

**YMEP FINAL REPORT for the OLD CABIN PROJECT
and ASSESSMENT REPORTS for the A & B CLAIMS
of 18526 YUKON INC.
2016 ROCK AND SOIL SAMPLING PROGRAM
GRASSY KNOLL AND VALLEY GOLD TARGETS**

**NTS MAP SHEETS: 1050/ 11, 12
UTM NAD 1983 Zone 9**

MAYO MINING DISTRICT, YUKON, CANADA

**“OLD CABIN” YMEP Hard Rock Focused Regional Project #16-032
Project Centered at UTM 377000E, 7063000N**

ASSESSMENT REPORT FOR THE “A” CLAIMS

Claim Name Grant Number

A 264 YD66153

A 319 YD66208

A 321 YD66210

Total 3 claims, NTS 1050/12, August 22- 27, 2016

Property Centered UTM 375000E, 7065000N

ASSESSMENT REPORT FOR THE “B” CLAIMS

Claim Name Grant Number

B 236 YD66573

B 238 YD66575

B 240—244 YD66577-- YD66581

B 301 YD66636

B 303 YD66638

B 305 YD66640

B 307 YD66642

Total 11 Claims, NTS 1050/11, August 28- 30, 2016

Property Centered UTM 386000E, 7058000N

**TOTAL PERIOD OF WORK: August 22 -August 30, 2016
OPERATOR AND OWNER OF CLAIMS: 18526 Yukon Inc.**

Report Prepared by: William D. Mann, M.Sc., P.Geo. _____

Field Work Supervised by: Ron Berdahl

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1.0 INTRODUCTION

This report is written to fulfil three separate obligations. It is the final report for YMEP grant 16-032, and it is the Quartz assessment report for two nearby claim blocks, the “A” and “B” claims. The Old Cabin Focused Regional YMEP Project examined two areas known as the Grassy Knoll and Valley gold. The Grassy Knoll extends over an area about 6 km long by 2 km wide and partly overlaps with the “A” claims on the north side of Old Cabin creek. The “B” claims cover a gold target known as Valley Gold, a gold-bearing intrusive body discovered in 2011 and 2012. The “A” block consists of 3 quartz claims, while the “B” block totals 11 claims. These claims are remnants of a formerly contiguous block of over 1300 claims that were explored under option during 2008 to 2012. A 100% undivided interest in the two properties is owned by 18526 Yukon Inc., targeting intrusion-related, skarn or Carlin-type gold systems located in the Hess and Selwyn Mountain Ranges in east-central Yukon.

This report describes field work completed from August 22 to 30, 2016 which included prospecting, soil and rock sampling by 3 workers for 9 days. This work was supervised by Ron Berdahl, an experienced prospector and owner of 18526 Yukon Inc. The program was designed to examine, confirm and upgrade gold targets identified by previous work.

2.0 PROPERTY LOCATION AND LIST OF CLAIMS

The work area lies in East-Central Yukon, about 195km northeast of Ross River and 210km east of Mayo, the nearest communities. Access is by helicopter. The area is about 70 kilometers northwest from the junction of the North Canal road and the Yukon- NWT border (Figure 1). The properties consist of a total of 14 quartz claims in two blocks located about 10km apart (Figures 2 and 3) and is located in the Mayo Mining District. All claims are owned by 18526 Yukon Inc., and work was conducted under supervision of the owner.

List of Claims:

THE “A” CLAIMS

Claim Name	Grant Number
A 264	YD66153
A 319	YD66208
A 321	YD66210

Total 3 claims, NTS 1050/12, August 22- 27, 2016
Property Centered UTM 375000E, 7065000N

THE “B” CLAIMS

Claim Name	Grant Number
B 236	YD66573
B 238	YD66575

B 240—244 YD66577-- YD66581 (continued over...)

B 301 YD66636

B 303 YD66638

B 305 YD66640

B 307 YD66642

Total 11 Claims, NTS 1050/11, August 28- 30, 2016

Property Centered UTM 386000E, 7058000N



Valley Gold camp location showing topography and vegetation.

