

PROSPECTING REPORT

ENJOLRAS PROJECT

YMEP 16-069

Quartz Claims: Net 5-38, 55-58, 70,72-80, 159, 161-164 & 166-169

Location: ~160 km northwest of Watson Lake

NTS: 105G08

Lat. & Longitude: 61°17'52" & 130°25'02"

Mining District: Watson Lake, Yukon

Claim Owner: Yukon Zinc Corporation

Project Operator: AKG Exploration Inc.

Author: Tao Song

Word Period: June – August 2016

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SUMMARY

The Enjolras project involves 57 contiguous Net claims in an area of 11.1 km². The 57 Net claims are part of the 207-unit Net claim block, 100% owned by Yukon Zinc Corporation(YZC). YZC granted AKG Exploration (AKG) an exclusive option to explore on 57 contiguous Net claims for nephrite.

The optioned 57 Net claims are located 160 km by air northwest of Watson Lake, Watson Lake Mining District, Yukon Territory and 20 km by air southwest of the Wolverine mine.

The Enjolras property hosts a historic nephrite showing, Lady Lee, originally discovered by James Dodge in 1988. Hand mining of 317.5 kg of possible carving quality nephrite jade was documented in the 1989 assessment report and the Minfile report of Yukon Geological Survey (#105G114).

AKG Exploration implemented an exploration program in the summer of 2016 to evaluate the Lady Lee showing. The 2016 program verified a number of rock units written in the James Dodge's report, but was not successful to locate the carving grade nephrite jade.

The exploration expenditure eligible for the YMEP is \$36,366.34 (Appendix I).

LOCATION AND ACCESS

The Enjolras project is located in the Watson Lake area, southeastern (Figure 1) Yukon. It consists of 57 Net claims in the area of 11.1 km², centered at 61°17'52" and 130°25'02" and situated on the NTS map sheet 105G08 (Figure 2 & Table 1). AKG entered an option agreement with YZC to secure an exclusive right to explore for nephrite on 57 Net claims.

Access from Watson Lake is easiest by helicopter. A kilometer-long cleaver shaped lake within the property could be used for a float plane in summer. The property may also be accessed using ATV going west from the Robert Campbell highway between 156km and 160 km posts.

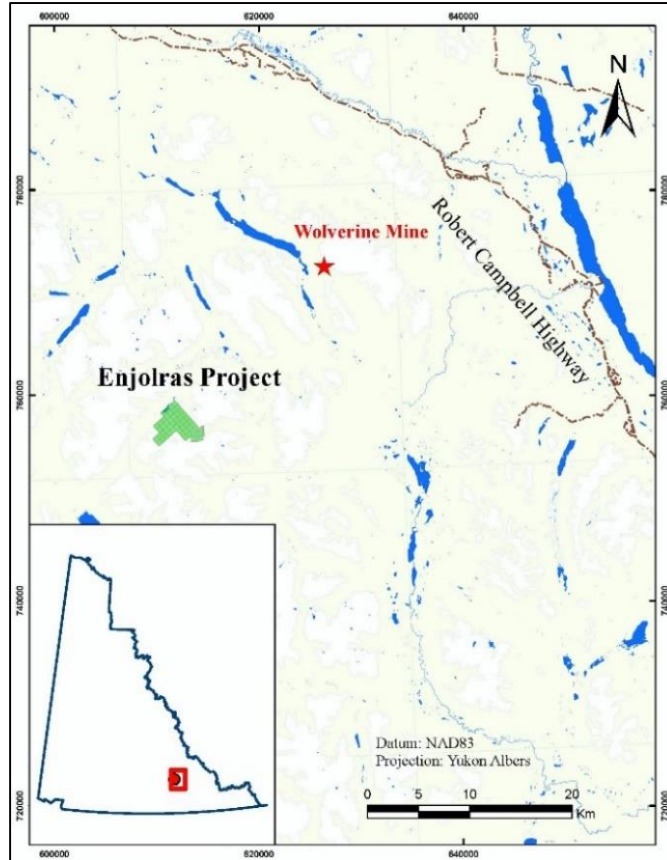


Figure 1 Location of 57 Net claims

Pursuant to the Yukon Quartz Mining Act, a Class I Notification was filed with the Mining Land Use Division of the Mineral Resources Branch. All exploration activities can be carried out under the terms of the Class I notification.

Table 1 Optioned 57 Net claims

No.	GrantNumber	ClaimName	ClaimNbr	Claim Owner	ClaimExpiryDate	Status
1	YB56099	NET	5	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
2	YB56100	NET	6	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
3	YB56101	NET	7	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
4	YB56102	NET	8	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
5	YB56103	NET	9	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
6	YB56104	NET	10	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
7	YB56105	NET	11	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
8	YB56106	NET	12	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
9	YB56107	NET	13	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
10	YB56108	NET	14	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
11	YB56109	NET	15	YUKON ZINC CORPORATION - 100%	2021-03-17	Active
12	YB56110	NET	16	YUKON ZINC CORPORATION - 100%	2021-03-17	Active
13	YB56111	NET	17	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
14	YB56112	NET	18	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
15	YB56113	NET	19	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
16	YB56114	NET	20	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
17	YB56115	NET	21	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
18	YB56116	NET	22	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
19	YB56117	NET	23	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
20	YB56118	NET	24	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
21	YB56119	NET	25	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
22	YB56120	NET	26	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
23	YB56121	NET	27	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
24	YB56122	NET	28	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
25	YB56123	NET	29	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
26	YB56124	NET	30	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
27	YB56125	NET	31	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
28	YB56126	NET	32	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
29	YB56127	NET	33	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
30	YB56128	NET	34	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
31	YB59119	NET	35	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
32	YB59120	NET	36	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
33	YB59121	NET	37	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
34	YB59122	NET	38	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
35	YB59139	NET	55	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
36	YB59140	NET	56	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
37	YB59141	NET	57	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
38	YB59142	NET	58	YUKON ZINC CORPORATION - 100%	2018-03-17	Active
39	YB60995	NET	70	YUKON ZINC CORPORATION - 100%	2017-03-17	Active

