The Yukon Government has settled land claims with First Nations in the area, Tr'ondek Hweich'in. Figure 1 shows the general location of the project as well as the location of settlement lands closest to the Gold Run property.

A regional claim map is shown in Figure 2, and the detailed claim map in Figure 3. Additional claims are currently being staked, and are shown on Figure 3. The work proposed in this program can be conducted under a Yukon Government Class 1 Placer Mining Land Use permit. A Class IV Placer Mining Land Use permit and Water Licence are in the process of being applied for to allow larger, more extensive work programs and allow future mining on the property.

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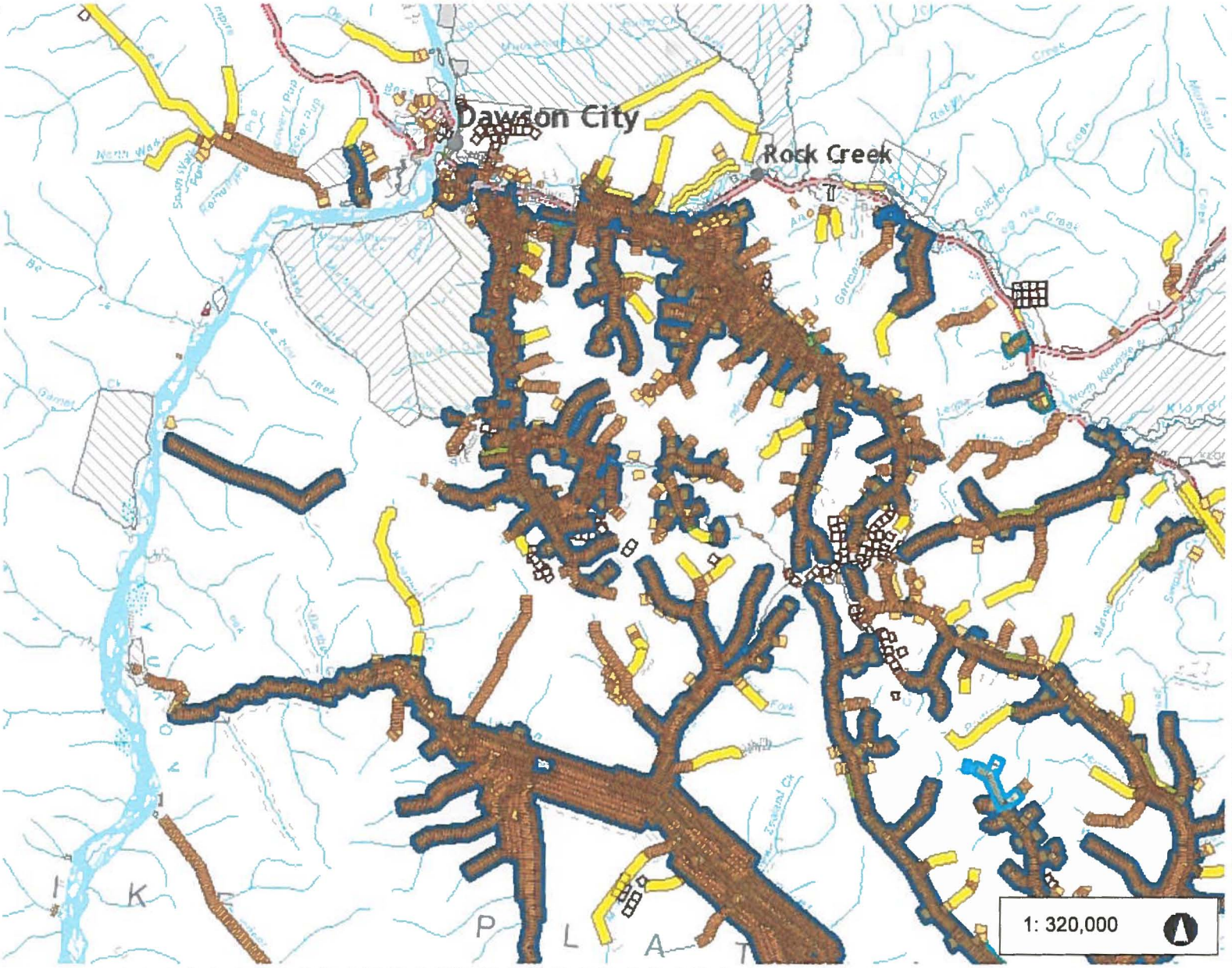
Figure 1 Location Map



Legend

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- Prospecting Leases
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Notes

Blue outlines claims in Gold Ru reek Property

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Yukon Albers

Produced from: Yukon Mining Viewer

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

Date Printed: 31-Mar-2017

Yukon
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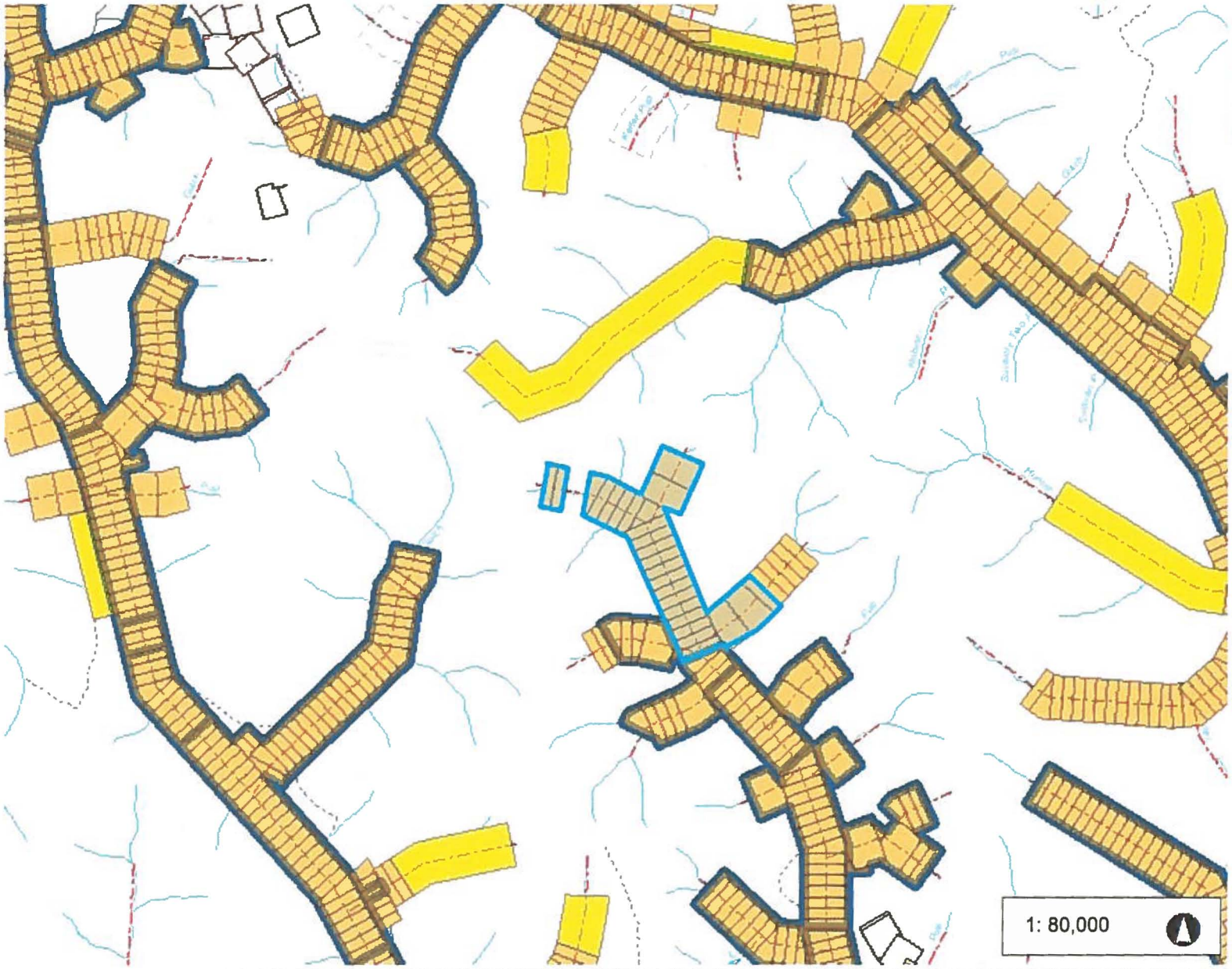
Figure 2: Regional Claim Map



Legend

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  - Expired
- Prospecting Leases
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  - Expired
- Adjoin Placer
- Placer Mining Land Use Permi
  - Class 3
  - Class 4
- Placer Baselines (50K)
- Placer Baselines (surveyed)
- Coal Exploration License
  - Active and Pending
  - Expired
- Coal Mining Lease
  - Active and Pending
  - Expired
- Surveyed Mineral Claims
- Settlement Lands (Surveyed)
  - A: Surface and Subsurface Rights
  - B: Surface Rights
  - FS: Fee Simple
  - 4.1.1 Retained Reserve
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  - A: Surface and Subsurface Rights
  - B: Surface Rights

Notes

Blue outlines claims in Gold Run Creek Property

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Yukon Albers

Produced from: Yukon Mining Viewer

Date Printed: 31-Mar-2017

Figure 3 Gold Run Detailed Claim Map

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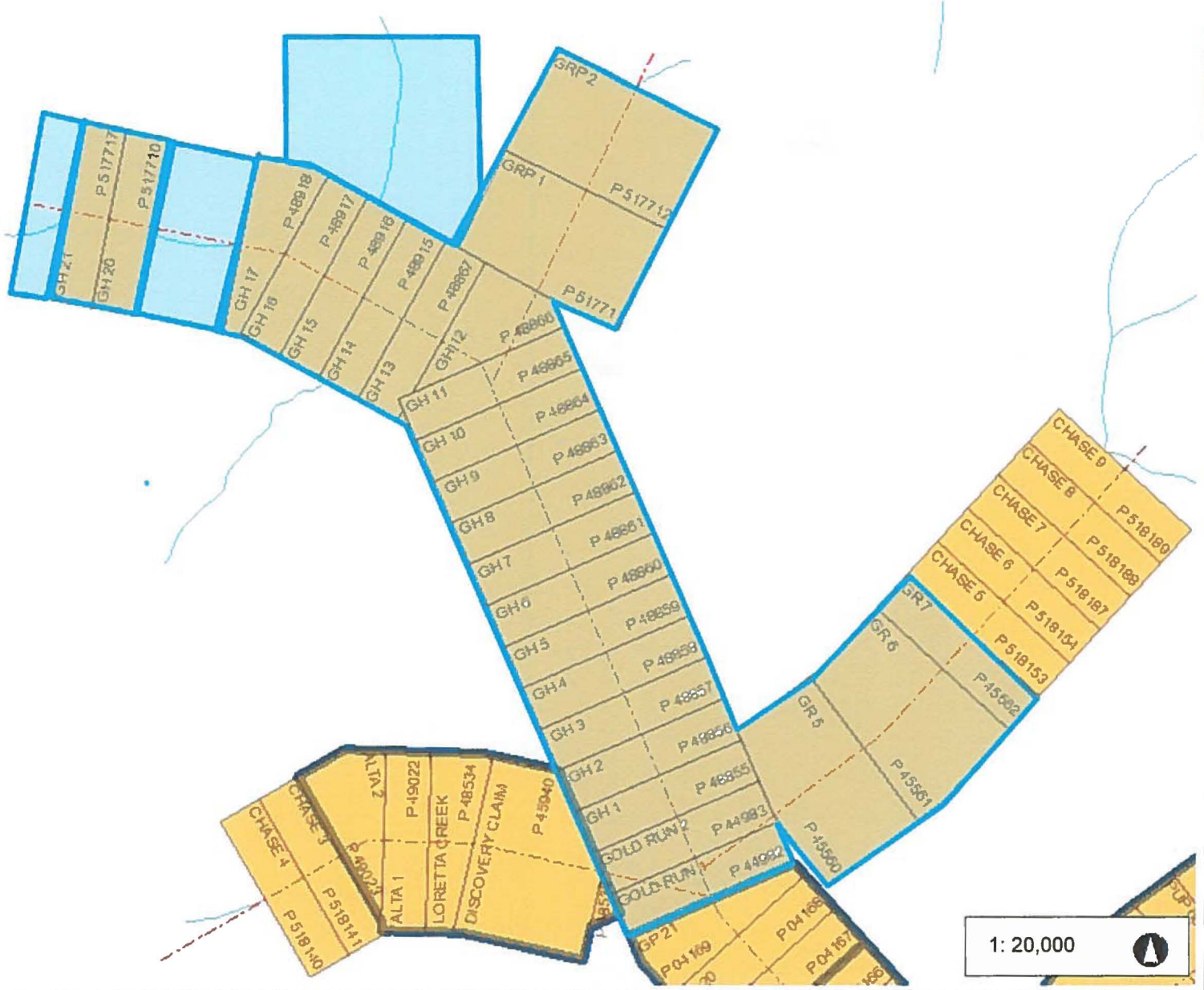

Legend

- Placer Claims (50K)
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Notes

Blue outlines claims in Gold Run Creek Property
Shaded blue areas represent areas being staked

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Yukon Albers
Produced from: Yukon Mining Viewer

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4 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The claims can be accessed from Dawson City via the Hunker or Bonanza Creek roads, proceeding along either the Dominion or Sulphur Creek roads to the mouth of Gold Run Creek (Figure 1). A road leads upstream along the left limit of the Gold Run Creek valley accessing several large producing placer operations in the lower seven miles of the creek. The access road continues through the claims over Dominion Mountain to connect with the Sulphur Creek Road near King Solomon's Dome. Alternatively access can be taken down from the top of the Sulphur Creek Road at the top of Green Gulch beside Dominion Mountain.

4.1 Camp

The present camp area is located in the area of the left limit of the Gold Run 2 claim. The camp is just beside the road approximately 300 feet from the creek. If a larger area is needed for camp facilities an area above the road on the GR5 claim on the left limit tributary of Gold Run will be used. Again, this camp area would be 300 to 500 feet from both Gold Run Creek and its tributary.

Aerial shot looking downstream from upper end of Gold Run Creek

Looking upstream along Gold Run Creek. Cleared area is campsite and start of property.

Access road into camp area looking upstream along Gold Run.