3.0 EXPLORATION HISTORY

Exploration History of the Old Cabin A & B Properties

The area of the current A & B claims and the Grassy Knoll and Valley Gold targets saw little focussed exploration prior to 2011. Some exploration likely occurred in the area during the Klondike Gold Rush, however this is not documented. The first known exploration occurred post World War II along the North Canal road 70km to the south. The discovery of the Tom and Jason Pb-Zn-Ag deposits and the Mactung tungsten deposit proximal to that road spurred the first documented exploration of the claim area in the late 1960s through the 1980s. Atlas Exploration, Canadian Oil & Gas and Union Carbide were active during this time, and discovered many of the Minfile occurrences nearby. Union Carbide explored around the Old Cabin pluton and found veins and skarns (minfile 1050 039) that are close to the “A” claims (James, 1982). Union Carbide performed mapping, geochemistry and an airborne magnetics survey. Canadian Oil & Gas found the Horn minfile occurrence 1050 010 located immediately north of the “A” claims.

AGIP Canada Ltd. explored the area looking for uranium in 1980- 1984, and investigated most of the intrusive bodies in the area. They did considerable work at the Emerald Lake Stock about 5km south of the Old Cabin project area.

Exploration in the project area for gold began in a big way after 1990, looking for Ft. Knox and Brewery Creek type gold targets associated with Tombstone intrusions. Work by Yukon Gold Corp. led to the discovery of the Arrowhead minfile occurrence 1050 012 at the Valley Gold stock. Workers found polymetallic veins, but there was little sampling and no staking done at the time.

Exploration and staking in the project area picked up in 2008 during the second Yukon gold rush, and the A & B claims were staked in 2010 by 18526 Yukon Inc. These claims were part of a large block of claims that was optioned to Golden Predator Corp. In 2011 Golden Predator conducted an extensive regional exploration program over the claims. The program consisted of two phases with silt samples and rock samples collected in phase one. The phase two program consisted mostly of prospecting. In addition Newmont Mining Corp. collected 80 Bulk Leach Extractable Gold (BLEG) samples on the claims. This work identified a string of gold anomalous silt samples draining the southern side of the Old Cabin and Horn minfile occurrences, the area now called the Grassy Knoll. It also identified anomalous silts, soils and rocks at the Arrowhead minfile occurrence and discovered the Valley Gold intrusive stock.

In 2012 Golden Predator conducted geological mapping and prospecting on the “B” claims at the Valley Gold area, with some very high grade gold in rock values. Some rock samples were collected on the high ridges above the current “A” claims with low gold values. No further work was done on the A and B claims after 2012, and Golden Predator returned the claims to 18526 Yukon Inc.

4.0 GEOLOGY

4.1 Regional Geology

This regional geology description is excerpted from and modified from Golden Predator Assessment Reports (#096026 Lewis & Bennett, 2011) and Burke & Carlos, 2012. The A & B claims are located in central-east Yukon within fold and thrust strata of the Paleozoic Selwyn Basin (Figure 1). The Selwyn Basin represents passive margin accumulation of Neoproterozoic - Middle Devonian siliciclastic rocks and coeval carbonate platform succession onto Proterozoic sedimentary and volcanic 'basement' (i.e. Laurentia). Stratigraphy of the Selwyn Basin is overlain by the Late Devonian siliciclastic Earn Group and Triassic – Cretaceous terrigenous sedimentary rocks (Chakungal and Bennett 2011). Shallow-water carbonate successions of the Mackenzie Platform interfinger with, and bound the Selwyn Basin rocks to the northeast.

Rocks of the Selwyn Basin are mostly characterized by deep-water black shales and cherts whereas the Mackenzie Platform is dominated by shelf carbonates (Abbott et al., 1986). Deformation of these basinal and platformal rocks occurred during the Mesozoic when extensive northeasterly directed compression imbricated and folded the strata. Thrust faults associated with Mesozoic compression broadly verge to the north-northeast and northwest.