40	YB60997	NET	72	YUKON ZINC CORPORATION - 100%	2017-03-17	Active
41	YB63472	NET	73	YUKON ZINC CORPORATION - 100%	2017-03-17	Active
42	YB63473	NET	74	YUKON ZINC CORPORATION - 100%	2017-03-17	Active
43	YB63474	NET	75	YUKON ZINC CORPORATION - 100%	2017-03-17	Active
44	YB63475	NET	76	YUKON ZINC CORPORATION - 100%	2017-03-17	Active
45	YB63476	NET	77	YUKON ZINC CORPORATION - 100%	2017-03-17	Active
46	YB63477	NET	78	YUKON ZINC CORPORATION - 100%	2017-03-17	Active
47	YB63478	NET	79	YUKON ZINC CORPORATION - 100%	2017-03-17	Active
48	YB63479	NET	80	YUKON ZINC CORPORATION - 100%	2017-03-17	Active
49	YB70433	NET	159	YUKON ZINC CORPORATION - 100%	2017-03-17	Active
50	YB70435	NET	161	YUKON ZINC CORPORATION - 100%	2017-03-17	Active
51	YB70436	NET	162	YUKON ZINC CORPORATION - 100%	2017-03-17	Active
52	YB70437	NET	163	YUKON ZINC CORPORATION - 100%	2017-03-17	Active
53	YB70438	NET	164	YUKON ZINC CORPORATION - 100%	2017-03-17	Active
54	YB70440	NET	166	YUKON ZINC CORPORATION - 100%	2017-03-17	Active
55	YB70441	NET	167	YUKON ZINC CORPORATION - 100%	2017-03-17	Active
56	YB70442	NET	168	YUKON ZINC CORPORATION - 100%	2017-03-17	Active
57	YB70443	NET	169	YUKON ZINC CORPORATION - 100%	2017-03-17	Active

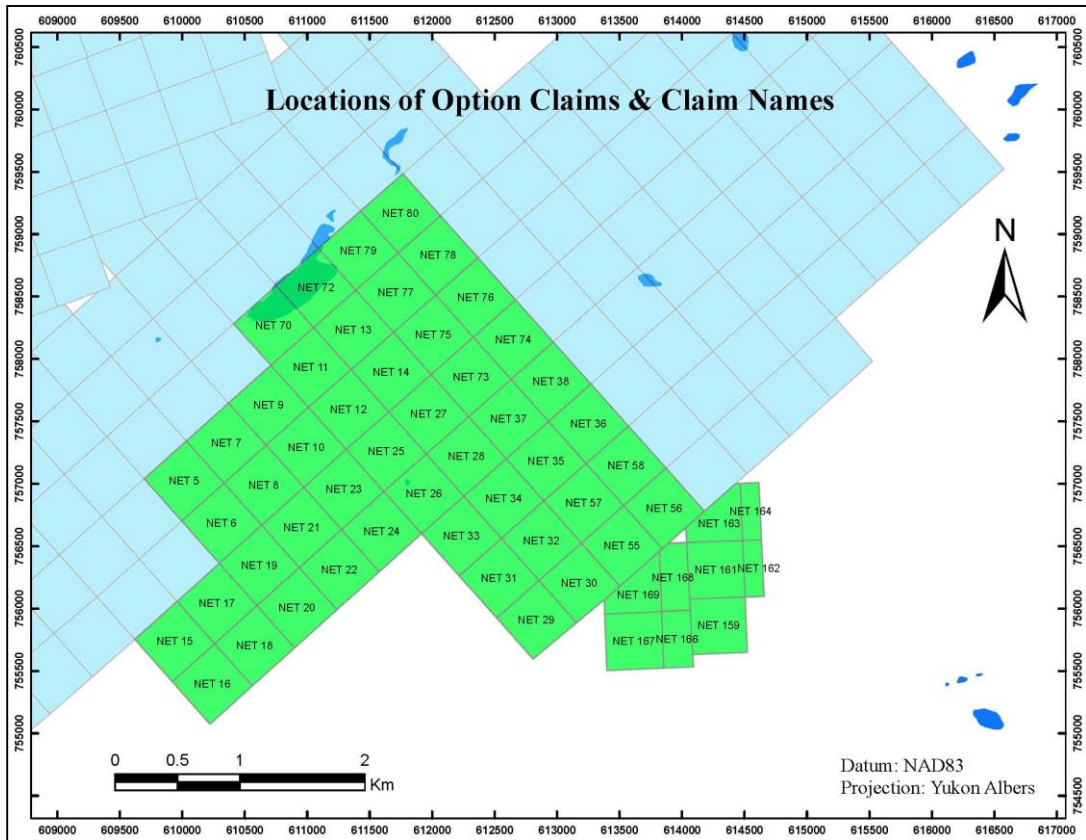


Figure 2 Optioned 57 Net claims and numbers

PHYSIOLOGY AND CLIMATE

The 57 Net claims are located at high elevations in rugged terrain. Elevations on the property range from about 1380 to 2,000 metres, with the tree line at 1450 m (Figure 3). Most of the claim group is covered with alpine vegetation consisting of a variety of grasses and mosses. Slopes are gentle below 1450m and become steep beyond 1450m, up to 35%.

The northwestern part of the property covers a deep valley marked by the headwaters of Money Creek. The valley is characterized by kame and kettle topography indicating that glacial ice stagnated in the valley bottom at the end of the last glacial period.



