FINAL REPORT

YMEP17-032

TARGET EVALUATION

PLACER MODULE

GOLD RUN CREEK PLACER PROPERTY

PLACER CLAIMS and PROSPECTING LEASES

GRANT NUMBER	CLAIM NAME
P 519211	Discovery
P 48855 – P 48867	GH 1-13
P 48915 – P 48918	GH 14-17
P 519212 – P 519214	GH 18-20
P 44982 – P 44983	Gold Run 1,2
P 45560 – P 45562	GR 5-7
P 517711 – P 517712	GRP 1, 2
P 519908 – P 519910	GRP 3-5
ID01638	1 Mile Prospecting Lease

by
William LeBarge, M.Sc., P.Geo.
Selena Magel, B.Sc.
Geoplacer Exploration Ltd.

For

Midnight Mining Services Ltd.
Location of property: 63°46’05.5”N, 138°44’19”W
NTS map sheets: 115O/15
Mining District: Dawson
Date: March 31, 2018

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Executive Summary

The following is a final report in compliance with the terms of grant #YMEP17-032, on the Gold Run Creek placer property. The Gold Run Creek placer property consists of 31 placer claims and one placer prospecting lease, which cover approximately 3.2 km of upper Gold Run Creek and portions of left and right limit tributaries of upper Gold Run Creek.

The Gold Run Placer Project is located in northwest-central Yukon approximately 45 km by air southeast of Dawson City. Gold Run Creek is a right limit tributary of Dominion Creek, which it enters approximately 6.5 km above its confluence with Sulphur Creek. The centre of the property is at 63°46'05.5"N Latitude and 138°44'19"W Longitude, on NTS map sheet 1150/15. The claims can be accessed from Dawson City initially via either the Hunker Creek or Bonanza Creek roads. The usual access from there is along a 4X4 road which begins at the top of the Sulphur Creek Road near Green Gulch. This road extends southeast from the Sulphur Creek road junction a further 14 km, transecting the top of Dominion Mountain and leading to the upstream part of the project claims on Gold Run Creek.

Placer mining on Gold Run Creek since the discovery of gold there in 1898 has yielded close to 300,000 ounces of gold, of which approximately 70,000 ounces was mined by Yukon Gold Consolidated Company (YCGC) Dredge #6 between 1911 and 1923. The Gold Run Placer Project claims are located upstream of most of the significant placer mining on Gold Run Creek. There is no known significant difference between the gold-bearing bedrock of the productive mined areas downstream and the unmined upstream reaches of Gold Run Creek. However, surprisingly little exploration has historically taken place in the project area. Nonetheless, limited programs of geophysical surveys, minor shafting and auger test holes to date have indicated the presence of a very prospective placer exploration target.

Exploration in 2017 included resistivity geophysical surveys, claim staking and shafting. The geophysical exploration program was conducted between October 20 and October 25, 2017, and the results were interpreted by geologists Selena Magel (Midnight Mining Services Ltd.) and William LeBarge (Geoplacer Exploration Ltd.). A total of six - 300 metre long resistivity lines were surveyed. Throughout the surveys, low resistivity values corresponded with thawed, water-saturated material in valley bottoms, while high resistivity areas corresponded with either permafrost zones near the ground surface, or gravel bodies in the subsurface.

The resistivity lines were proximal to some of the auger drill holes from the 2003 and 2013 programs, and bedrock outcrops were observed near the beginning of the survey lines on the access road. These factors aided in the interpretation of the bedrock contact in the surveys. Results showed that maximum interpreted bedrock depths in each profile varied between 15 and 25 metres, with possible paleochannel features represented as depressions or undulations in the bedrock contacts. Some of the anomalous features identified in the previous surveys (magnetometer and ground-penetrating radar) were also correlative with anomalies in the resistivity surveys.

Shafting on the property in March, 2018 under this grant (YMEP17-032) confirmed black muck thicknesses of up to 32 feet (9.8 m) on the creek.

Due to coincident anomalous features using the various methodologies, and in particular the identification of several drill targets from the geophysical results, further exploration on the Gold Run Creek property is highly warranted. It is recommended that a program be conducted which includes shafting, UAV/drone aerial photographic surveys, UAV/drone-based magnetometer surveys, drilling (Auger, R/C (reverse circulation) or RAB (rotary air blast) and excavator test-pitting. Large scale bulk processing of alluvial gravels should then be conducted, followed by full scale mining if results are shown to be favourable.

Introduction

The following is a final report in compliance with the terms of grant #YMEP17-032, on the Gold Run Creek placer property. The Gold Run Creek placer property consists of 31 placer claims and one placer prospecting lease, which cover approximately 3.2 km of upper Gold Run Creek and portions of left and right limit tributaries of upper Gold Run Creek.