Subsequent to regional deformation, early - mid Cretaceous magmatism intruded stratigraphy of the Selwyn Basin. Seven intrusive suites are recognized, including; (i) Anvil Suite (112 - 110 Ma); (ii) Tay River Suite (98 - 96 Ma); (iii) Tungsten Suite (97-92 Ma), (iv) South Lansing (95-93 Ma); (v) Tombstone Suite (94-90 Ma); and the McQuesten Suite (62 - 67 Ma) (Murphy et al. 1995). The South Lansing Suite has subsequently been modified, expanded and renamed the Mayo Suite (98 – 93 Ma). "The plutons with dominantly metaluminous, peraluminous, and alkalic characteristics define the Mayo, Tungsten, and Tombstone plutonic suites, respectively, and notably, all have associated Au mineralization (Hart, 2007)."

Early to Mid-Cretaceous intrusives range in composition from metaluminous granodiorite to syenite and are well known for mineral and gold occurrences throughout the Yukon (Hart, 2007). These magmatic rocks form the narrow Tombstone belt that extends over 500km from east of the Yukon- NWT border to Fairbanks, Alaska. Apparent dextral displacement along the Tintina fault has offset the belt. An important feature of most intrusions of the Tombstone Belt is existence of pyrrhotite-bearing metamorphic aureoles that result in distinctive 'donut' aeromagnetic expression, where a peripheral magnetic high encloses a central magnetic low. McQuesten suite intrusions comprise peraluminous biotite-muscovite granite and quartz monzonite compositions and have very few associated mineral occurrences (Murphy, 1997).

Mineralization associated with the mid-Cretaceous plutonic suite intrusions includes veins, skarns, stockworks and breccias within, proximal or distal to the intrusions. The most predominant form of mineralization however, is sheeted quartz veins in the intrusions. More

often than not, more than one style of mineralization will exist proximal to these intrusions (Abbott et al., 1986).

More recently discovered styles of mineralization include Carlin-style gold mineralization in Bouvette Formation shallow water limestone, dolomite, and calcareous siltstone of Cambrian to Devonian age. This occurrence is found 55km north of the town of Mayo. Similar Carlin-type gold mineralization has been found on the ground of Anthill Resources and 18526 Yukon Inc. located about 20km north of the Old Cabin project.

4.2 Property Geology

The “A” and “B” claims occur in the Macmillan Pass District of the Yukon and are located on 1:250k map sheet 1050 (Figures 2 & 3). Specifically, the “A” claims occur on 1:50k mapsheet 1050/12 and the “B” claims on 1:50k mapsheet 1050/11. Detailed regional geological mapping of the area was conducted by Cecile during 1983- 1985 at 1:50k scale (Cecile, 1998, 2000).

Abbott (1982) defined the region as the MacMillan Fold Belt (MFB) and subdivided NTS1050 into three distinct tectonostratigraphic domains (North, Central and South blocks) based on style of Mesozoic structure and Silurian-Devonian stratigraphy. The A and B claims are situated in the North block, north of the dextral strike-slip Hess-Macmillan Fault system, which transitions into the northwest-directed Tombstone thrust fault to the west. Dextral strike-slip tectonics and related extension is thought to have been main tectonic control on emplacement of the Tombstone belt (Colpron et al, 2011).

Stratigraphic units (from Cecile, 1998, 2000) recognized proximal to the project area include:

- (i) Carbonate, siliciclastic and shale sequences of the Neoproterozoic - Cambrian Hyland Group, specifically the lower Cambrian Arrowhead Lake member of the Narchilla formation,
- (ii) Mafic volcanic rocks, chert, shale, phyllite, quartzite and calcareous siltstones of the Cambrian Gull Lake Formation,
- (iii) Basic volcanoclastics, breccias, lapilli tuff, flows, sills, dykes and minor sedimentary rocks of the lower Cambrian to Silurian Old Cabin formation,
- (iv) Chert and siliceous shale, black, graptolitic, bioturbated in upper part; chert, siliceous argillite, grey in lower part; rare limestone of the Ordovician Elmer Creek formation,
- (v) Argillite, minor shale and chert and prominent dolostone of the Silurian Steel formation,
- (vi) Chert and black shale of the lower to middle Devonian Misfortune formation, and
- (vii) Chert pebble conglomerate of the lower to middle Devonian Thor Hills formation.