5 Regional Setting and Gold Run Creek Details

Dominion Creek is the largest tributary of Indian River, and forms the southeastern boundary of the Klondike placer district. Near the junction with Jensen Creek, Dominion Creek turns sharply to the south, continuing to its confluence with Gold run and Sulphur creeks. It becomes the Indian River below that point (Froese et al 2001).

Gold Run Creek enters Dominion Creek from the right limit at about four miles above its confluence with Sulphur Creek. It has a length of about 10 miles and runs nearly parallel to Sulphur. At the mouth of the creek, it has a width of about 6 feet, and a depth of approximately 6 inches (LeBarge 2007). Depending upon the time of the year, Upper Gold Run can sometimes have a significantly larger water flow.

The Gold Run Creek valley is narrow, and deposits thicken rapidly away from the centre of the valley. LeBarge 2002). The area is mapped as colluvial/eolian apron (black muck) over alluvial complex sediments (LeBarge 2007).

Deposits in the centre of the valley consist of 4.6 to 5.2 metres of black muck overlying 1.2 metres of yellow quartz-rich gravel. Deposits 15 m from the centre of the valley along the left limit consist of 10.7 to 12 meters of black muck overlying 3.6 meters of gravel and broken bedrock (LeBarge 2007).

Bedrock geology in the creek is dominated by sericite and chlorite schist.

The gold in the creek is reported to have produced a fineness of 830-878. The gold was fine, bright, round and chunky, with some crystalline (LeBarge 2007).

5.1 Historical Work Gold Run Creek

Gold was first discovered in the Dawson area on August 17, 1896 with a subsequent discovery on Gold Run Creek in 1898. Gold run and Dominion Creeks were extensively worked by hand methods (shafts and drifts) until about 1911 when the majority of the claims were acquired by Yukon Gold Corporation which became Yukon Consolidated Gold Corporation (YCGC). Dredging was initiated by the Yukon Gold Company. Operations from 1913 to 1922 mined about 6.0 million cubic yards on Gold Run (Gold Run Mining, 1982). Froese et al (2001) document ~70,000 fine ounces from YCGC Gold Run Creek #6 dredge between 1914 and 1923. In 1940 the Murphy Brothers prospected a large part of the creek, but they dropped the claims at the end of 1940. A proposal to develop the entire Gold Run block of claims owned by Yukon Consolidated Gold Corporation (YCGC) in 1942 was not adapted and the ground came open in 1974 (Gold Run Mining, 1982). Between 1911 and 1963 the claims were either dredged and/or mined using bulldozers etc. In 1978, YCGC was absorbed by Teck Corporation who proceeded with infill drilling to verify earlier drill results and to determine

values in the dredge tailings. The dredge tailings were remined by Teck, and the unmined right and left limit portions of lower Gold Run Creek were also mined from 1997 to 2000 (Clarkson, 2000). Mary-Ange acquired the Teck ground in 2001 and mined until 2005. Early dredging by YCGC did very little stripping resulting in 30 to 45 feet high faces during dredging. As the dredge dug the face, large slough-ins would oocur, pushing paydirt under the bucket chain, and paydirt was lost to the dredge. In addition, the frozen ground during that time was not thawed correctly; any frozen ground could not be dug out and was also lost to the dredge (up to 15% of the gravel was lost). These gravels were the main pay material for Mary Ange Resources Ltd. (LeBarge, 2007).

Gold Run Creek has consistently been one of the top ten producing creeks in the Klondike. Detailed information on gold production has been documented from 1961 within the Yukon Placer Database (2007) and annual reports on the Yukon Placer Industry since then. Based on the table below, over 155,400 ounces have been documented to have been mined between 1961 and 2013.

Year	Quantity (oz)	Year	Quantity (oz)	Year	Quantity (oz)
292	2,416	1998	308	1983	550
2012	1,405	1997	20,108	1982	126
2011	1,327	1996	10,963	1980	21
2010	1,090	1995	13,551	1969	1,536
2009	1,057	1994	8,669	1968	2,004
2008	2,136	1993	11,182	1967	1,019
2007	2,611	1992	9,655	1966	1,254
2006	2,308	1991	7,891	1965	536
2005	2,141	1990	10,172	1964	916
2004	2,744	1989	5,464	1962	1,918
2003	3,637	1988	8,520	1961	162
2002	2,451	1987	7,288		
2001	1,890	1986	1,129		
2000	859	1985	1,127		
1999	318	1984	944		

Lowey (2004) documents that between 1978 and 2001, Gold Run Creek ranked 6th in the Klondike and produced 187,885 oz of gold. Based upon this value, and the values in the table between 1961 and 1969; 2002 and 2014, and the ~70,000 ounces documented by Froese et al. (2001), the total documented ounces from Gold Run Creek is close to 300,000 (~ 292,540).

5.2 Chronology of Gold Run Creek Work

Year	Work	Results
1898	Gold discovered at Gold Run	
1898-1911	Hand workings of shafts and drifts	
1913-1923	Yukon Consolidated Dredge #6 worked creek	~70,000 fine ounces (Froese et. al, 2001)
1940	Historical exploratory by Murphy Brothers	Claims dropped following sinking shafts, and power drilling
1967-1968	Consolidated Mines (Yukon) Ltd.	Constructed drainage ditch, mining commenced
1962-1970	Gold Run Placers	Total gold reported of 8,886 ounces
1977-1978	Rintoul	Upper portion Gold Run Creek Monitor used to strip ground on left limit of the creek
1982	Mynot	Former location of Rintoul's work Mined a cut along right limit of creek
1983-1984	Hakonsen & Mynot	Located on Gold Run Creek, ~5,000 ft from mouth of Laskey Pup; second property ~1,000 ft upstream from mouth of Laskey Pup 100,000 cu yards stripped, 25,000 cu yards sluiced
1985-1986	Haakon Placers & Granville Placers	Mining took place, yet no production or gold recovery figures provided Sluiced 2 feet of gravel and 4 feet of bedrock
1993-1994	Ross Mining Ltd.	Confluence of Gold Run and Dominion Creeks 1993 3 cuts mined 1994 one large cut mined
1986, 1988-1997	Teck Mining Group	1986 – right limit of creek ~1/2 mile below right limit tributary of 24 pup 1989 – cut in Gold Run Creek from Laskey Pup to upstream boundary of the property 1994 – right limit of creek ~3/4 mile upstream from confluence with Dominion Creek Significant work programs including sluicing of +2.2 million cu yards
1999-2003	Lizotte & Brent Construction Ltd.	Mouth of Laskey Pup, a right limit tributary to Gold Run Creek ~ 3 miles from confluence with Dominion Creek Cuts and sluiced ~340,000 cu yards

Year	Work	Results
1993-2004	D & P Mining Exploration Ltd.	Purchased ground from Teck Mining (1992) At that time, this ground included the claims that are part of this proposal 1993 – one cut, 26,000 cu yards sluiced 1994 – one cut 13,500 cu yards sluiced 1995-1997 – valley bottom mined, test holes drilled upstream; no sluicing in 1995 1996 – additional stripping 1997 – sluicing and new cuts; additional test holes drilled upstream with 6 inch auger drill 1998-2001 – stripping and sluicing (new plant in 199(2002 –sluicing 2003 – two cuts mined 2004 – one cut mined Overall: 10 to 12 m of mud over 0.5 to 1.5 m of gravel; underlain by wavy blue and green fractured, decomposed bedrock; many old shafts and ancient bones; average sluice was 1 m of gravel with 1 m of decomposed bedrock
2001-2005	Mary Ange Resources Ltd.	Purchased ground from Teck Mining (Gerry Klein) in 2001 Sluiced 213,685 cu yds; 11,560 oz. reported
2005-2009	Alberta Gold Diggers Ltd.	Gold Run Creek ~8 km from confluence of Dominion Creek – bought from D & P Mining Cuts mined each year Sluiced 0.9 m of gravel and 0.9 m of decomposed bedrock
2005-2009, 2011	Ruman	Upper Gold Run Creek, ~1.2 km downstream from 71 Pup Sluicing and stripping occurred in 2011
2006 - 2014	T.D. Oilfields Services Ltd.	Purchased ground from Mary Ange in 2005 Gold Run Creek, confluence with Whitman Gulch and 0.5 km downstream from Laskey Creek Mined multiple cuts over the years on Gold Run Creek and Whitman Gulch
2012-2014	Mammoth Mining	Gold Run Creek, 200m downstream from the mouth of 71 Pup Test pitting led to mining in 2013 and 2014 Bottom 1.2 m of gravel, considered the pay unit consists of cobble-pebble-gravel that is clast supported, moderately to pervasively oxidized, with 30% fine grained sandy matrix and contains an abundance of quartz clasts
2012-2014	Rical Mining	Gold Run Creek, approximately 1.8 km upstream from its confluence with Dominion Creek Stripping in 2012 led to mining in 2013 & 2014 Bottom 0.6 m of gravel and up to 0.3 m of bedrock was sluiced

Taken from LeBarge 2002, 2007, LeBarge & Nordling, 2011, Van Loon & Bond 2014, Froese et. al 2001, and Gold Run Mining 1982.

5.3 Geology

5.3.1. Regional Setting

Gold Run Creek is a tributary of Dominion Creek, which in itself is the largest tributary of the Indian River. Dominion Creek forms the southeastern boundary of the Klondike placer district. Froese et al. (2001) describe the setting as follows:

> The Dominion Creek basin is located within the Yukon-Tanana Terrane and consists largely of metasedimentary and metavolcanic rocks at chlorite-biotite to garnet metamorphic grade (Mortensen, 1990, 1996). Lode gold occurrences are associated with metavolcanic rocks of the Klondike Schist and mesothermal quartz veins (Mortensen et al., 1992). The erosion of mesothermal quartz veins appears to be the main source of the Klondike placer deposits based upon elemental similarities (microprobe geochemistry) between placer and lode gold (Knight et al., 1999b). Erosion of bedrock sources and transport by fluvial processes is supported on Dominion Creek by hydraulic equivalence data amongst gravelly depositional unit grain size and size/weight of gold grains recovered from placer gravel (Christie, 1996).

Figure 4 shows the bedrock geology in the area of the claims. As can be seen on the map the Cowan Ba-Ag-Au minfile occurs within the property boundary and the Gold Run Au-Ag Minfile to the northwest. Visible gold has been found by several operators on the ridges above Gold Run Creek.

5.3.2 Regional Geophysics and Major Structures

Regional total field aeromagnetic geophysics is shown in Figure 5, and regional first vertical derivative aeromagnetic geophysics is shown in Figure 6. The maps show severeal northwest-trending anomalies which may coincide with major structures and lineaments. Thrust faults mapped by Mackenzie and Craw (2012) are overlain on the maps. 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 4 Bedrock Geology