Location and Access

The Gold Run Creek Placer Project is located in northwest-central Yukon approximately 45 km by air southeast of Dawson City (Figure 1, Figure 2). Gold Run Creek is a right limit tributary of Dominion Creek, which it enters approximately 6.5 km above its confluence with Sulphur Creek. The centre of the property is at 63°46'05.5"N Latitude and 138°44'19"W Longitude, on NTS map sheet 1150/15 (Figure 2). The claims can be accessed from Dawson City initially via either the Hunker Creek or Bonanza Creek roads. The usual access from there is along a 4X4 road which begins at the top of the Sulphur Creek Road near Green Gulch. This road extends southeast from the Sulphur Creek road junction a further 14 km, transecting the top of Dominion Mountain and leading to the upstream part of the project claims on Gold Run Creek (Figure 2).

Alternatively, road access can be gained to the claims by proceeding downstream along either the Dominion or Sulphur Creek roads to the mouth of Gold Run Creek, and thence upstream along the left limit of the Gold Run Creek valley, a total distance of 11 km to the downstream extent of the Gold Run Creek project claims.

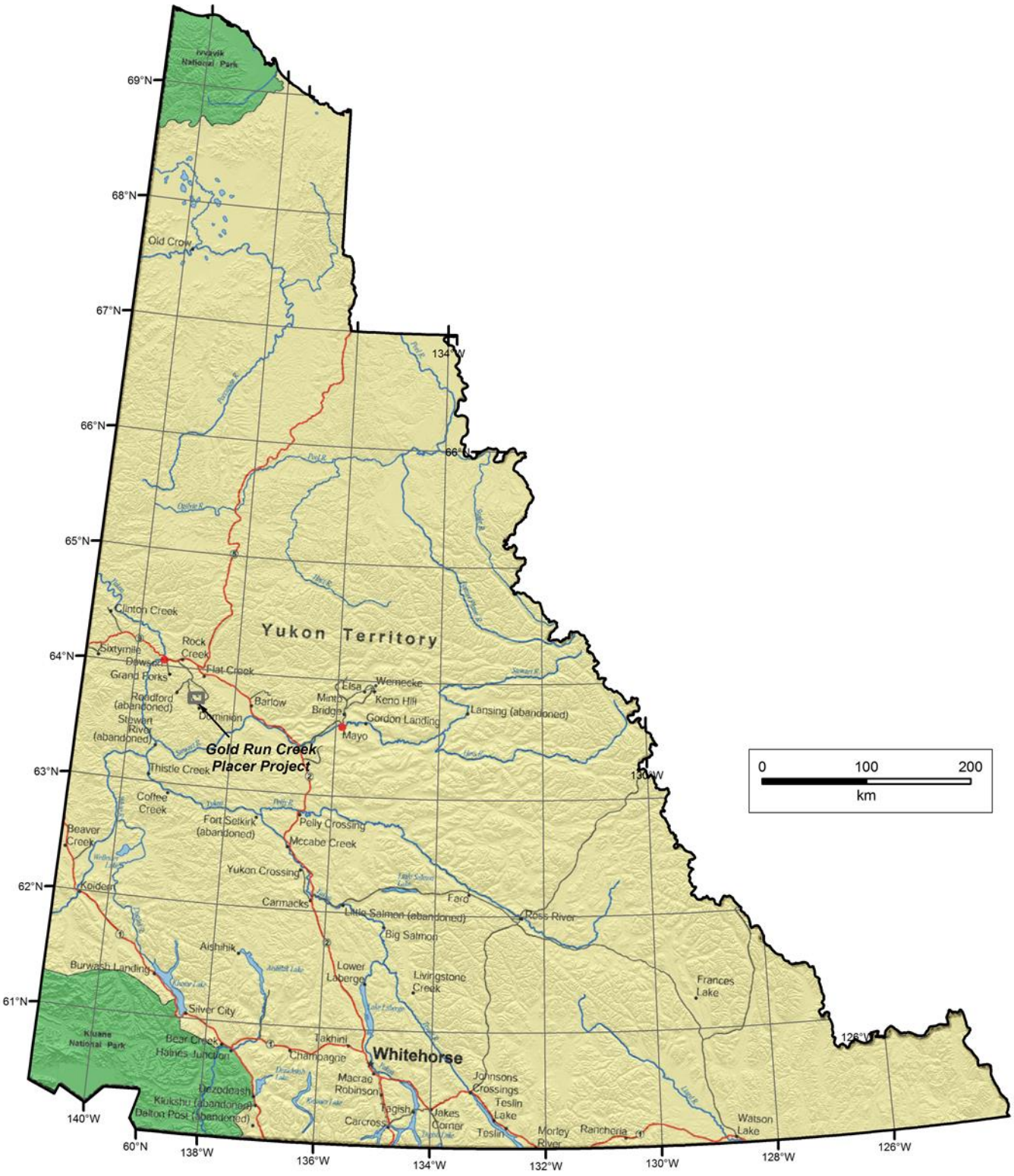

Figure 1 - General Location of Gold Run Creek Placer Project, Yukon.