Plutons, stocks, plugs and dykes are common in the region and local area (Colpron et. al., 2016). They are either of the Tombstone intrusive suite (ca. 90 - 94 Ma) or Mayo intrusive suite (93 – 98 Ma). The intrusives closest to the work area that have been dated are the Old Cabin pluton, which is a biotite bearing granite or quartz monzonite of the Tombstone suite. A mappable, resistant hornfels alteration zone is common around the intrusive bodies, including the Old Cabin Pluton. The intrusives and related hornfels are clearly shown in airborne magnetic

surveys (Dumont et al, 1999; Jiang & Broughton, 1998), with the hornfels extent also mapped by Cecile.

The Arrowhead Thrust fault cuts the area between the Grassy Knoll and the Valley Gold zones. The Lower Cambrian Narchilla formation at Grassy Knoll is thrust over the younger Silurian to Devonian sedimentary rocks that host the Valley Gold zone.

Many Yukon Minfile occurrences are recognized within NTS 1050. Mineral occurrence types range from SEDEX targets within the Devonian Earn Group to intrusion-related Au- Cu targets in several stratigraphic units adjacent to the Tombstone and Mayo Intrusions. Mineral deposit types range from skarn, polymetallic veins and Au-quartz veining.

4.3 Mineralization

The Tintina Gold Belt is a metallogenic region extending from the Yukon into Alaska which hosts several intrusion-related gold deposits including Dublin Gulch, Brewery Creek, Pogo and Fort Knox.

Gold deposits that are spatially and temporally associated with the mid-Cretaceous plutonic suite intrusions, and in the Yukon, form the Tombstone Gold Belt. The Selwyn Basin is also host to world class sedimentary exhalative districts such as the Anvil District, Macmillan Pass and Howards Pass, and world class tungsten skarn deposits such as Mactung and Cantung. The local area includes several mid-Cretaceous, granite to monzonite to granodiorite, Tombstone Plutonic Suite intrusions which intrude into Late Proterozoic to Triassic marine sediments of the Selwyn Basin. Gold and arsenic mineralization is generally proximally associated with these intrusive bodies.

The A claims and Grassy Knoll area is located southwest of a 2.5 km wide biotite granite to quartz monzonite intrusion called the Old Cabin Pluton, which intrudes into Upper Proterozoic to Ordovician sedimentary rocks consisting of shale, argillite, quartzite, chert and conglomerate with minor volcanoclastic rocks. The sedimentary rocks have been metamorphosed to a dark, fine-grained, pyrrhotite hornfels with several skarn zones on the western edge of the pluton. Skarn type and replacement type mineralization occurs, with massive pyrrhotite, pyrite, (low gold to about 1 g/t) replacement of reactive basaltic volcanics.

Vein mineralization consists of sheeted quartz-calcite veins containing arsenopyrite, pyrite, and molybdenum. Another prominent vein style is massive arsenopyrite in shear zones that trend northeast. Union Carbide sampled these veins with the best result of 22.5 g/t gold (James, 1982), while Golden Predator sampling returned values to 9.97 g/t gold (Burke & Carlos, 2012).