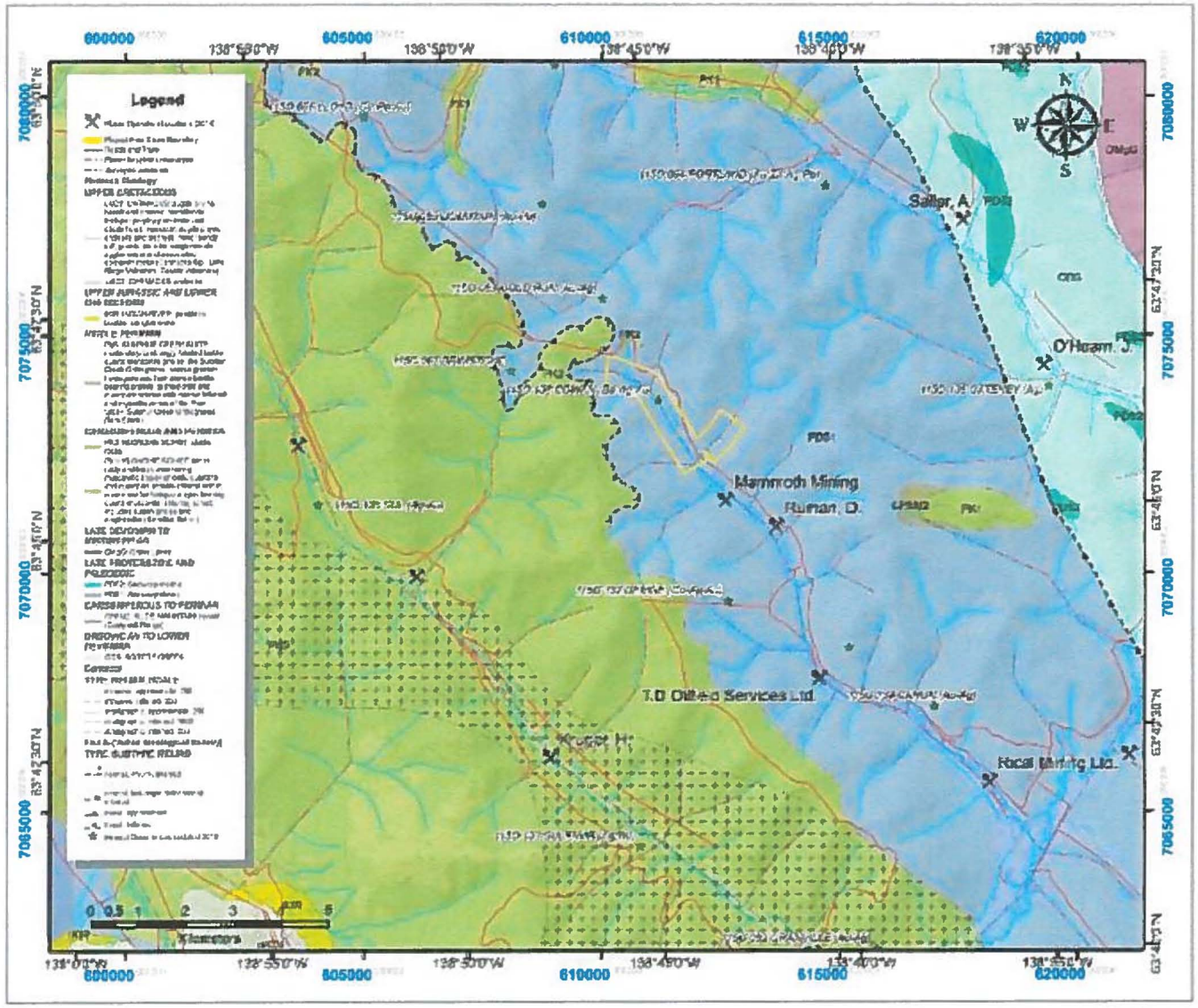


Figure 5 Total Field Aeromagnetic Geophysics

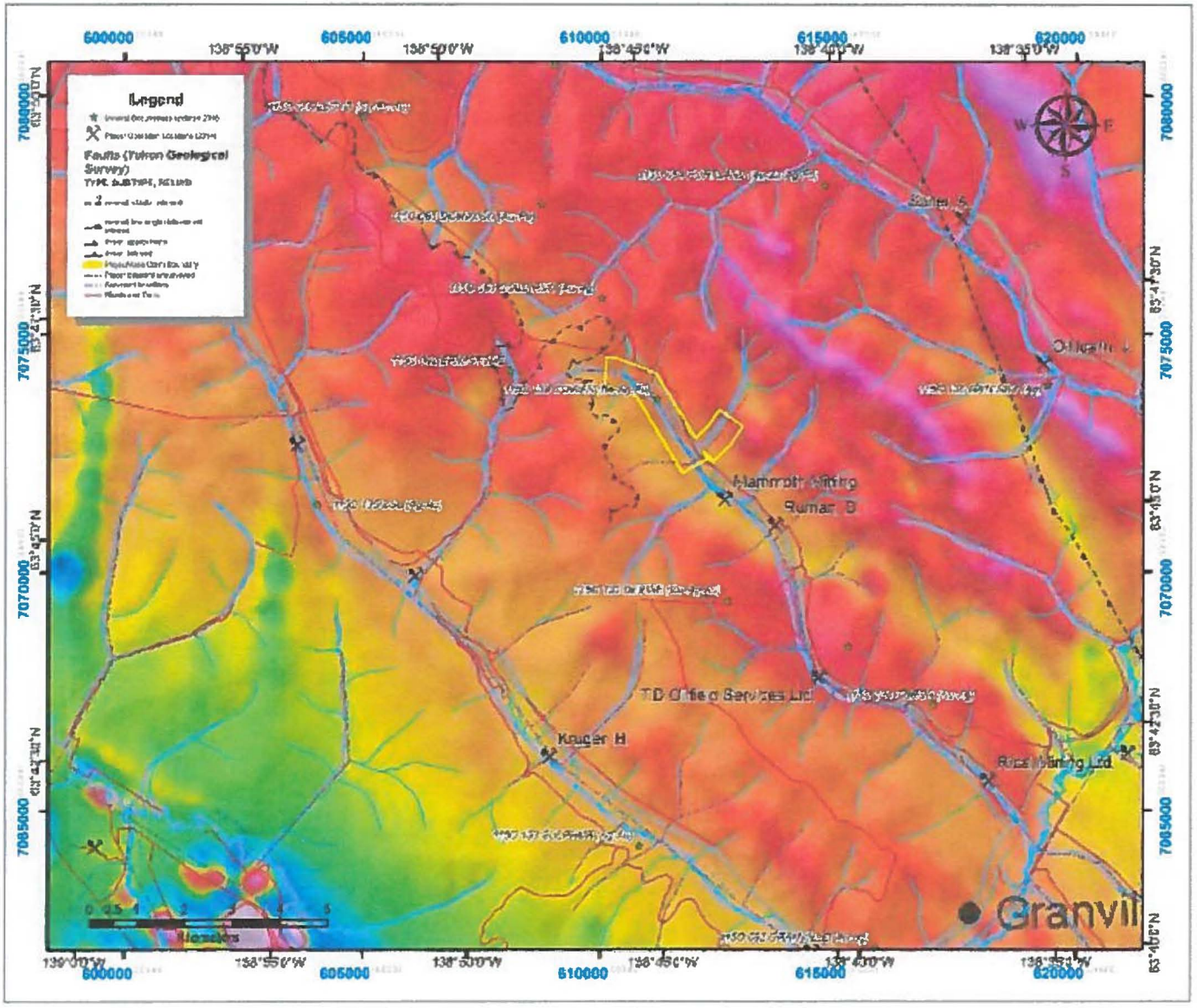
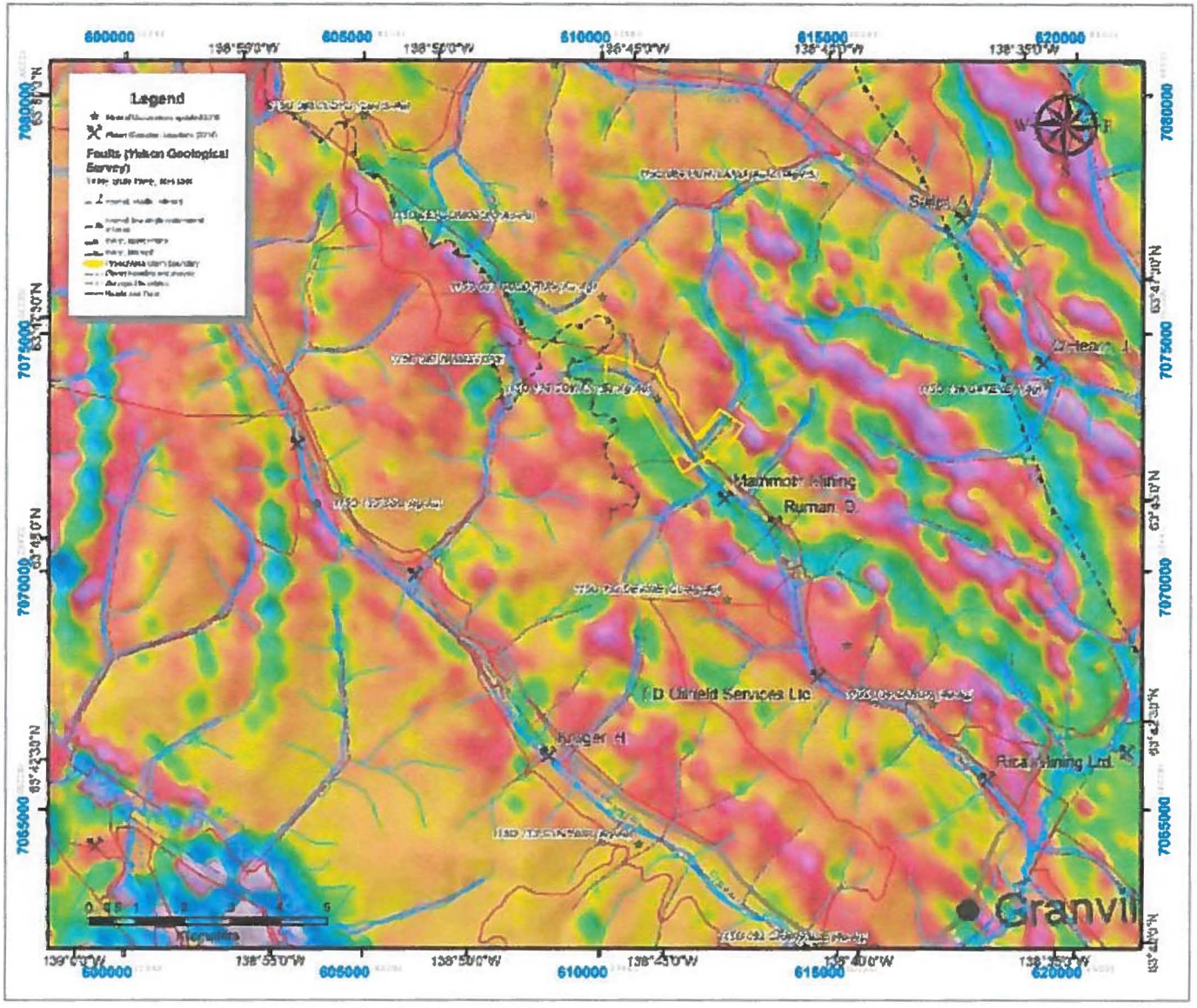
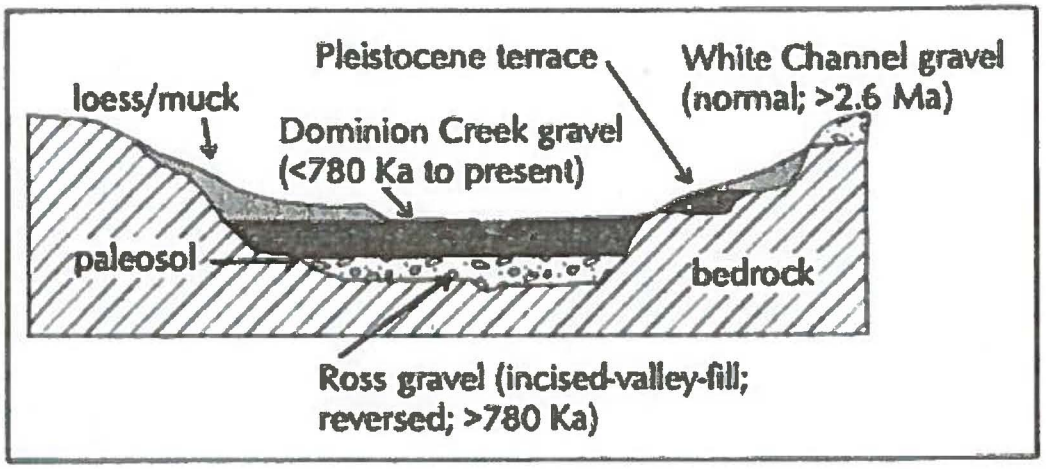


Figure 6 Regional First Vertical Derivative Aeromagnetic Geophysics



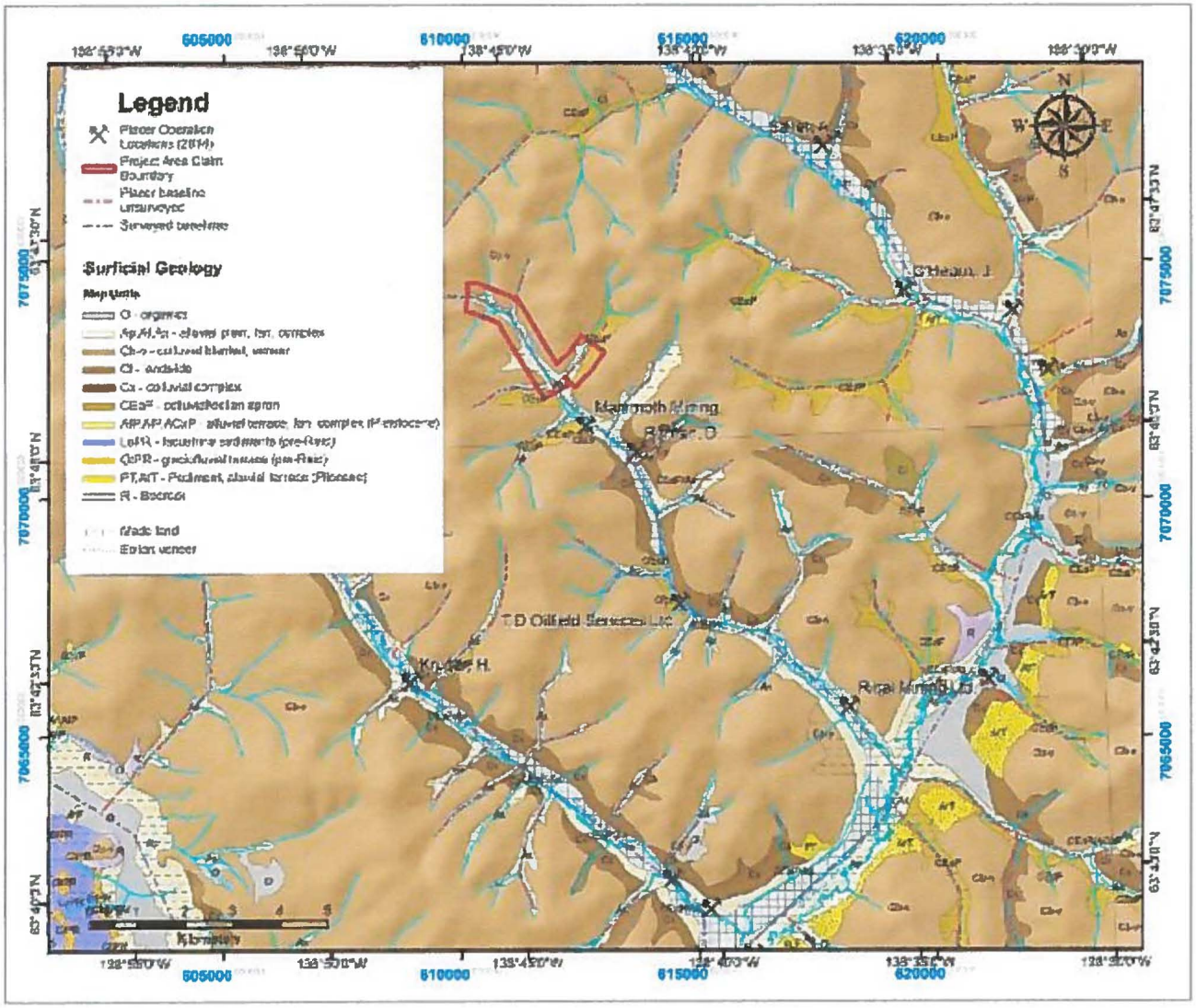
5.3.3 Surficial Geology

Placer gravels in Dominion Creek and its tributaries (Gold Run and Sulphur) are divided into 5 types of deposits: Pliocene White Channel gravel; Pleistocene terraces; early Pleistocene incised-valley gravel (Ross gravel); Pleistocene Dominion Creek gravel; and creek and gulch deposits (Froese et al., 2001). The figure below shows a generalized section illustrating these deposits. Figure 7 shows the surficial geology in the area of the claims.



Generalized section across terrace gravel of Dominion Creek near the mouth of Gold Run Creek. Normal and reverse refer to remnant polarity recorded in sediments (Froese et al., 2001, Fig. 2).