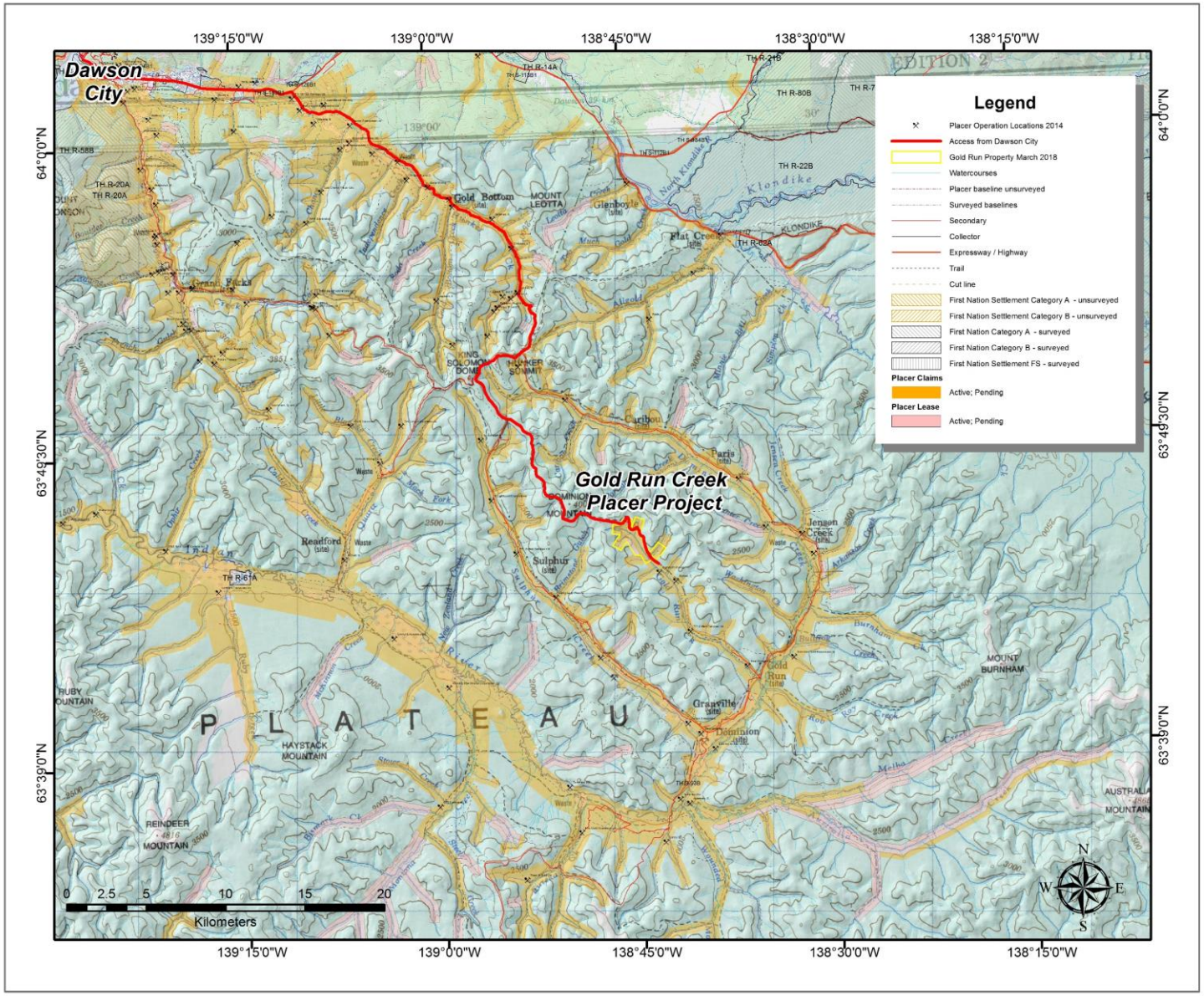

Figure 2- Location of the Gold Run Creek Placer project with reference to Dawson City. Access from Dawson City is indicated with a red line.