The "B" claims which cover the Valley Stock are located to the east of the Grassy Knoll and appears to occur along an easterly trending zone defined by variable amounts of hornfelsing and various styles of mineralization that define the trend that extends from the Valley Gold in the west to the Arrowhead stock in the east. The Valley Stock consists of a 1.2 km by 400 meter

quartz-monzonite stock. Significant gold mineralization was discovered within and proximal to the Valley Stock. Gold has been found in 3 types of occurrence: polymetallic sulphide veins with Ag-As-Cu-Sb-Bi-Pb etc.; low sulphide quartz veins cutting granitic intrusive rocks; and low grade (< 1 g/t Au) disseminated sulphides in a variety of host rocks.

The general area of the claims is enriched in a wide variety of elements including base metals, precious metals and rare metals, as shown by minfile occurrences as well as in regional geochemical surveys described in government and industry reports. The government regional geochemical survey (Friske et al, 1991) has been interpreted by (Heberlein, 2013) and (Mackie et al, 2016). The Mackie et al report indicates that the Old Cabin project area is of elevated potential to host Intrusion-related Au deposits, Carlin-style Au deposits, Cu skarn deposits, W skarn deposits, Porphyry Mo deposits, polymetallic Ag-Pb-Zn deposits, and Sedex Pb-Zn-Ag deposits.

5.0 EXPLORATION

5.1 Sampling Methodology and Protocol

Rock, silt and soil samples were collected in the field and placed in plastic or Kraft soil sample bags respectively. Soil samples were collected by auger or narrow spade. Sample bags were labelled with a sample number from an assay tag book, and in some cases including the bar coded sample tag inserted into the bag. Geographic location was recorded on GPS units. Sample descriptions were recorded in field note books. Samples were air dried, sorted and placed in rice bags. All samples were transported in the custody of Ron Berdahl Air and delivered to AGAT Labs preparation facility in Whitehorse. Pulps were analyzed at AGAT's facility in Mississauga, Ontario.

30 gram pulp samples were analyzed using AGAT Labs 201-074 methodology using aqua regia digestion with an ICP-MS finish with a detection range for gold of 0.005 ppm to 25 ppm. 50 other elements were analyzed by the AGAT Labs 201-074 methodology using aqua regia digestion with an ICP-MS finish.

Appendices 2, 3 and 4 present locations and descriptions of rock, soil and silt samples respectively. The sample number, location, description and assay results for gold and silver are included for each sample. Complete assay data, location and descriptions in excel format are submitted as a separate file with this report. Assay laboratory result certificates are presented in Appendix 5.

5.2 Summary of Work and Results

In 2016, a 9 day long program of soil, silt and rock sampling was conducted to confirm and expand existing gold anomalies and seek new gold occurrences. A three man crew consisting of prospector Ron Berdahl with two assistants worked from two fly camps.

Between August 22- 30, 18 silts, 188 soils and 36 rock samples were collected for analysis at the Old Cabin Project. The project is divided in two, with the Grassy Knoll on the west side and the Valley Gold area about 5km to the southeast. All silt samples were collected at the Grassy Knoll area.

Highlights of the 2016 field season were two rock samples from the Valley Gold area that ran 22.4 and 5.14 g/t Au, confirming the presence of high grade gold. Gold analyses from the Grassy Knoll area were disappointing, with only low level anomalous values despite previous moderate to high gold in silt values and elevated pathfinder element values.

Appendices 2, 3 and 4 present locations and descriptions of rock, soil and silt samples respectively. The sample number, location, description and assay results for gold and silver are included for each sample. Assay laboratory certificates are presented in Appendix 5, with spreadsheets included in digital format on attached CD.

“A” Claims and Grassy Knoll Area

The Grassy Knoll is an area on the lower slopes north of Old Cabin Creek and south of the ridgelines that stretch from the Horn Minfile occurrence east to the Old Cabin Minfile and Old Cabin Stock. Stream Sediment gold values in drainages from west to east include 1150 (805), 350, 160, 22.1, 100 and 56.9 ppb Au over a seven kilometer distance (Burke & Carlos, 2012). Two parallel 6 km long soil lines spaced 500m apart, with samples collected 100m apart along each line were run across the zone, and partly overlap with the “A” claims. These lines are oriented southeasterly and run roughly parallel to slope contours, cross-cutting the anomalous streams. The lines are below treeline in an area of steep colluvium and till cover.