Figure 7 – Surficial Geology



Froese et al. (2001) studied the sedimentology, paleomagnetism of deposits, as well as documented associations between geomorphic and placer gold settings in the Dominion Creek Drainage. The placer settings and gold character are documented below:

> Fineness values on Dominion Creek (plotted from Mining Inspection Division 1998, Fig. 1) show considerable similarity on each of Sulphur (750-830), Gold Run (790-850) and main Dominion creeks (800-900), and generally increase down-valley as has been noted previously in the Klondike region (Hester, 1970; Knight et al., 199b). The increase in down-valley fineness likely reflects prolonged mechanical weathering of gold grains, thus increasing high-fineness rims. Gold morphology data, presented by Knight et al. (1999a), suggests that flat, well rounded gold nuggets, like the majority of those recovered on Dominion and Sulphur creeks, were transported 10-15 km, indicating a major source in the area of King Solomon Dome. A high fineness lode source is well known on King Solomon Dome (McConnell, 1905; Milner, 1976; Knight et al., 199b).
>
> The majority of gold produced on Dominion, Gold Run and Sulphur creeks in the last century has been from Ross gravel. On Dominion Creek, Ross gravel is at least 800 Ka, suggesting little gold has been eroded or concentrated in the last 800 Ka in this area. This contrasts with the majority of gold produced on Bonanza and Hunker creeks in the Klondike drainage, where deposits are largely of late Pleistocence and Holocene age (valley-bottom gravel/muck ages reported in Fraser and Burn, 1997 and Froese, 1997).
>
> Placer gold recovered on Dominion Creek is generally fine grained (< 2mm), flat and well rounded with few exceptions (Fig. 6). At the mouth of Brimstone Gulch on Sulphur Creek, considerable coarse gold was recovered from mining operations in 1996 with a fineness of 810 (Mining Inspection Division, 1998). Interestingly, not far to the east on Gold Run Creek, considerable coarse gold was recovered near the mouth of Laskey Creek in the summer of 2000. A considerable pay stream below the mouth of Laskey Creek is reported by Nordale (1942) and old-timers thought Laskey Creek was the main source, or at least a very important source for Gold Run Creek (Nordale, 1942).

LeBarge (2002) describes the surficial geology in the lower part of the creek (downstream) as follows:

> The Gold Run Creek valley is narrow, and deposits thicken rapidly away from the center of the valley. Deposits in the center of the valley consist of 4.6 to 5.2 metres (15 to 17 feet) of black muck overlying 1.2 metres (4 feet) of yellow quartz-rich gravel. Deposits 15 metres (50 feet) from the center of the valley along the left limit consists of 10.7 to 12 metres (35 to 40 feet) of black muck overlying 3.6 metres (12 feet) of gravel and broken bedrock.

5.4 Historical Work

On the location of the Gold Run Claims previous work includes geophysics (magnetometer surveys) drilling, shafting and stripping by various operators, however there are no gold values per yard or production figures available. (Midnight Mines, 2002).

Between 2002 and 2017, several other operators came in and tested the ground under lease arrangements or as contractors to Bill Harris, yet did too small a program to determine the economic value of the project.

5.4.1. 2002 Mag and Gradiometer Surveys

A total field magnetic survey and gradiometer survey was conducted on the Gold Run Creek Property in 2002 by a company owned by Bill Harris. The aim of the survey was to locate buried channels containing placer deposits on the property. A total of approximately 4.0 line kilometers were surveyed on a prepared grid, taking both magnetometer and gradiometer readings. The survey was conducted on a portion of the upper 3 miles of Gold Run Creek, which is approximately 8 miles long. The area of the creek which was surveyed was on average, 400 metres wide, but narrowed and widened as it proceeded up the valley. Figure 8 shows the location of the survey.

Three anomalies were delineated (see figures 9 and 10), one of which was likely related to bedrock highs crossing the creek valley on the downstream portion of the grid. Another anomaly appears to be located at the upstream end of the grid at Line 450N-500N and may indicate a channel proceeding out of the right limit pup which enters Gold Run Creek in that area. The most interesting anomaly discovered during the survey was found on the right limit (western) side of the baseline beside and, in some areas, even under the present creek channel. This fairly strong and persistent anomaly appears to undulate along the general trend of the Gold Run Creek Valley, and could be responding to a buried channel containing placer deposits (Midnight Mines, 2002).

Figure 8: Location of 2002 survey

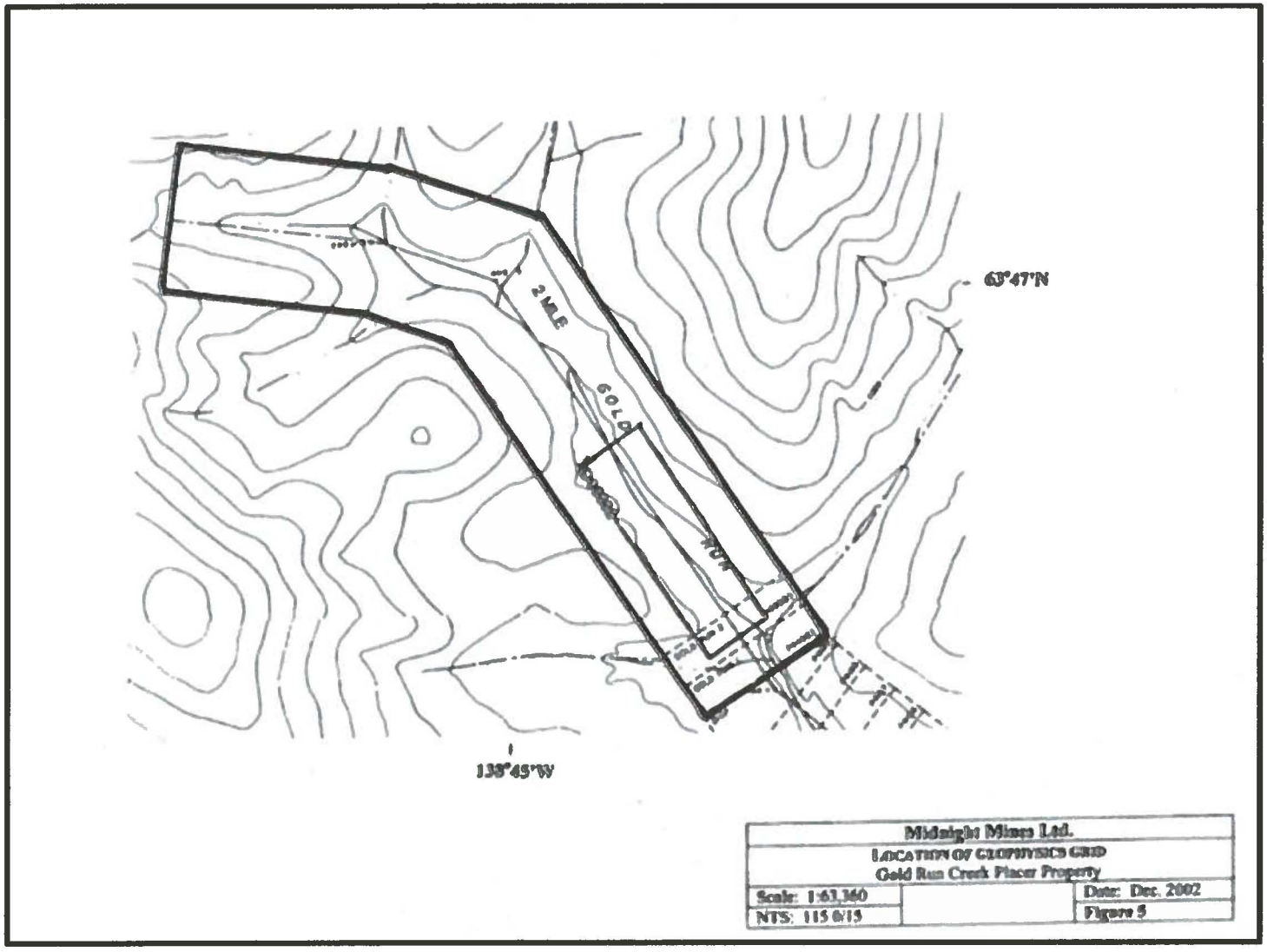


Figure 9 Total Magnetic Field 2002 Gold Run Placer Survey

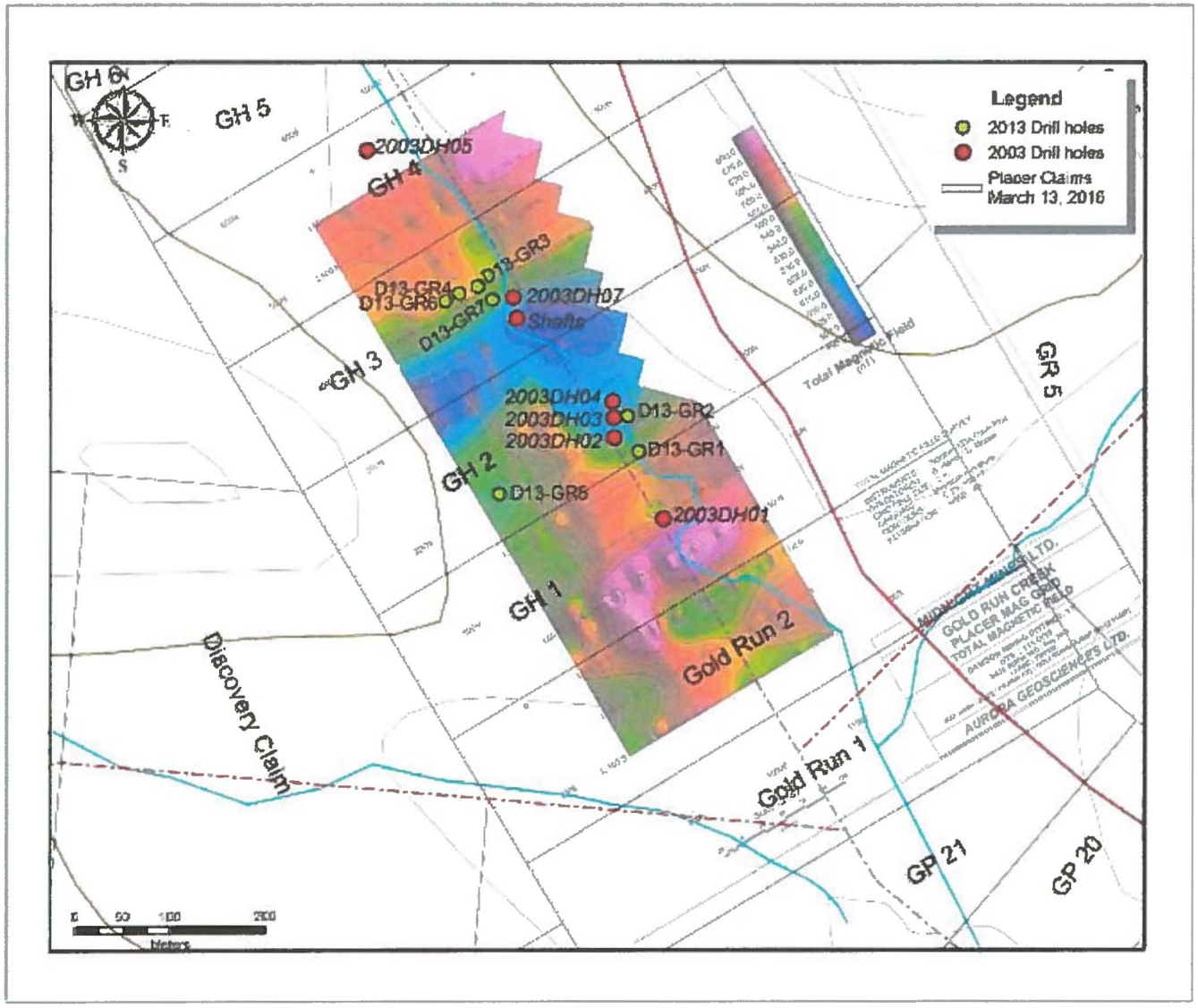
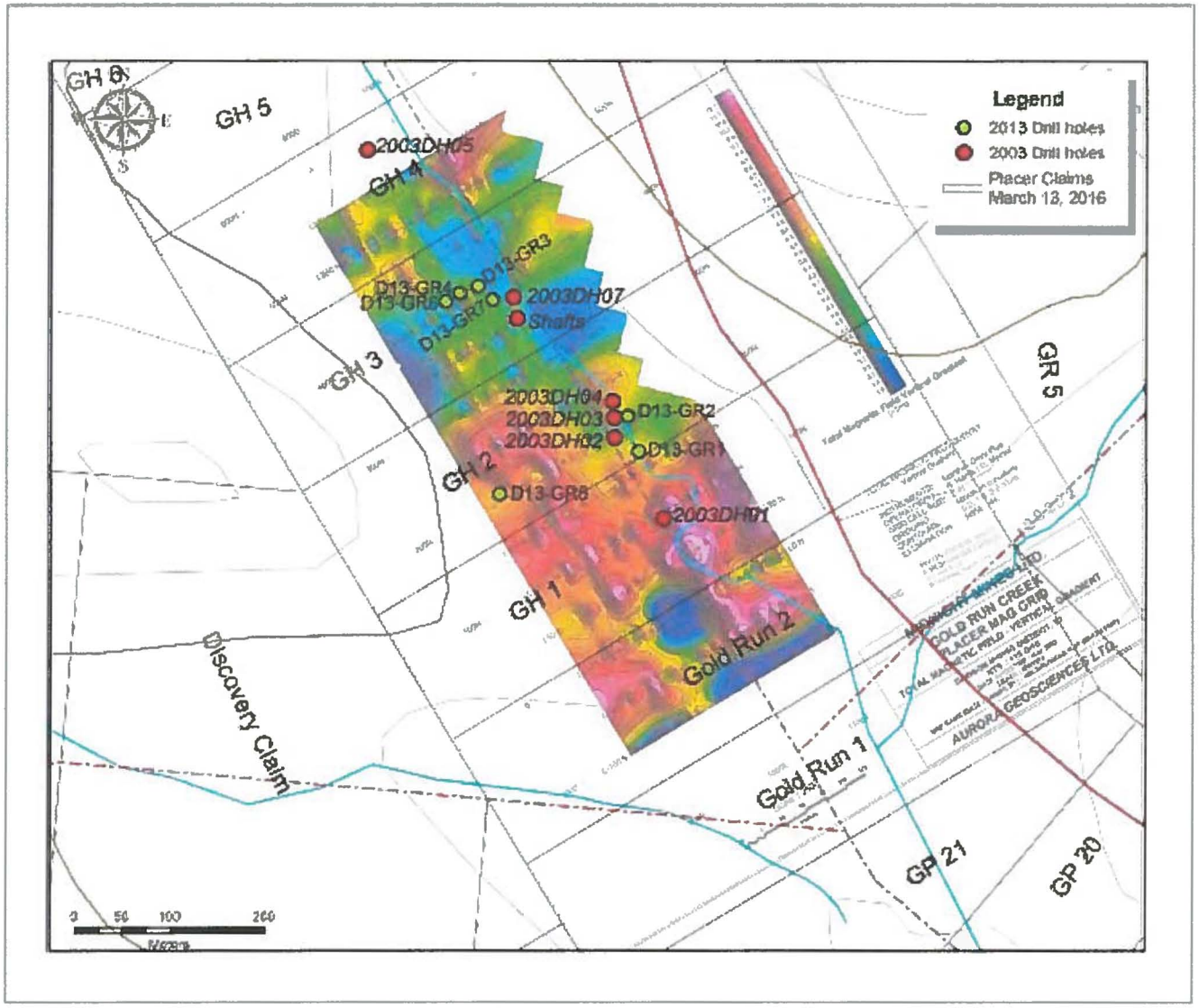