Figure 3 View of the Lady Lee showing from the cleaver-shaped lake

Extensive glacial and fluvial deposits are located at lower elevation, while outcrops and talus blocks sit at higher elevations. Highlands are marked with deeply incised drainage forming canyons that end in cirques.

The climate is sub-arctic and alpine, with short, cool summers and long, cold winters in the local area. Precipitation is moderate, increasing somewhat with elevation with potential for cloud ceilings lower than the mountain summits. The summer season along valley floors extends from early June to mid-September, although from late June to late August at high elevations.

HISTORIC EXPLORATION

James S. Dodge worked in the project area in the late 1980s. Mr. Dodge staked 6 claims in 1988 and named them Lady Lee claims (Minfile occurrence # 105G 114). As he stated in the 1988 report, bedrock along the northwestern border of the Money Klippe was found to contain two or three sites where nephrite jade is exposed in talus blocks and in outcrops (Dodge 1988). Randomly selected samples were slabbed in Whitehorse to examine the quality. Nephrite with talc and opaque minerals, and semi nephrite were identified.

During Mr. Dodge's visit in 1989, he hand-mined 317.5 kilograms of nephrite. The quality of nephrite was considered possible carving grade by James Dodge (Figure 4). The discovery of a massive sulphide float sample distracted Mr. Dodge's attention and in 1990 he changed his interest to the VMS showing (Dodge 1989).

In 1994, following the discovery of the Kudze Kayah (KZK) deposit by Cominco, a large claim staking rush occurred in the Finlayson Lake area. Most lands with a potential to host VMS deposits were staked, including the Lady Lee claims.

In 1998, Bill Wengzynowski found an emerald showing (Regal Ridge) in prospecting for VMS deposits. The Net claims and its surroundings became hot for searching for gemstones. The search for emerald lasted about 10 years and in 2006 True North Gems, which owns the Regal Ridge project, gave up its plan to build a mine. Hundreds of kilos of emerald were extracted. Still, little attention was given to semi precious nephrite.

From 1994 to 2005, Goal Net claims received extensive exploration for VMS potentials, including diamond drilling, geochemical sampling and geophysics.

Since 2006, exploration on the Net claim block has been inactive.

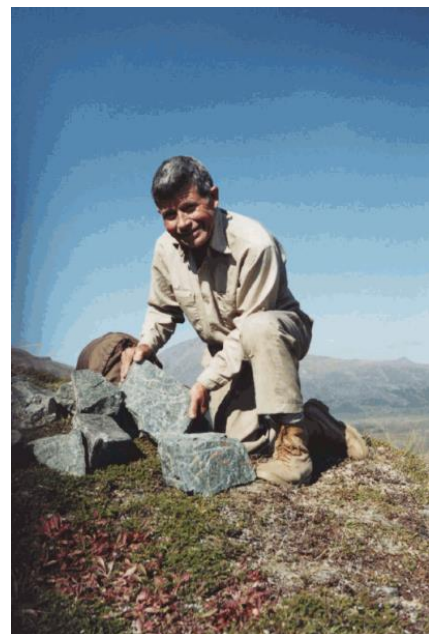


Figure 4 James Dodge and nephrite talus blocks

GEOLOGICAL SETTING

Regional Geology

The Enjolras project is located in the Finlayson Lake District (FLD) of the Yukon-Tanana Terrane (YTT). YTT is an extensive, elongate, autochthonous terrane which underlies much of the Yukon and Alaska and is one of the innermost of the accreted terranes in the western Canadian Cordillera. YTT is bounded by rocks of the North American continental margin to the northeast and rocks of the allochthonous Stikinia and Slide Mountain terranes to the southwest. This complex, heterogeneous terrane of a pericratonic origin is interpreted to be a late Devonian to early Jurassic composite arc sequence underlain by pre-Devonian sedimentary rocks of a continental affinity (Mortenson 1992).

YTT is made up of three major thrust sheets (Murphy 2006):

- 1) Big Campbell Thrust Sheet
- 2) Money Creek Thrust Sheet
- 3) Cleaver Lake Thrust Sheet

Although the details are far advanced for this report, basic information about the thrust sheets is described below.

The Big Campbell Thrust Sheet is comprised – from oldest to youngest – of the North River Formation, Fire Lake Formation, and Kudz Ze Kaye Formation, overlain by a thick succession of grit, conglomerate, and meta-rhyolite (Murphy 2006).

The Money Creek Thrust Sheet consists of – from oldest to youngest – meta-sediments that correlate with the North River Formation, overlain by Water Creek Formation (360Ma), followed by Tuchitua River Formation (354Ma), Whitefish Limestone (Late Mississippian to Early Permian), overlain by the Money Creek Formation, and capped with Campbell Range Formation (Murphy 2006).

The Cleaver Lake Thrust Sheet includes older-over-younger relationships with Devonian and Mississippian rocks over Lower Permian rocks (Murphy 2006). These include the Money Klippe, North Klippe, Klatsa Metamorphic Complex (KMC) and Cleaver Lake Formation intruded by Simpson Range Plutonic Suite (Erdmer 1998) (Figure 5).