The Arrowhead member of the Proterozoic Narchilla formation underlies this target, though outcrop is sparse (Cecile, 1998). The rocks to the north upslope from this area are steep, well-exposed outcrop and talus, hornfels altered and include Tombstone age intrusive rocks and the Gull Lake and Old Cabin formations in addition to the Narchilla formation. Several minor occurrences of gold in polymetallic veins and skarns are known at the higher elevations.

Silt sampling and prospecting in 2016 involved walking along each of the anomalous stream courses and collecting 18 additional silt samples, along with collecting rock samples and describing outcrops that were observed. 15 rock samples were collected and described at Grassy Knoll, with only 4 slightly above detection limit for gold (Appendix 2). The rock highlights are samples 14 and 14A, which returned silver values of 5 and 15 g/t Ag, with highly anomalous values for Bi, Cu, Pb, Sb and other metals from an iron rich subcrop. This area should be examined further.

The silt results were somewhat disappointing, with only 2 of 18 duplicating the high gold values returned by both RGS and Golden Predator silt samples. Sample 8-1 returned 859 ppb Au from the northwest corner of the area on claim A 264. Silt sample S-18 returned 396 ppb Au from the east end of the area. Most of the silts were below detection limit. Gold values for this area are presented graphically in figure 2, and in detail with other elements in Appendices 2 to 6.

Gold in soil at Grassy Knoll was disappointing, with most values below detection limit, and no obvious clusters of anomalous values. Pathfinder element values are also muted, with no obvious targets. The soil origin at the Grassy Knoll may be a glacial till derived from up-ice to the southeast, as indicated by mapping of glaciation (Duk-Rodkin, 2001), rather than local colluvium. Alternately, the covered lower slopes below the area of hornfels may be less mineralized than the area near the minfile showings uphill to the north. The glacial till explanation is preferred, as the highly anomalous Ag-Pb-Cu-Bi-Sb subcrop at rock sample 14 and 14A is not reflected in the nearby downslope soils, but are elevated in the downslope silt samples.

“B” claims at Valley Gold

The B claims cover the Valley Gold target area identified in 2011 and 2012, which occurs at the west end of a roughly 10km long east-west trend of hornfels, intrusions and gold-bearing polymetallic mineralization. This trend includes the Gracie area (discovered in 2011) and Arrowhead stock at the east end, each zone separated by about 3km.

The Valley Gold area was discovered in 2012 by prospecting in the area of gold in stream sediment anomalies identified in the 2011 program. It is located at about the same location as minfile occurrence 1050 012 “Arrowhead”. The minfile occurrence notes a polymetallic Ag-Pb-Zn +/- Au vein type zone that was identified in the late 1990s but never staked.

The Valley Gold zone is described by Golden Predator (Burke & Carlos, 2012) as follows, with minor edits: The Valley Gold area was identified by three anomalous stream sediment samples from 2011 which returned 100, 100 and 57.3 ppb Au. Prospecting in this area in 2012 was successful in finding significant mineralization within 500 m upstream of the anomalous stream sediment samples along the creek bank, and for approximately one kilometer east along the northern contact of a previously unmapped intrusive. Rock samples in this kilometer square area ran up to 95.3 g/t and 152 g/t Au, with 12 of 48 samples over 4.32 g/t. The sample medium of the 48 samples was predominantly outcrop/sub-crop with localized float.