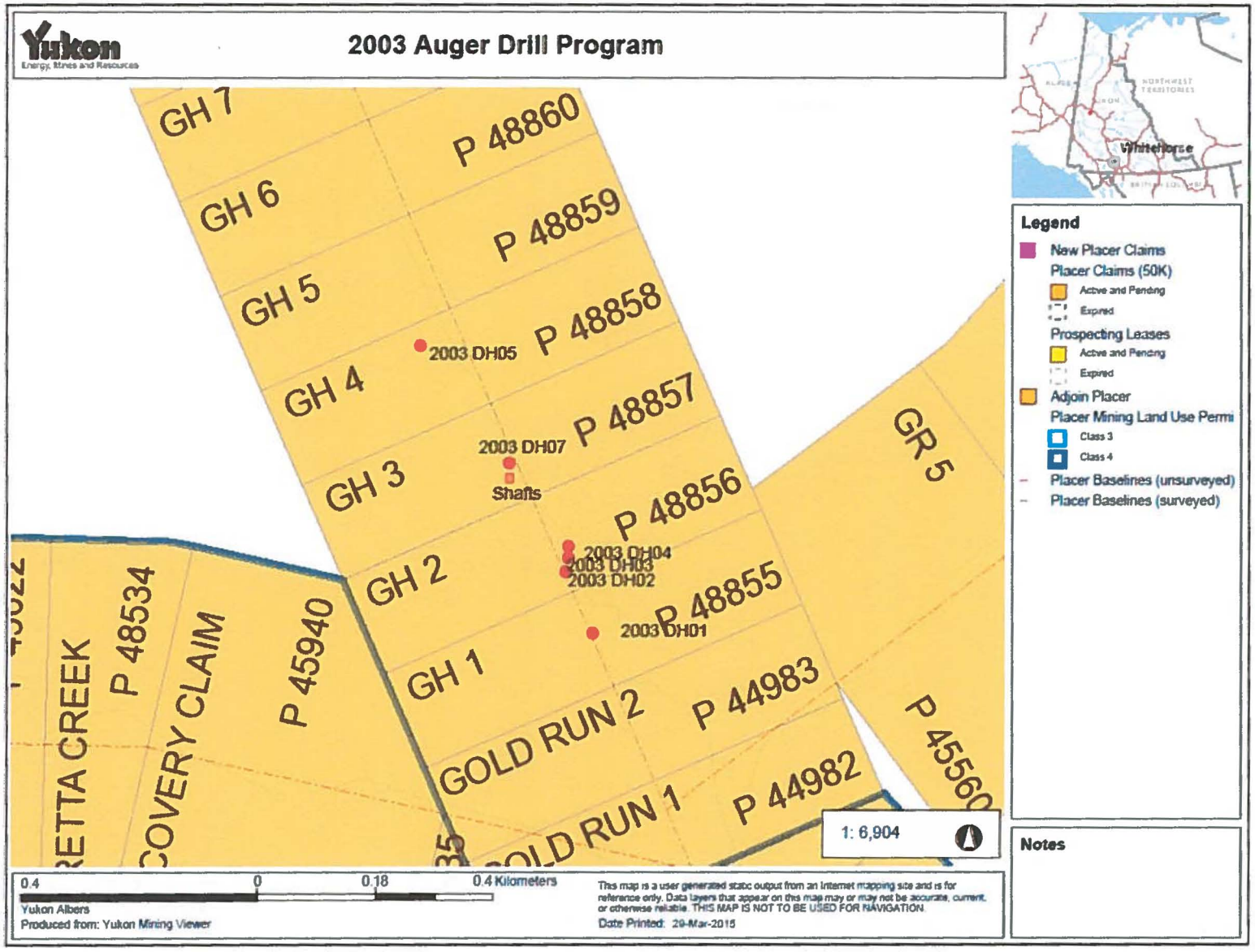
Figure 10 Total Magnetic Field – Vertical Gradient 2002 Gold Run Placer Survey



5.4.2 2003 Auger Drill Program

In 2003 a 6 hole auger drill program was undertaken by Bill Harris on what are now the GH 1 to 4 claims (see Figures 9 to 11). The rig was a bombardier mounted 6 inch auger. Once the gravel layers were reached, samples were sluiced and resulting concentrates were panned to recover gold. During the program a series of old shafts were also encountered. The photos below document different aspects of the program.

Figure 11: 2003 Auger Drill Hole Map



The best results were returned from hole 2003DH07, with 181 mg of Au recovered and hole 2003DH04 which returned 117 mg of Au. During the program a series of old shafts were encountered and gold was panned from the shaft dump.

In the area of the claims the Gold Run Creek valley is approximately 300 to 500 m wide for the lower 15 claims (4,500 feet/1.4 km). This is much wider than the upper ends of many of the creeks in the Klondike region. From previous drilling campaigns we know that the depth to bedrock is 45 to 65 feet (14 to 20 m) in the centre of the valley across the bottom 4 claims of the project. The soil profile in this area is approximately 40 to 45 feet (12 to 14m) of black muck overlying 5 to 15 feet (1.5 to 4.6m) of gravel. The gravel contains gneiss and schist pebbles as well as a good amount of quart pebbles. There are also "channel" boulders (20 cm thick by 50 cm across) of quartz composition. These boulders were found in a dump (see photo below) which must have been from a production sized shaft located on the GH3 claim in the downstream portion of the claim group.

When material from this dump was panned there was a lot of black sand in the concentrate as well as significant gold and small nuggets up to 1/8 inch in size (see photo below). The creek makes a significant "S" shaped bend at that location and the creek bed is downdropped and much wider there. This may indicated a "roomed" out area on bedrock which has thawed and caused a portion of the surface to cave in.

5.4.3 2013 Auger Drilling

A small program of seven auger holes was conducted in 2013 by another operator under contract to Bill Harris. These holes were drilled in the same vicinity as the 2003 holes and can be seen in Figures 10 and 11. Once the gravel layers were reached, samples were sluiced and resulting concentrates were panned to recover gold. Result from these holes returned from trace to 60 mg Au. Significant magnetic black sand was present in the concentrate.

6 Overview of 2016/2017 Gold Run Creek YMEP Program

The work program at Gold Run commenced in late March 2017, due to the timing of the award of the program. A program of shaft deepening, auger drill testing and excavator trenching, as well as a program of drone, Ground penetrating Radar and DC resistivity had been proposed in the original proposal. The program as first proposed in the application process had to be modified due to timing of award of funding for the proposal (March 1, 2017) only allowed for certain aspects of the program to be carried out.
As a result, the work in 2017 included:

- Shafting program (2 shafts, 32 feet depth) in March of 2017
- Ground Penetrating Radar (GPR) in March 2017 and
- Staking of 5 adjacent claims in early April.

6.1 2017 Ground Penetrating Radar Surveys

6.1.1 Introduction

A total of 15 lines (3575m) of Ground Penetrating Radar (GPR) geophysical surveys were undertaken in March of 2017 on the claims. The trace of these lines are shown on Figure 12 and the profiles are shown in Figures 13a to 13o. The table below shows the geographic coordinates of the endpoints of the lines, as well as the line lengths and maximum depths to bedrock on each line.

Gold Run GPR Survey Line details

			Geographical Coordinates			
№ GPR L	Length (m)	Length (ft)	Start		End	
1	125	410	63°45'45.73"	138°43'46.68"	63°45'42.96"	138°43'40.22"
2	200	656	63°45'42.86"	138°43'40.09"	63°45'39.30"	138°43'49.77"
3	145	476	63°46'11.57"	138°44'29.79"	63°46'11.04"	138°44'40.41"
4	135	443	63°46'6.56"	138°44'26.44"	63°46'5.19"	138°44'35.60"
5	165	541	63°46'4.74"	138°44'21.97"	63°46'2.86"	138°44'31.38"
6	135	443	63°46'0.52"	138°44'15.35"	63°45'58.09"	138°44'24.33"
7	210	689	63°45'56.72"	138°44'8.81"	63°45'53.66"	138°44'22.08"
8	190	623	63°45'55.59"	138°44'8.52"	63°45'52.62"	138°44'19.82"
9	200	656	63°45'54.13"	138°44'3.69"	63°45'50.97"	138°44'15.80"
10	200	656	63°45'52.51"	138°44'0.53"	63°45'49.14"	138°44'12.36"
11	125	410	63°45'51.70"	138°43'59.45"	63°45'49.81"	138°44'5.88"
12	1320	4331	63°46'11.52"	138°44'32.38"	63°45'42.99"	138°43'40.40"
13	140	459	63°45'50.00"	138°43'56.19"	63°45'47.01"	138°44'4.02"
14	150	492	63°45'49.15"	138°43'53.84"	63°45'46.13"	138°44'1.60"

15	135	443	63°45'50.93"	138°43'59.17"	63°45'48.56"	138°44'6.26"
Total	3575	11729				

6.1.2 Methodology

The GPR survey was conducted using the GRP "EasyRad PRO+", equipped with antenna with a working frequency of 100 MHz and a practical resolution of 0.2 m. The survey data was analyzed using the software program EasyRad PRO+ end RadMax. Survey lines were georeferenced in the field by recording the endpoints on a hand-held GPS.

6.1.3 General Results

In this survey, the effective depth of penetration is estimated to be at least 43 m.

The results of these conducted surveys confirmed the strong ability of recognition of the main lithological units at the radar's-images including:

- **Overburden**- thickness **4.0-14 m** (possibly);
- **Gravel**- thickness **1.0-12 m**;
- The surface of the **bedrock** at a depth of **5 to 29 m***.

*The survey is not corrected to topography (including ice and snow buildup), so these figures may vary.

Figure 13 shows the 2017 survey lines with the 2002 Magnetic Survey and 2003 Auger Drill holes superimposed. Preliminary interpretation of the data indicates two paleochannels as shown in Figure 14 with a maximum depth of 29 m (see * above) on the site. One of the paleochannels is located under the current configuration of Gold Run Creek with the second paleochannel occurring 100 meters farther in to the right limit of the creek. The two channels appear to merge at the bottom of the creek. The two paleochannels delineated by the March 2017 GPR Survey appear on a preliminary look to be located in the same area as the magnetic high feature found by the magnetometer survey in 2002. The relationship correlation is more prominent in the upstream and downstream parts of the survey. All of this information indicates the possibility of finding multiple paystreaks along Gold Run Creek.

Figure 12: Location of 2017 Ground Penetrating Radar Survey Lines, Shafts and 2013 drill holes