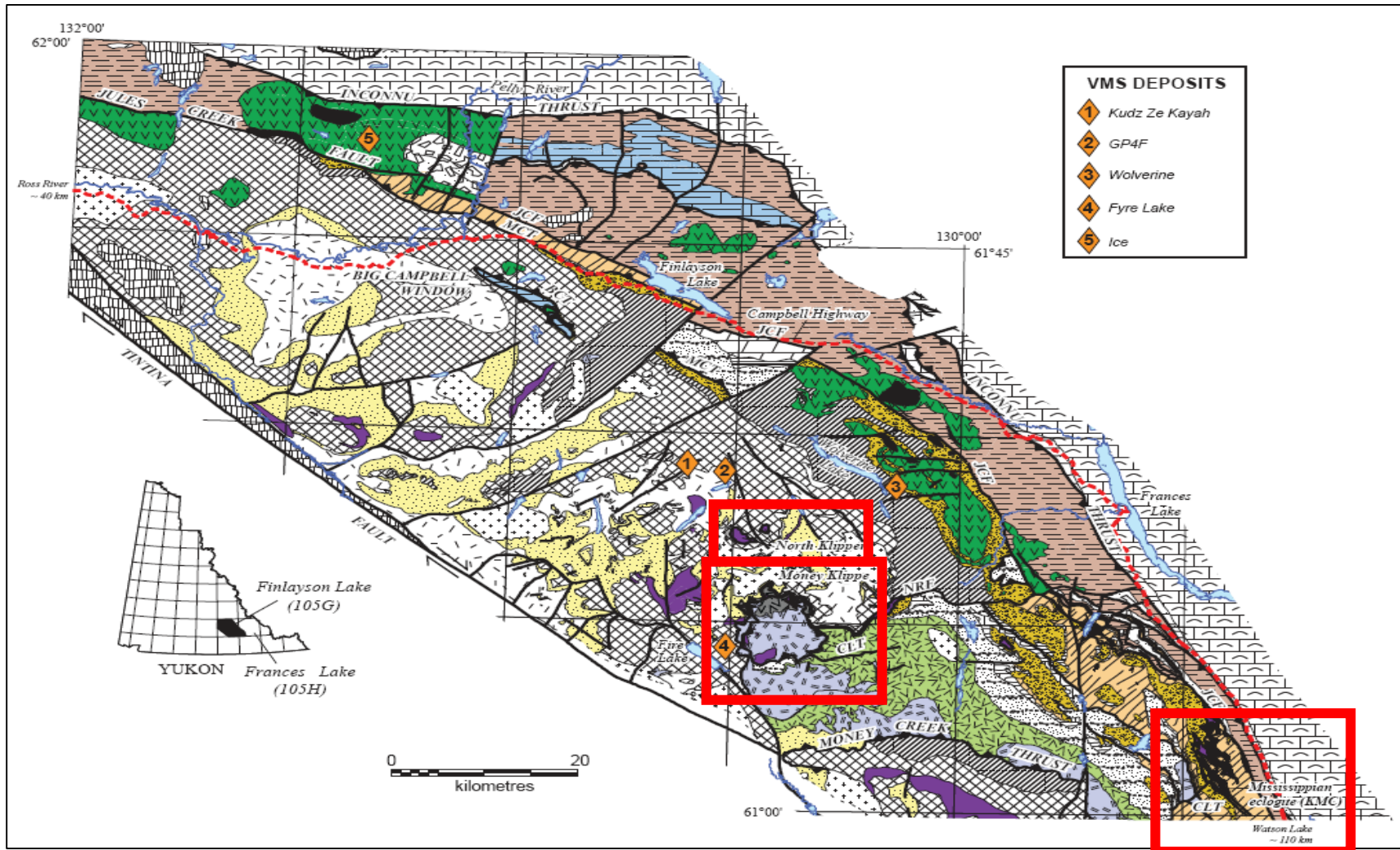


Figure 5 Three Cleaver Lake Thrust Sheets as klippes in the FLD

Project Geology

The Enjolras property sits between the Money Creek thrust and Cleaver Lake thrust. Both are reverse faults and were active during the crustal shortening in Canadian Cordillera. At the Money Klippe, the thrust is gently inclined as opposed to steeply angled at the King Arctic mine.

Three known nephrite occurrences are hosted within serpentinite, which is 40 to 80 meters thick, sizable to accommodate faulting and shearing. The serpentinite unit is underlain by the Kudze Kayah Formation and overlain by Cleaver Lake Formation.

Figure 6 illustrates locations of ultramafic rock with variable degrees of serpentinization (purple). The major rock in the hanging wall is basalt with minor shale/meta-pelite and chert. James Dodge wrote that the hanging wall is composed of amphibolite and arenaceous rocks. Amphibolite is a metamorphosed equivalent of basalt, less foliated in the upper Cleaver Lake formation (Murphy 2006). The lower slice of the Cleaver Lake formation (shale and chert) is locally foliated, which correlates to quartz rich phyllite and schist in James Dodge's description. Quartz rich phyllite and schist may contribute enough Ca and Si to alter the serpentinite body, thus to produce nephrite.

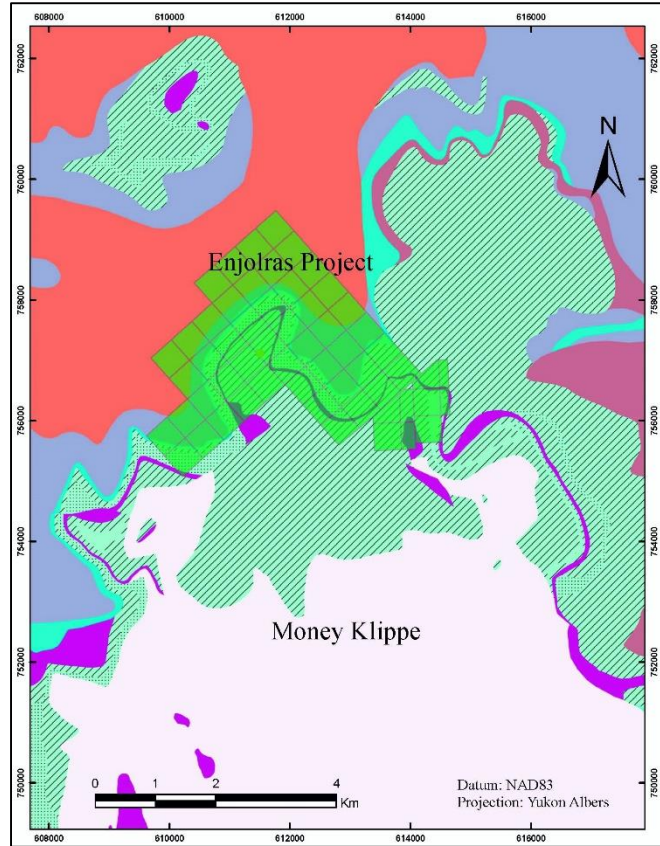


Figure 6 Enjolras project geology

NEPHRITE DEPOSITS AND TYPES

Nephrite jade is a semiprecious stone used for jewelry, carving and tiles. It belongs to the tremolite – Fe actinolite series of the amphibole group, with a felted, microcrystalline habit. Its color ranges from white, to green and black.