Gold mineralization is associated with a previously unmapped quartz monzonite body, named the Valley stock. High grade veins and disseminations were identified along the northern sediment-intrusive contact for about one kilometer both within sediments and quartz monzonite. Exposed in the creek bank, within 10 m of the quartz monzonite sediment contact, silicified black shales with cross cutting and bedding parallel quartz +/- arsenopyrite veins and disseminated pyrite-arsenopyrite returned a chip sample of 4.20 g/t Au over 4.71 m including a massive polymetallic quartz-arsenopyrite vein which assayed 12.2 g/t Au, 49.8 g/t Ag, 0.25% Cu, 4.8% Pb over 0.75 m. Approximately 75 m northwest of the 12.2 g/t Au vein two samples of biotite hornfels sediments assayed 18.3 and 1.63 g/t Au. Another 75 metres southeast of the 12.2 g/t Au vein, sheeted quartz veins within the quartz monzonite returned values of 2.33 and 3.55 g/t Au with negligible values of silver, copper and lead. Approximately 500 m north an area of low grade Au mineralization proximal to a quartz monzonite dyke was encountered about 350 m from the main intrusive body. Clay altered, fractured and quartz-arsenopyrite veined fine-grained sediments returned 0.46 g/t Au over 12 m (Burke & Carlos, 2012).

Approximately 600 metres east-northeast of the showings exposed in the creek bank another area within the Valley Stock consisting of quartz-arsenopyrite-pyrite veins returned values of 10.1, 5.06 and 1.83 g/t Au. The 10.1 g/t Au sample also contained 185 g/t Ag, 0.35% Cu and 0.75% Pb.

The highest grade samples from the program were collected from this same area in a talus slope 50 to 200 metres north of the intrusive contact. Samples of locally derived float material

consisting of vuggy, oxidized polymetallic quartz-arsenopyrite veining and breccia returned values of 152, 95.3, 19.9, 12.7, 7.3, 8.01 and 4.78 g/t Au. These samples also contained silver values from 4.6 to 360 g/t, copper from 0.11% to 0.30% and lead from 0.67% to 4.24%.

Mineralization in the Valley Gold area encountered in both vein and disseminated form consists of:

1. High grade polymetallic Au-Ag-As-Cu-Pb-Sb veins with local elevated Bi and Te, primarily hosted within weakly hornfelsed black shales, black cherts and calcareous siltstones. The two highest gold samples from 2012 which returned 152.0 and 95.3 g/t Au were both this type of vein. These types of veins are also hosted within the Valley Stock.
2. Sulphide poor, Au +/- Ag white quartz veins hosted within the Valley Stock. This white, 'bull' quartz veining has weak wall rock alteration and good grades. In one grab sample, innocuous plain white quartz runs 3.55 g/t Au. These veins are locally sheeted.
3. Disseminated sulfides replacing calcareous siltstone beds and cross-cutting fault gouge zones associated with quartz-sulphide veins and stockworks of type 1 described above.

Veins are oriented in two dominant directions: A NW-SE fracture control appears to host the Au-polymetallic sulphide veins. The orientation is perpendicular to the regional folding and the currently mapped intrusive-sediment contact and likely represents the main extensional orientation. The second cluster of vein orientations, seen predominantly in the quartz monzonite, are in the NE-SW orientation and are slightly more easterly oriented to the regional fold axis' and therefore suggest they may be part of the conjugate set and not reverse faulting due to the compressional regime.

62 soil samples were collected at the Valley Gold target in 2016. 8 were from the southwest side of Old Cabin creek, oriented parallel to the creek (northwest). The rest were collected along a northeasterly line from the creek upslope across the Valley Stock towards Arrowhead Pass. No silt samples were collected at this target in 2016. Gold in soils are elevated proximal to the stock, as well as in the talus area where high grade rocks were located in 2012 sampling (figure 3). The soil program in this area successfully demonstrated that soil sampling is a useful tool to confirm anomalous gold values in the area, with pathfinder element zonation helpful for indicating proximity to the intrusive body. Bi, W, and Te are highest proximal to the intrusive. The program also extended the anomalous area across Old Cabin creek to the southwest. The best gold in soil value was 4.61ppm (g/t) Au from soil 5258. This site should be followed up by prospecting. Several other samples returned greater than 100ppb Au. Soils are recommended on the lower slopes of the hill near the intrusion and along the valley nearby.