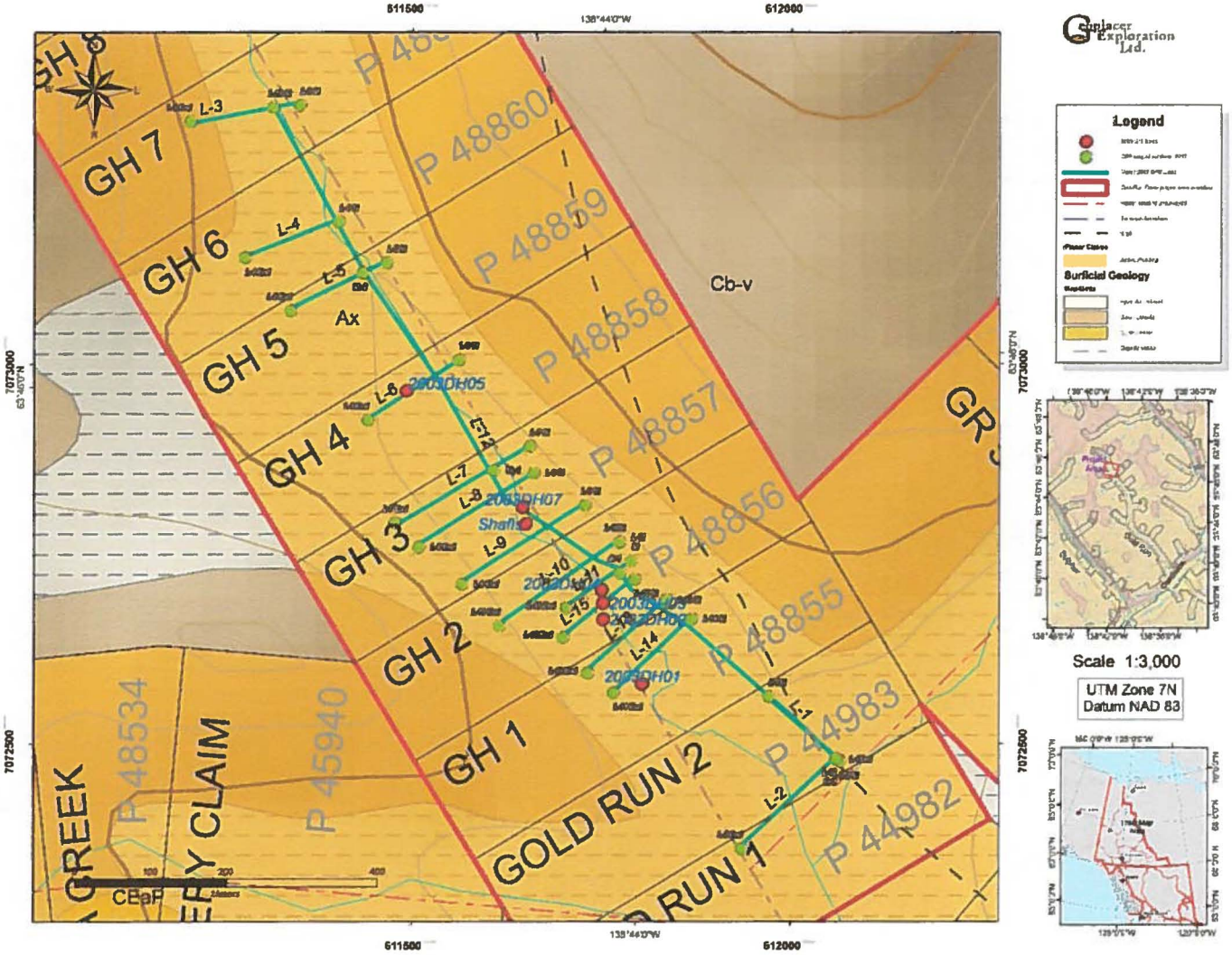


Figure 13a L-1 Depth to bedrock from 4 to 19 m

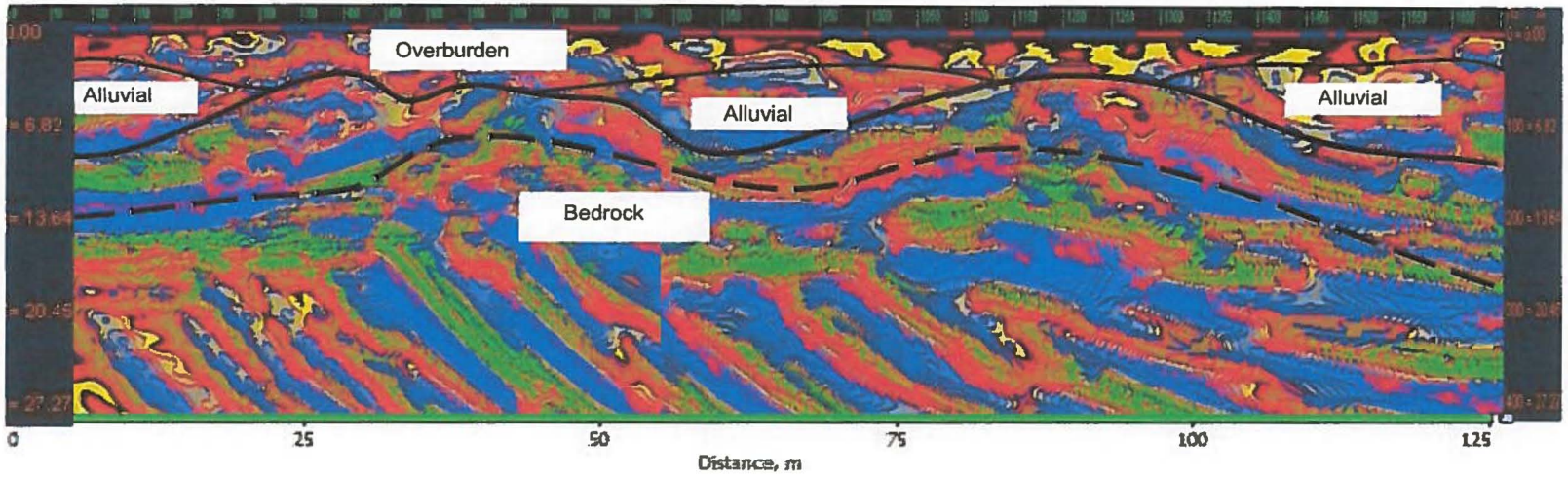


Figure 13b L-2 Depth to bedrock from 6 to 18 m

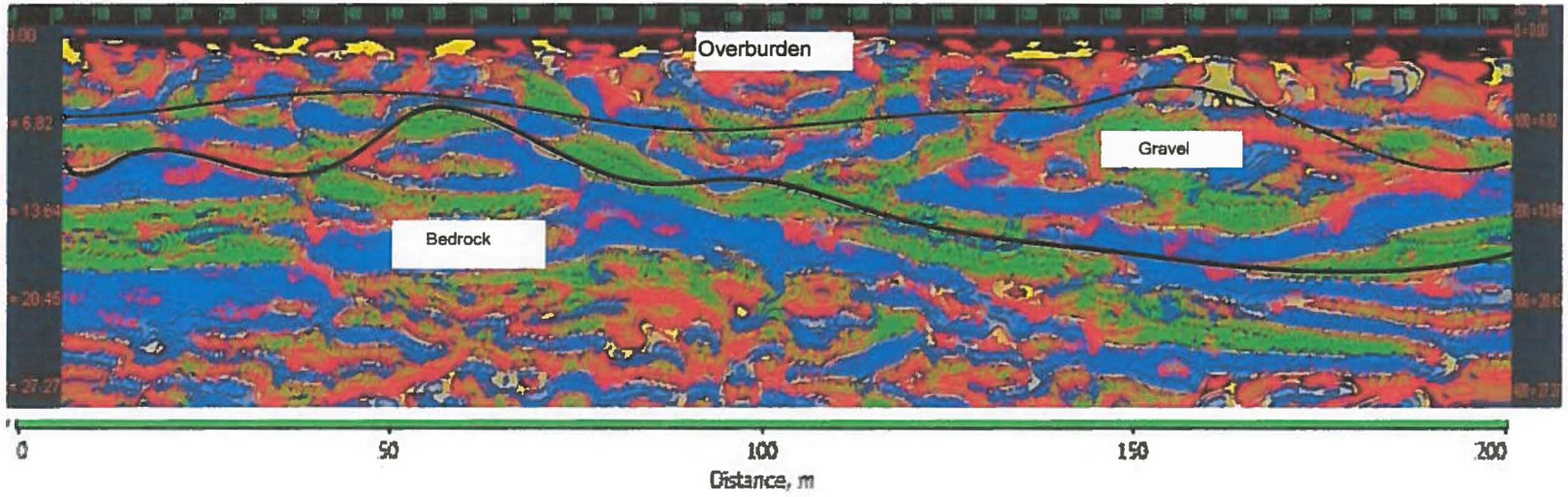


Figure 13c L-3 Depth to bedrock from 12 to 21 m

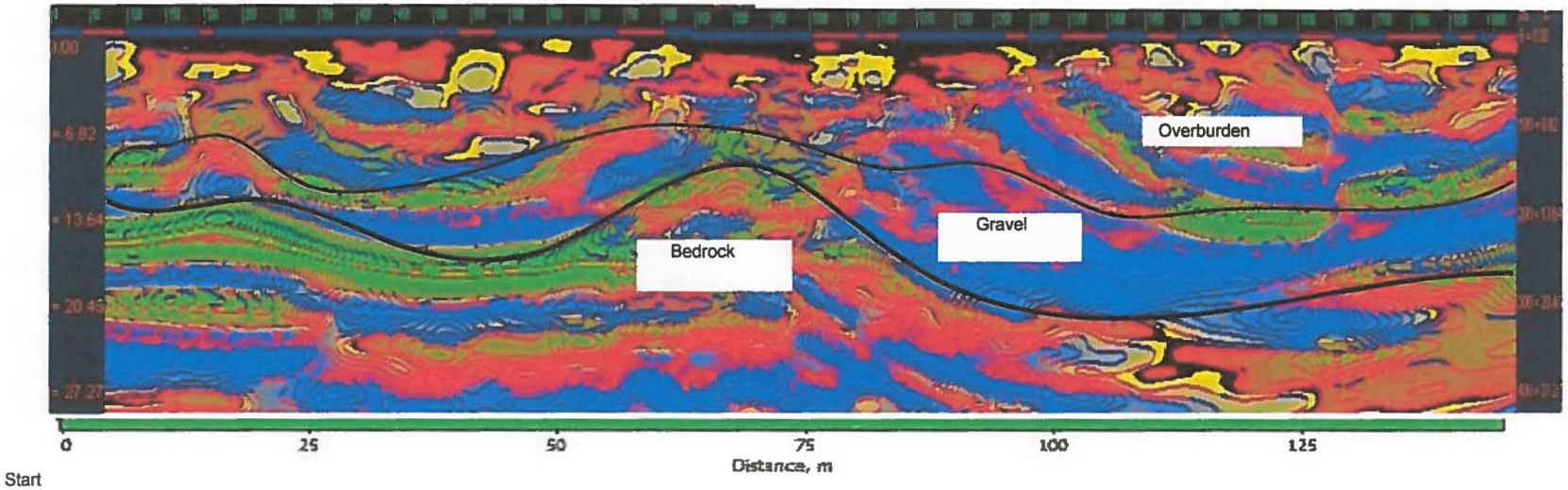
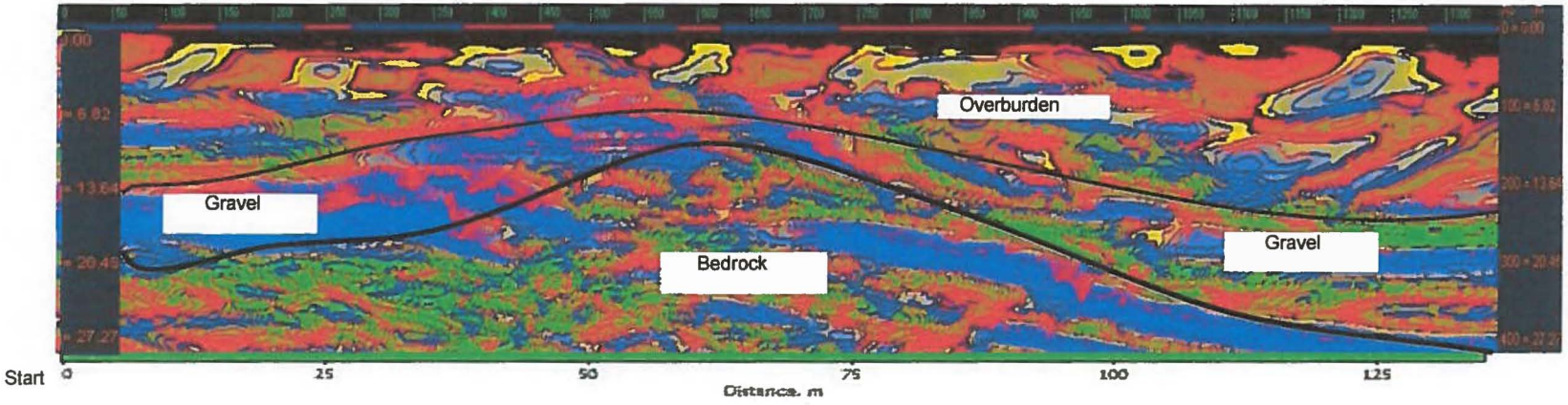