Nephrite is extremely tough and very resistant to weathering in contrast to its host rocks. As a result, it usually forms either cliffs or boulders.

Deposit types

Nephrite forms by Ca and Si metasomatic replacement of Serpentinite at medium pressure and low temperature (Harlow 2005). Its deposits are generally categorized into two groups:

- Serpentinite replacement
- Dolomite replacement

In-situ nephrite lenses are found in association with serpentinites that are intrusive into or in fault contact with greenstones, chert, meta-pelite, and limestone. Associated rocks are calc-silicate rocks, called rodingite (field name is whiterock).

Serpentinite type deposits are commonly found, while the dolomite style is rare. All Canadian nephrite deposits belong to the serpentinite type and no dolomite-type nephrite is reported yet. Therefore, serpentinite type nephritic mineralization becomes the focus of the Enjolras project.

Nephrite Deposits in Canada

Nephrite deposits in BC and Yukon are mostly associated with Late Devonian to Triassic rocks that were once part of oceanic crust but now found as large allocthonous thrusts over continental rocks. Tectonically, they are closely related to ultramafic complexes, such as Cache Creek, Bridge Ridge, Shulaps and Slide Mountain. YTT, which is juxtaposed against the Slide Mountain Terrane (SMT), shares a comparable tectonic setting to SMT.

In Canada, nephrite is found in fault contacts between Serpentinite and (meta-) cherty sediments or limestones. The Polar Jade mine which host the best quality jade in Canada is in contact with limestone. Cassiar Jade mine is hosted in asbestos. King Arctic mine is in contact with cherty conglomerate (Devine 2003).

Figure 7 shows all nephrite occurrences in BC and the Lady Lee showing in Yukon. Cassiar, Kutcho/Polar, Ogden Mountain and Lillooet are current and historic nephrite producing regions in BC. BC dominates the nephrite production in Canada.