6.0 CONCLUSIONS AND RECOMMENDATIONS

The two areas prospected and sampled in 2016 were based on follow-up of results obtained in 2012, 2011 and earlier. The Grassy Knoll (A claims) area was recommended for followup in 2012 due to elevated gold in silts along a 7km trend, while the Valley Gold intrusive target (B claims) was discovered in 2012 and showed great promise with high gold in float and outcrop.

Work in 2016 at the **Grassy Knoll** target was somewhat disappointing, as only 2 of 18 silt samples returned high Au values, and soil values were low and often below detection limit. Rock samples were low in gold, but locally elevated in Ag-Pb-Cu-Bi-Sb and other pathfinder elements. It is thought that the soil-covered slope at Grassy knoll may be covered by glacial till derived from rocks up-ice to the southeast, and may not accurately reflect the underlying bedrock.

The streams upslope from the two highest gold in silt anomalies should be prospected up into the high alpine, seeking the source of gold in bedrock or float. The polymetallic silver-rich area at rock sample 14 could be examined at the same time.

Work in 2016 at the **Valley Gold** target was successful in confirming high grade gold in float and bedrock, and showing that soil geochemistry is a useful tool in the area. Gold and pathfinder elements in soils extend along the northern edge of the intrusion, and across Old Cabin creek to the southwest.

The recommendations from the 2012 report regarding this area still stand: “Very limited prospecting and mapping has revealed a previously unmapped intrusion exposed over an area 1.2 km by 0.4 km. The full extent of the intrusion has yet to be mapped and the area within and around the intrusion thoroughly prospected. Grid soil/talus fine sampling in the area of the Valley Gold intrusion should be performed to help define the extent of enriched gold in areas with poor exposure.” In particular, the southern side of the intrusion should be a focus of attention, as the prospectivity of the northern edge has been demonstrated. Mapping of the area at 1:5,000 scale should be undertaken, extending about 1km beyond the intrusive body. The location of the soil sample which returned 4.6 g/t Au should be prospected.

7.0 2016 EXPENDITURES

Expenditures for the 2016 exploration program at the Old Cabin project have a combined total of \$31,718.80 as detailed below. From this total, \$1,500 has been applied to the "A" claims for 5 years of assessment on each of the 3 claims. On the "B" claims \$5,500 has been applied for 5 years of assessment on each of the 11 claims.

Statement of Expenses

Old Cabin Creek Focused Regional Quartz

Grant #16-032

Field Work: August 22-30 2016

Assays (Agat Labs)-240 soil, rock and silt samples	\$7,443.39
Contract (Mammoth) Sean Macdonald, Ted Macdonald	\$5,000.00
Ron Berdahl, labor/management 9 days at \$350/day	\$3,150.00
Per diem \$100/day x 24 man/days	\$2,400.00
Float Plane (Blacksheep) to access/rtn general area for heli pu	\$4,203.81
Helicopter (Horizon) borrowed from ATAC Res to save ferry time (Includes initial set out and camp move and return)	\$7,041.60
Truck Mt Lorne to Mayo rtn 800km @\$.60/km	\$ 480.00
Report Prep	<u>\$2,000.00</u>
TOTAL	\$31,718.80

8.0 REFERENCES

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APPENDIX I

STATEMENT OF QUALIFICATIONS

WILLIAM D. MANN, M.Sc., P.Geol.

19 HAYES CRESCENT, WHITEHORSE, YUKON Y1A 0E1

1. I am a member in good standing of the Association of Professional Engineers and Geoscientists of BC, Licence #31907.
2. I am a Graduate of Queen's University, 1986, with a Master of Science Degree in Mineral Exploration Geology.
3. I am a Graduate of the University of British Columbia, 1983, with a Bachelor of Science Degree in Geology.
4. I have worked in mineral exploration and mining continuously since 1979.
5. I was not involved in the field work program on the Old Cabin Project.

January 30, 2017

William D. Mann, M.Sc., P.Geol.