Figure 13d L-4 Depth to bedrock from 9 to 27 m



o

Figure 13e L-5 Depth to bedrock from m

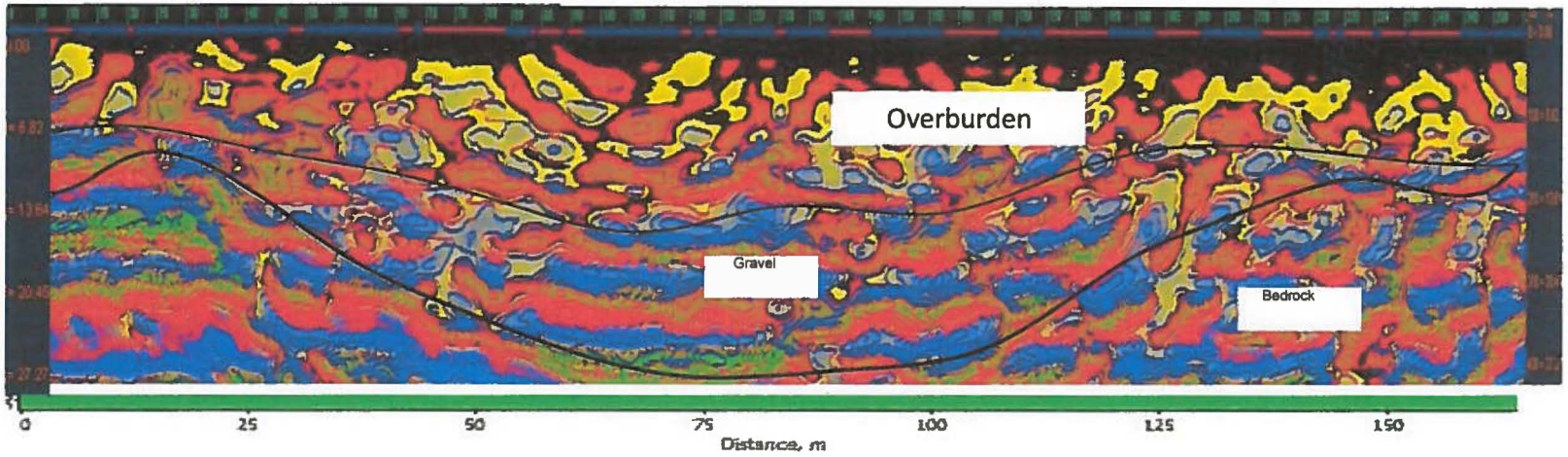


Figure 13f L-6 Depth to bedrock from 7 to 24 m

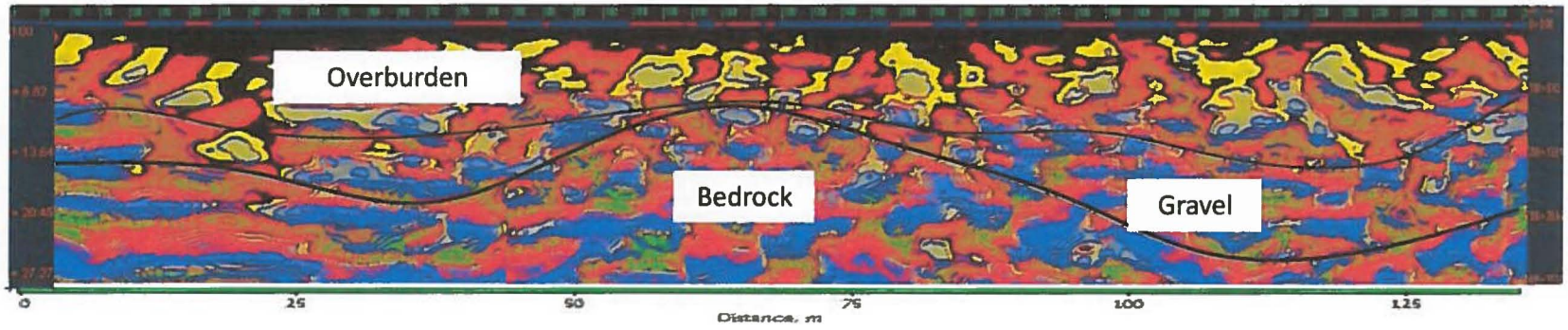


Figure 13g L-7 Depth to bedrock from 14 to 22 m

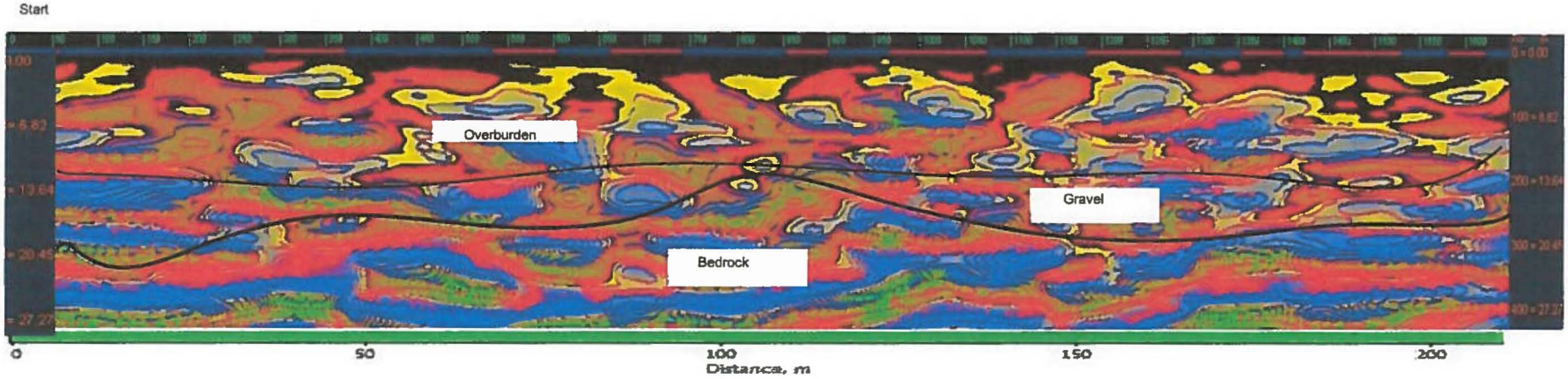


Figure 13h L-8 Depth to bedrock from 6 to 21 m

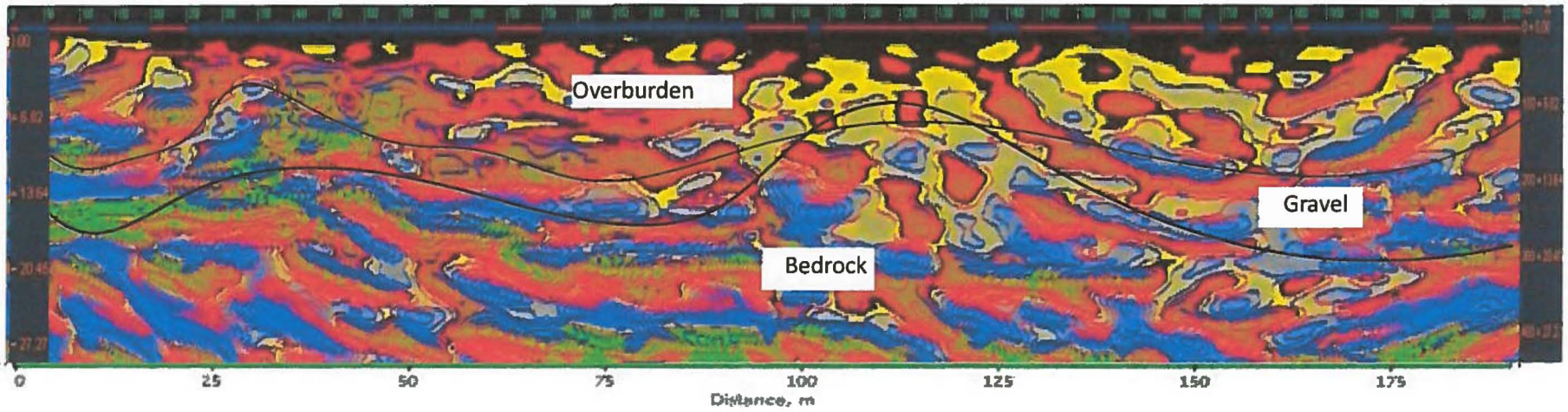


Figure 13i L-9 Depth to bedrock from 9 to 13 m

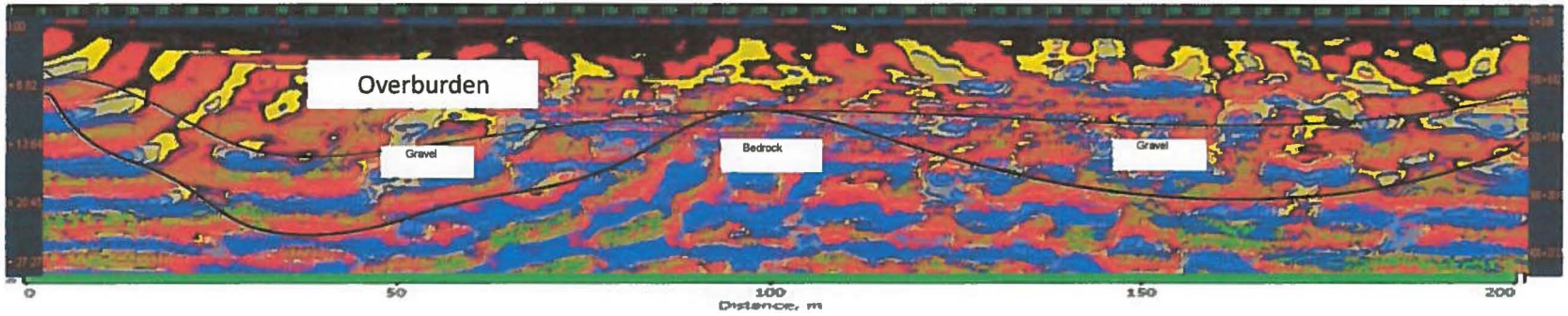


Figure 13j L-10 Depth to bedrock from 13 to 26 m

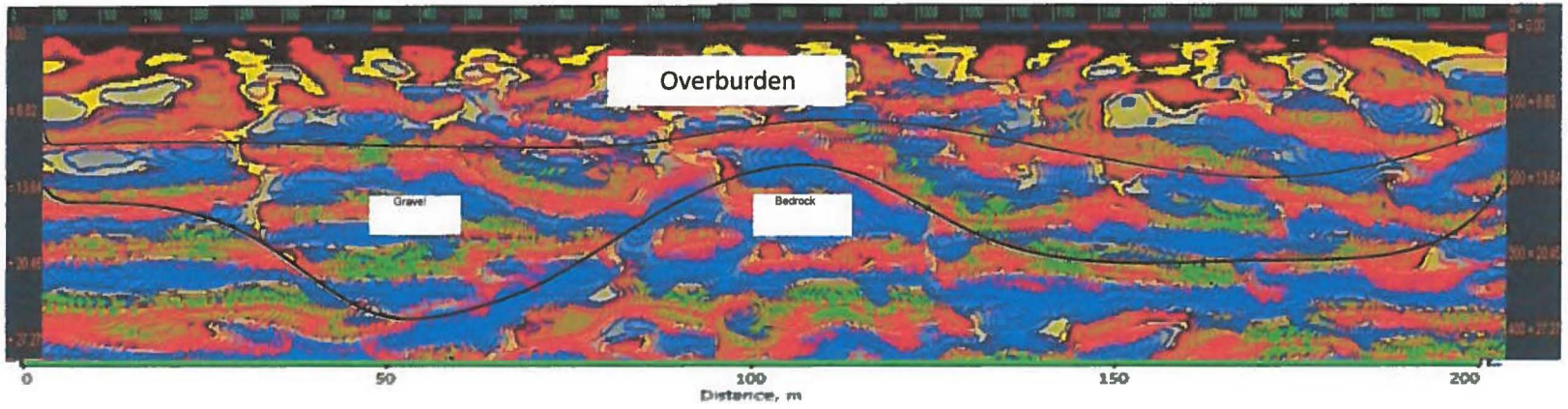


Figure 13k L-11 Depth to bedrock from 12 to 22 m

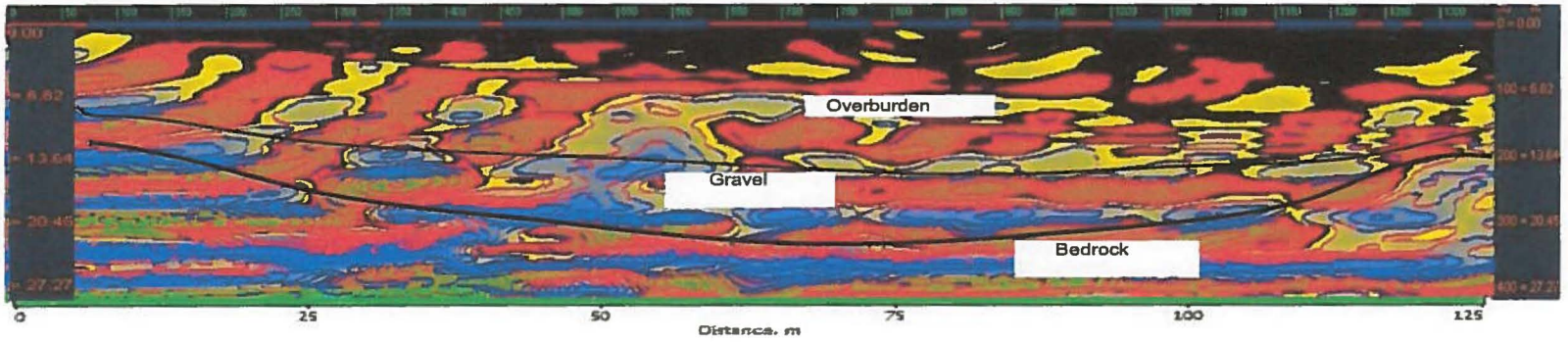


Figure 13l L-12 Depth to bedrock from 9 to 24 m

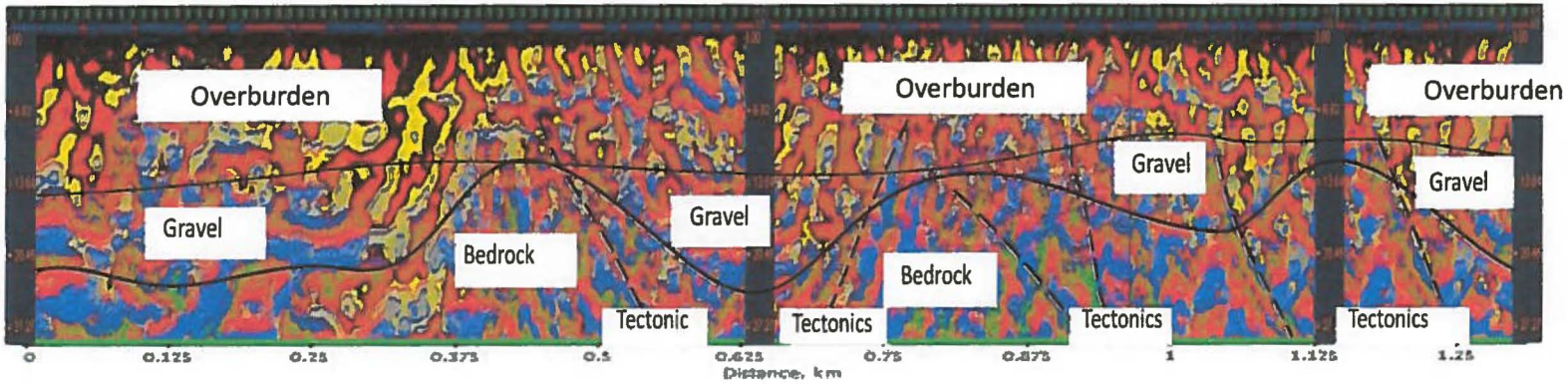


Figure 13m L-13 Depth to bedrock from 12 to 25 m

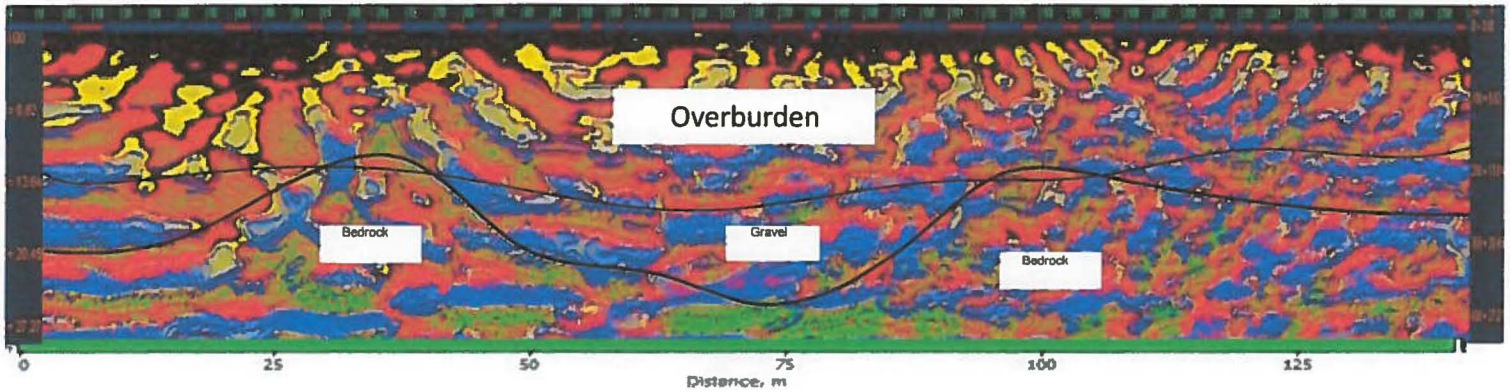


Figure 13n L-14 Depth to bedrock from 13 to 26 m

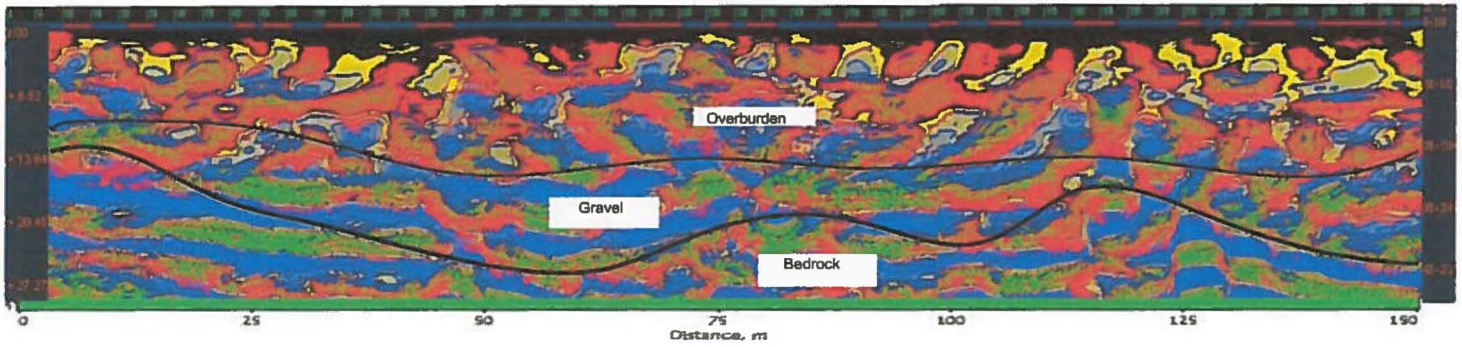


Figure 13o L-15 Depth to bedrock from 12 to 27 m

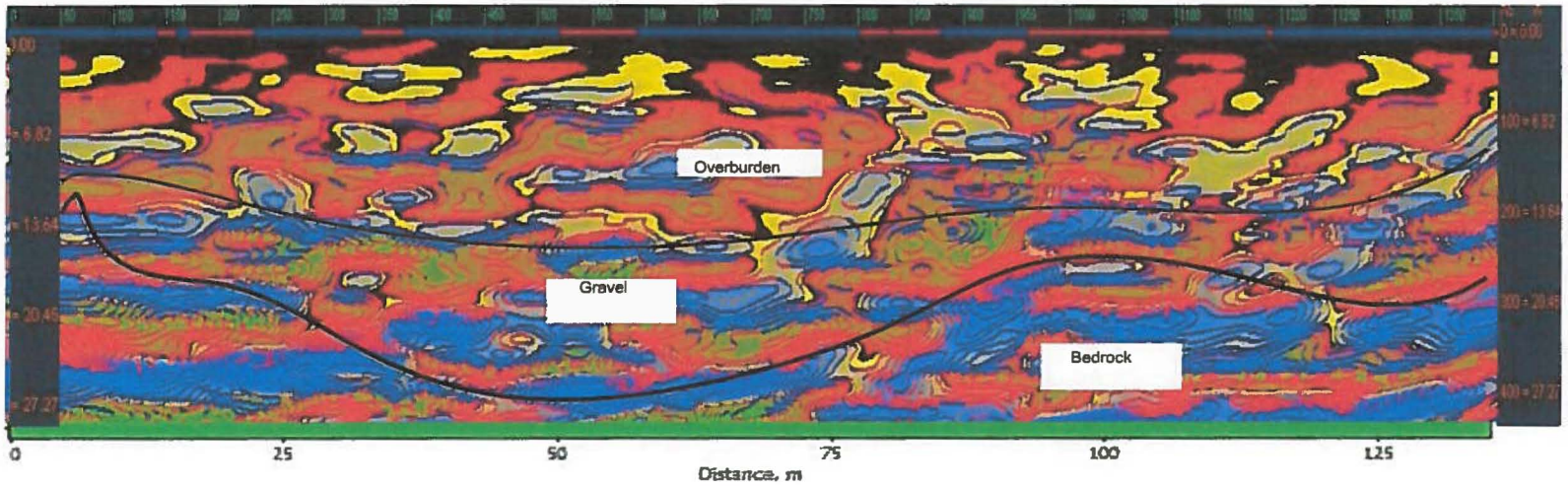


Figure 14: Location of 2017 work with 2003 Drill Holes and 2002 Mag Survey Superimposed

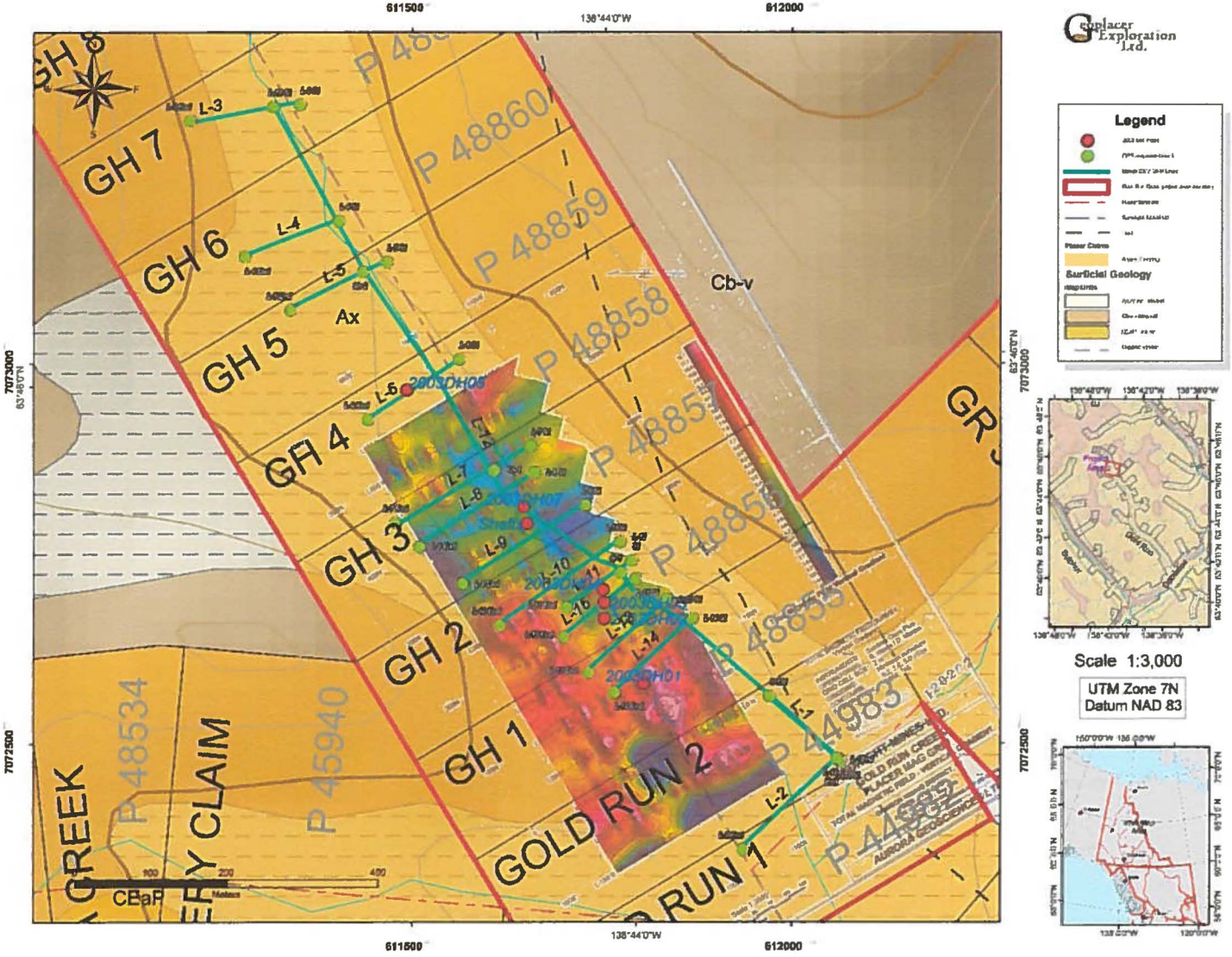
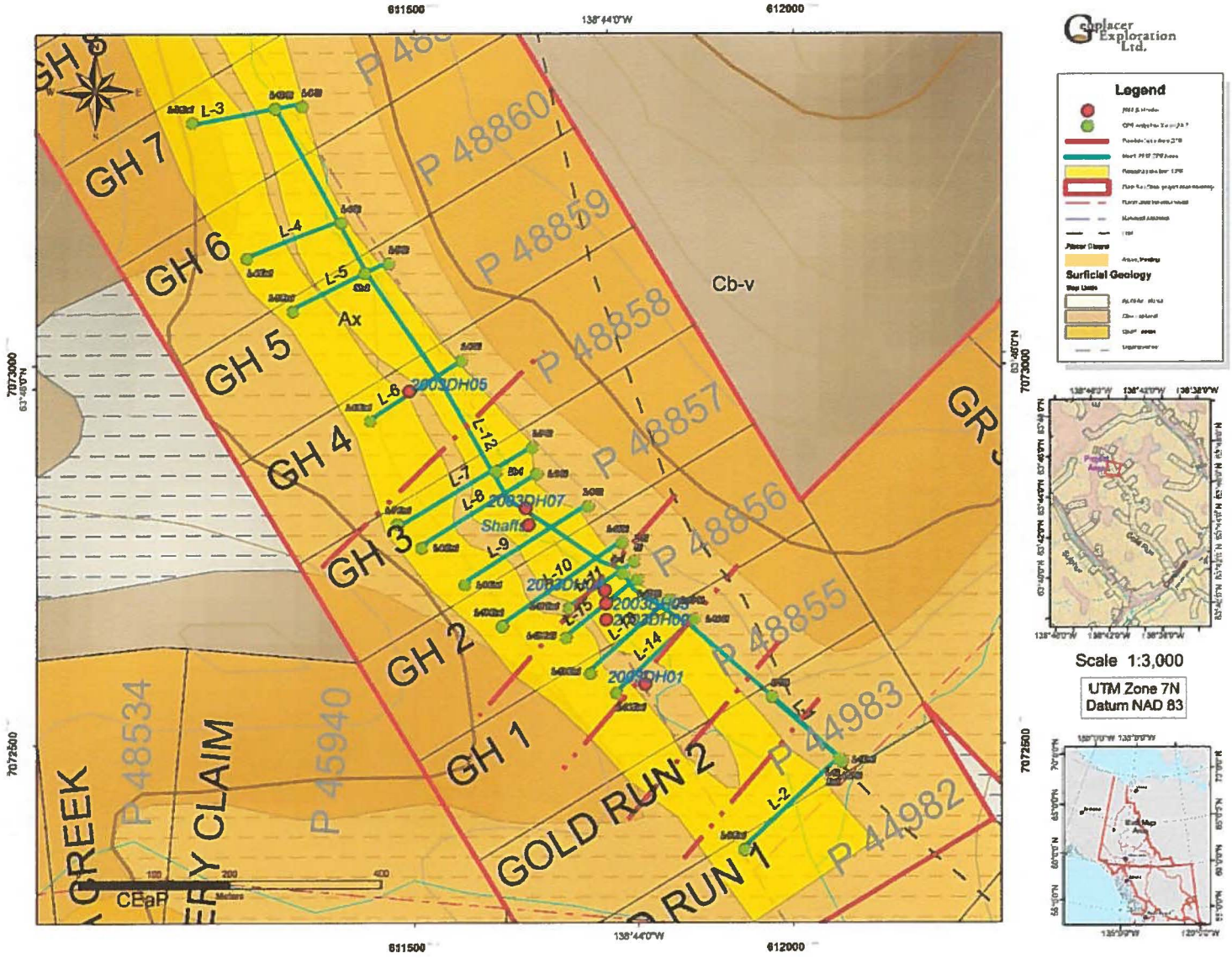


Figure 15: Location of Proposed Paleochannels (Preliminary) from 2017 GPR survey



6.2 2017 Shafting

Two new shafts were dug by Midnight Mining Services personnel during March 2017. One shaft reached a depth of 14 feet, another a depth of 18 feet (see Figure 12 for locations). It was not possible to locate and deepen the existing shafts due to extensive frozen overflow (5 feet deep) covering the entire valley bottom. As the shaft below shows, there is significant ice at surface.

The two new shafts were both dug entirely in black muck overburden, and no creek gravels were encountered. One of the shafts was located near the location of the uppermost existing shaft and the other farther upstream. All of the shafts will be assessed during the 2017 program and several of the best will be extended to depth/bedrock.

Shaft #1 – Gold Run

Shaft #1 With safety coverings in place

Shaft #2 With Safety coverings in place

Shaft #2 Bill Harris

7 Summary and Conclusions

The Gold Run Project, located upstream of significant historic placer production on Gold Run has features in common with the lower reaches of the creek. Auger drill testing to date has resulted in gold values of up to 181 mg. A magnetic field and vertical gradient survey conducted in 2002 outlined an anomaly along the present creek channel or nearby on the right limit side, which is consistent with the magnetic signature of a buried channel containing placer deposits of magnetic minerals. The Ground Penetrating Radar (GPR) survey done in March 2017 under a YMEP program was successful in delineating two "deep channel" locations in Gold Run Creek valley that have a great likelihood of being good placer pay channel areas. The two paleochannels delineated by the GPR Survey are under the same area as the magnetic anomaly in the 2002 program.