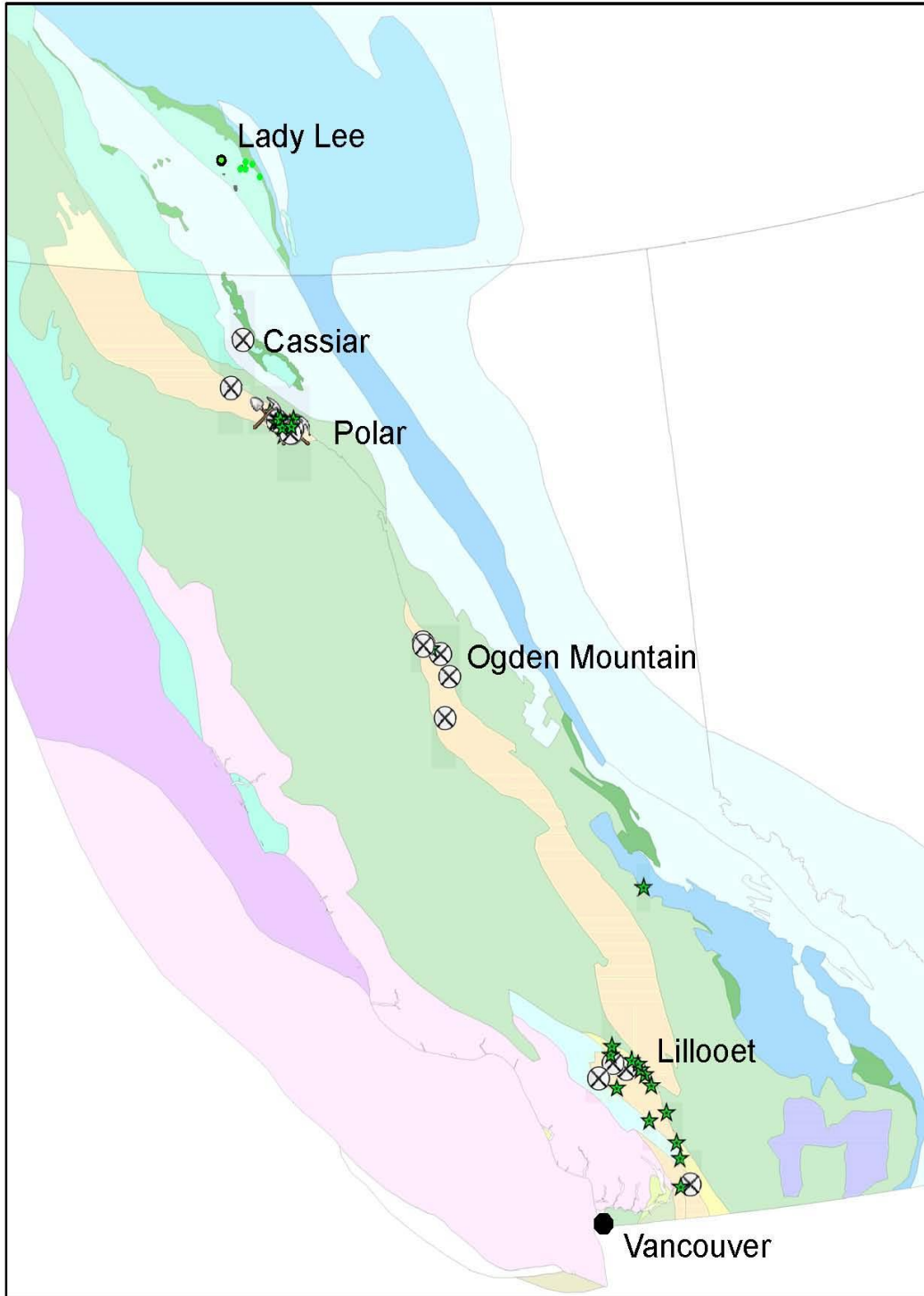


Figure 7 Nephrite occurrences in BC and Yukon

Nephrite Deposits in Yukon

In Yukon, the only known nephrite operation is the King Arctic mine (Figure 8) hosted in the KMC, which is made of retrograded eclogite and serpentinited ultramafic rocks (Devine 2003).

Several nephrite prospects were reported, including the Tuchitua showing, the Lady Lee showing and areas northwest of the Hasselberg Lake.

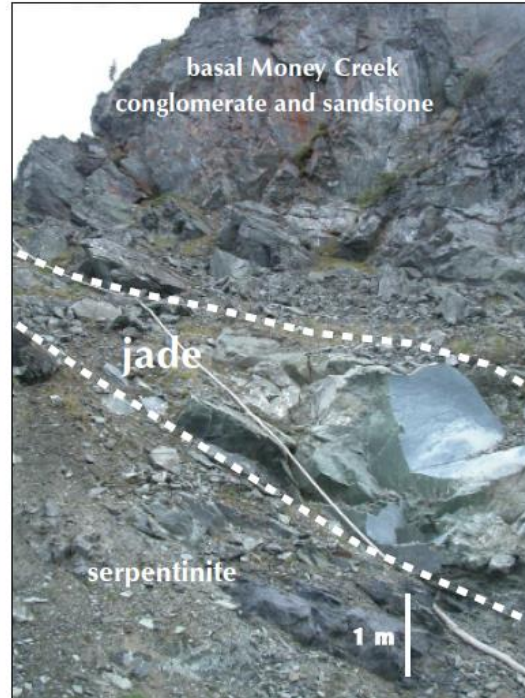


Figure 8 King Arctic mine

At the St. Cyr area (NTS 105F06), Sierra Isard concluded that no large nephrite deposits are found along the basal thrust. Both hanging wall mafics and footwall phyllite lack enough silica content to facilitate metasomatism – unlike the silica rich chert conglomerates at the King Arctic mine (Isard 2014).

NEPHRITE EXPLORATION

Exploration efforts on the Net claims were focused on VMS and emerald deposits in the past 20 years. The Lady Lee nephrite showing received little attention since its discovery in the late 1980s. Nephrite was generally neglected.

Review of 1988-1989 James Dodge Exploration

James Dodge discovered the Lady Lee showing in 1988 and packed 25 kg of probable nephrite for examination in Whitehorse (Dodge 1988). In 1989, he hand-mined 317.5 kg of possible carving grade jade (Dodge 1989 and YGS Minfile).

Prospecting areas and sample locations are shown in Figure 9.

1. Area One: revealed cliff-forming serpentinite with nephritic zones immediately below a talcose reaction zone, estimated to be 20 meters long and up to 2 meters thick, near the upper contact of the tabular serpentinite body.
2. Area Two: comprises a 50-meter-long reaction zone overlying a nephritic serpentinite body. The jade from the outcrop displayed more lineation of dark impurities than does jade from the Area One outcrops.
3. Area three: talcose reaction zone were found more than 20 meters long. No bedrock was observed but float nephrite samples were collected downslope.

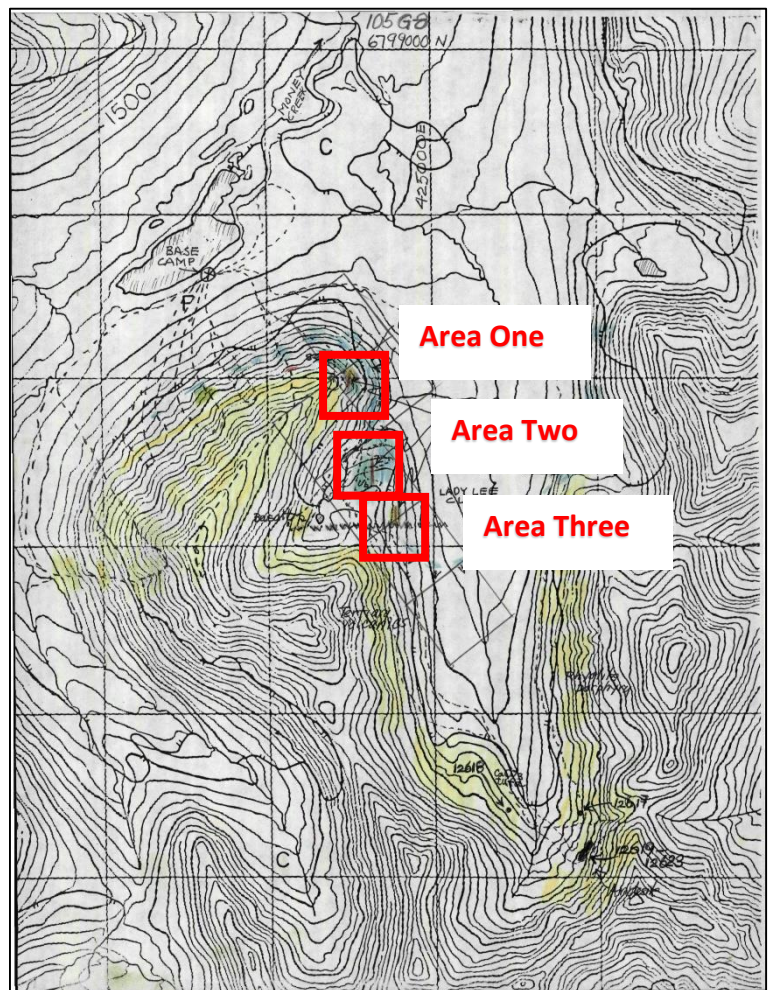


Figure 9 Three nephrite occurrences

During James Dodge's 1989 exploration, he carried out a detailed geological mapping on three in-situ nephrite occurrences. These occurrences are different from, but close to, those in 1988. 317.5 kg of nephrite was hand mined. He concluded:

- Intense in-situ nephritization was observed in three areas.
- Carving quality nephrite jade was found, although numerous fractures were noted. Talc and opaque minerals may significantly lower the value of nephrite.
- Difficult-of-access setting makes the commercial potential borderline.

James Dodge also submitted a rock sample for petrographic study. Dr. Craig Leitch in his detailed petrographic description stated (James 1989):

This sample is described as a tremolitized serpentinite from a bedrock outcrop close to a talc-quartz metasomatic reaction zone at the boundary between serpentinite and amphibolite. In hand specimen, it looks as if the rock has been cut from a river outcrop of nephritic jade. The rock is medium green, with scattered dark patches of opaque (mainly magnetite) up to 0.5 cm across. The rock is cut by thin white fractures. In thin section, the mineralogy is as follows:

Nephrite (tremolite)	75%
Carbonate	20%
Opaque	5%

In transmitted light, the rock is composed of an interlocking mass of felted laths of tremolite-actinolite commonly known as nephrite. This material has a harder, tougher character due to the compact nature of the mineral and the way it is intergrown.

2016 Exploration

The 2016 exploration program was designed to evaluate the historic Lady Lee nephrite showing (Minfile 105G114), originally discovered by James Dodge in 1988. The property was accessed by helicopter from a logistical staging area near the Robert Campbell Highway.

Three nephrite target areas, laid out by James Dodge, were georeferenced for the field use. James Dodge's 1988 map overlays the background Google Map (Figure 10), 57 Net claims (red), lakes (light blue) and streams (blue). The shapes of three target areas were slightly modified to cover the field route. All three areas were examined and possible nephritic rocks were rock hammered for toughness test. Backpack drill was used to determine the quality of possible nephritic rocks. Pictures of nine samples taken in the field (Figure 14-19 & Figure 21-23) were geotagged and were imported into Google Earth (Appendix III).



Figure 10 Target Areas on Google Earth with Net claims

AREA ONE

The Area One is the primary exploration target, that hosts the rock sample with 75% nephrite (see Page 14) and nephritic mineralization under a 20m x 2m reaction zone, recorded by James Dodge. This area is characterised with steep slopes/cliffs (Figure 11), talus block (Figure 12) and outcrops. The cliff has a weakly greenish tone. A cleaver shaped lake is in the immediate north (Figure 13). The elevation ranges from 1500 m to 1750 m.



Figure 11 View of the Area One from helicopter



Figure 12 Talus blocks at the Area One



Figure 13 View of cleaver-shaped Lake from Area One

James Dodge in his 1988 report commended:

Randomly selected outcrop samples were subsequently slabbed in Whitehorse. This revealed impurities (magnetite and talc) and fractures. Also, some of the material is semi-nephrite or “soft jade”, i.e., hardness somewhat less than a pocket knife, although colors may be acceptable.

The field examination in 2016 Identified a number of individual rock types, including serpentinite (Figure 14 & Figure 15), meta-pelite (Figure 17), chert (Figure 18), basalt/amphibolite, and limestone (Figure 19), consistent with government mapping data provided in Yukon Geomatics. Serpentinite is dominant in the Area One, particularly around the resistant cliffs. The observed serpentinite blocks range from 10 cm to a few m in size, very tough to break, weakly reactive with HCL, and strongly magnetic. One piece of serpentinite was sent to Petrographic Vancouver for detailed description (Appendix II). The analysis returned 50-54% serpentine, 40-42% carbonate, 4-6% magnetite and 1-2% chromite. One nice looking mineral (serpentinite?) was found interesting (Figure 16).



Figure 15 Serpentinite fragment



Figure 14 Mesh texture serpentinite



Figure 16 Nice looking mineral (6cm across)



Figure 17 Meta-pelite



Figure 18 Chert in the hanging wall



Figure 19 Limestone

AREA TWO

The Area Two appears to be topographic low in altitude from 1500 m to 1580 m, separated by a stream from the Area One. Due to its relative low elevation, the surface is partially covered by soil and plants (Figure 20). Talus blocks were observed at a few locations.



Figure 20 View of the Area Two from the Area One

James Dodge commented:

#2 Area comprises a 50-meter long reaction zone overlying which is a nephritic serpentinite body inclined gently southwesterly. The jade picked from the outcrop displayed somewhat more lineation (tectonic foliation) of dark impurities than does jade from the #1 outcrops.

Exploration efforts were given to outcrops and the stream. A few pieces of nice looking serpentinite were found in the stream (Figure 23) and at outcrops (Figure 22). Some serpentinite displays lineation of dark impurities (Figure 21).



Figure 21 Serpentinite with lineation



Figure 22 Nice looking serpentinite



Figure 23 Serpentinite cobble from the stream

AREA THREE

Nothing was found special.

DISCUSSION AND CONCLUSIONS

The exploration result was somewhat disappointing due to the failure of identifying commercial grade nephrite. The source of the 75% nephrite sample was not located. Efforts in future should be given to the Area One in search of the 75% nephrite rock. Trenching may be able to expose the hidden nephrite.