Historical work, the extensive amount of mining, and the large amount of gold recovered along this creek indicate the excellent potential to discover a mineable resource on the Gold Run Creek property. Additional exploration work could lead to mining of the property.

Gold Values in drill holes of 25-65 mg are common. Most of the best values in drilling to this point in time have been under the active channel of the creek or within 50 meters of the active channel along the right limit. This would be the same area as the main mag anomaly and the two GPR paleochannels found in March 2017.

If this exploration program is successful it would lead to an agreement for exploration, development and future mining of the Gold Run Placer Project with one of several companies who have expressed interest or by the owner Bill Harris.

Although there is not a deal ongoing at present on the Gold Run Creek Property, many of the large active miners in the Klondike have expressed interest in mining the property under a lease agreement over the last few years. These include Gimlex, Fine Gold Ventures, Dulac Mining, Knutsons and Fry Mining and Exploration, as well as others.

Magnetometer Survey (Drone)

A program (~75 line km) of Magnetometer Surveying will be performed along the Gold Run 1 and 2 and GH 1-17 claims along the main valley of Gold Run Creek. This will be interpreted in conjunction with the March 2017 GPR survey to ascertain whether any correlation exists and whether the mag anomalies are in the same areas as deeper portions of the bedrock of Gold Run Creek. This would give better targeting information for 2017 and future drill programs and future mine pit planning.

Resistivity Survey

A resistivity survey (~5 km) over existing lines, drill holes and shaft would assist in determining the bedrock profile more accurately, and help differentiate between bedrock and permafrost profiles. This will be interpreted in conjunction with the March 2017 GPR survey and new magnetometer survey to ascertain whether any correlation exists and whether the mag anomalies are in the same areas as deeper portions of the bedrock of Gold Run Creek. This would give better targeting information for 2017 and future drill programs and future mine pit planning.

Excavator Trenching

A small program of excavator trenching will be performed on areas of the creek which are proven by drilling to be shallow enough that bedrock can be reached. Several areas in the left limit tributary have exposed bedrock along the right limit banks and several areas of the extreme upper end of the claims on Gold Run Creek itself could be shallow enough for excavator trenching.

9 References

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