Nephrite exploration was primarily done by surface prospecting. Some new approaches to explore for nephrite were reported in some nephrite projects, such as geochemical sampling and geophysics, but technology effectiveness and cost effectiveness are largely unknown.

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STATEMENT OF QUALIFICATION

I, Tao Song, submit the following information to support my competence that is required to carry out the field work and prepare for the assessment report on the Enjolras project.

Education

- Bachelor of Science degree in Geology, University of British Columbia, Canada, 2010
- Bachelor of Computer Engineering degree, specialized in database, Yanshan University, China, 2005

Experience

- 4 years of experience as a corporate geologist, Vancouver
 - Resource modeling
 - Drill ready and early stage exploration in Canada, Mexico and Australia
 - Project evaluation from early stage to producing (Au, Cu, Pb, Zn)
- 2 years of experience as a consulting geologist, Vancouver
 - Exploration
 - Regional targeting
 - Project evaluation

Professional Affiliations

- Geoscientist in Training with the Association of Professional Engineers and Geoscientists of the Province of British Columbia, Canada
- Member of AME BC
- Member of PDAC

APPENDIX I

Summary of expenditures

Work on the property was conducted from June to August, 2016. This work included a total of xx person-days with a maximum crew size of three. Additional costs include helicopter, field expenses, vehicle and petrographic studies.

Wages	Rate	Day	Subtotal
Tao Song/geologist	\$500	12	\$6,000.00
Geologist	\$250	12	\$3,000.00
Prospector	\$350	4	\$1,400.00
Daily Living	Rate	Day	Subtotal
total 28 person days	\$100	28	\$2,800.00
Travel	Rate	Km	Subtotal
SUV	\$0.4	2000	\$800.00
Helicopter			\$18,347.40
Petrographic study	Rate	Unit	Subtotal
Thin sections, description			\$1,064.70
Equipment	Rate	Day	Subtotal
Backpack drill	\$100	12	\$1,200.00
Generator 1000W	\$10	12	\$120.00
Drone	\$20	8	\$160.00
WCB	Rate	Day	Subtotal
			\$474.24
Report Preparation	Rate	Day	Subtotal
Tao Song	\$500	2	\$1,000.00
Total Eligible			\$36,366.34

APPENDIX II

Petrographic description

Petrographic Report # 160427

3. Petrographic Description

Sample 1: Lee 2

Serpentinite

This polished thin section is heterogeneous and is made up of fine-grained aggregates of carbonate overprinting irregularly shaped pseudomorphs of serpentine and magnetite.



Alteration: carbonate-serpentine: moderate to strong; **magnetite:** weak.

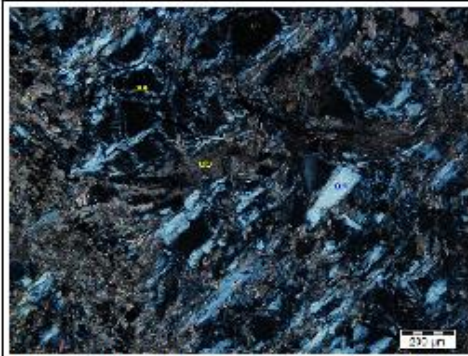
Mineral	Modal %	Size Range (mm)	Distinguishing Features
serpentine (including antigorite)	50 – 54	up to 0.05, antigorite up to 0.3 long	low to moderate relief, low birefringence (up to first order grey), straight extinction, positive elongation
carbonate	40 – 42	up to 1.2	high relief, extreme birefringence, no visible reaction to cold dilute (10%) HCl
magnetite	4 – 6	up to 1	low reflectance, dark grey, isotropic
chromite(?)	1 – 2	up to 1×1.5	low reflectance (lower than magnetite), dark grey, isotropic

Serpentine define irregularly shaped pseudomorphs (Photomicrograph 1a). Within the pseudomorphs, the serpentine is very fine-to fine-grained and it is probably a mixture of lizardite and chrysotile. Fine-grained lamellae of **antigorite** are subordinate to the very fine-grained serpentine and appear as having overprinted the lizardite-chrysotile. The serpentine is probably intergrown with brucite(?).

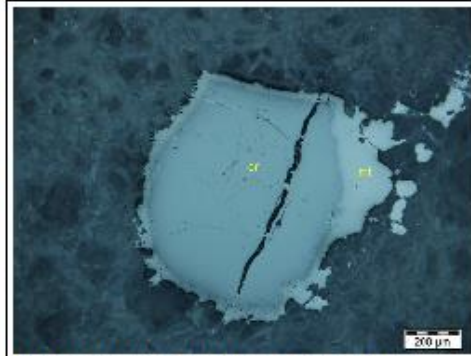
Very fine- to fine-grained **carbonate** forms irregular replacement aggregates, which overprinted the serpentine-magnetite pseudomorphs. The carbonate does not show any reaction to cold dilute (10%) HCl on the surface of the billet, therefore the identification of the carbonate would require electron optic analysis. In some cases the carbonate forms fine-to medium-grained quasi polygonal aggregates, and in these aggregates the carbonate is intergrown with anhedral to interstitial magnetite.

Magnetite forms inequigranular crystals, which are dispersed within the interstitial spaces between the serpentine-rich pseudomorphs and rim the anhedral crystals of probable

chromite (Photomicrograph 1b).



Photomicrograph 1a: Very fine- to fine-grained flakes and fibres of serpentinite (se) forms irregularly shaped pseudomorphs. The pseudomorphs are overprinted by carbonate (cb) and randomly oriented lamellae of antigonite (an). Crossed Nicols transmitted light.



Photomicrograph 1b: Anhedral chromite (cr) is rimmed by magnetite (mt). Plane polarized reflected light.

APPENDIX III

Nine sample locations on the Net claims