Placer Tenure

The Gold Run Creek placer property is currently held by multiple owners, however all claims and leases are either owned by Bill Harris or his company, or are held in trust by others under agreement. Documents have been filed for placer claims GH 18, GRP 3 and GRP 4 to transfer ownership to Bill Harris. The current placer tenure status is shown in Table 1.

Table 1 – Placer tenure and status, Gold Run Creek property.

GRANT NUMBER	STATUS	CLAIM NAME	OWNER NAME	STAKING DATE	RECORDED DATE	EXPIRY DATE
P 519211	Pending	Discovery	Mike Linley - 100%	6/9/2017	6/13/2017	6/13/2018
P 48855	Active	GH 1	Bill G. Harris - 100%	7/6/2007	7/9/2007	7/9/2018
P 48856	Active	GH 2	Bill G. Harris - 100%	7/6/2007	7/9/2007	7/9/2018
P 48857	Active	GH 3	Bill G. Harris - 100%	7/6/2007	7/9/2007	7/9/2018
P 48858	Active	GH 4	Bill G. Harris - 100%	7/6/2007	7/9/2007	7/9/2018
P 48859	Active	GH 5	Bill G. Harris - 100%	7/6/2007	7/9/2007	7/9/2018
P 48860	Active	GH 6	Bill G. Harris - 100%	7/6/2007	7/9/2007	7/9/2018
P 48861	Active	GH 7	Bill G. Harris - 100%	7/6/2007	7/9/2007	7/9/2018
P 48862	Active	GH 8	Bill G. Harris - 100%	7/6/2007	7/9/2007	7/9/2018
P 48863	Active	GH 9	Bill G. Harris - 100%	7/6/2007	7/9/2007	7/9/2019
P 48864	Active	GH 10	Bill G. Harris - 100%	7/6/2007	7/9/2007	7/9/2019
P 48865	Active	GH 11	Bill G. Harris - 100%	7/6/2007	7/9/2007	7/9/2018
P 48866	Active	GH 12	Bill G. Harris - 100%	7/6/2007	7/9/2007	7/9/2018
P 48867	Active	GH 13	Bill G. Harris - 100%	7/6/2007	7/9/2007	7/9/2018
P 48915	Active	GH 14	Bill G. Harris - 100%	7/12/2007	7/13/2007	7/13/2018
P 48916	Active	GH 15	Bill G. Harris - 100%	7/12/2007	7/13/2007	7/13/2018
P 48917	Active	GH 16	Bill G. Harris - 100%	7/12/2007	7/13/2007	7/13/2018
P 48918	Active	GH 17	Bill G. Harris - 100%	7/12/2007	7/13/2007	7/13/2019
P 519212	Pending	GH 18	Midnight Mining Services Ltd - 100%	6/9/2017	6/13/2017	6/13/2018
P 519213	Pending	GH 19	Bill G. Harris - 100%	6/9/2017	6/13/2017	6/13/2018
P 519214	Pending	GH 20	Mike Linley - 100%	6/9/2017	6/13/2017	6/13/2018
P 44982	Active	Gold Run 1	Bill G. Harris - 100%	6/11/2001	6/22/2001	6/22/2018
P 44983	Active	Gold Run 2	Bill G. Harris - 100%	6/11/2001	6/22/2001	6/22/2018
P 45560	Active	GR 5	Bill G. Harris - 100%	6/23/2004	6/24/2004	6/24/2018
P 45561	Active	GR 6	Bill G. Harris - 100%	6/23/2004	6/24/2004	6/24/2018
P 45562	Active	GR 7	Bill G. Harris - 100%	6/23/2004	6/24/2004	6/24/2018
P 520004	Pending	GRP 1	Bill G. Harris - 100%	1/18/2018	1/24/2018	1/24/2019
P 520005	Pending	GRP 2	Bill G. Harris - 100%	1/18/2018	1/24/2018	1/24/2019
P 519908	Pending	GRP 3	Deryk Law - 100%	10/17/2017	10/20/2017	10/20/2018
P 519909	Pending	GRP 4	Fry Exploration & Mining Inc - 100%	10/17/2017	10/20/2017	10/20/2018
P 519910	Pending	GRP 5	Mike Linley - 100%	10/17/2017	10/20/2017	10/20/2018
ID01638	Active	Placer Prospecting Lease – 1 mile	D. Andrew Robinson - 100%	10/17/2017	10/20/2017	10/20/2018

Permitting

A Class IV Placer Mining Land Use permit (AP17051) and Class IV Water Licence (PM17-051) are in place for the claims. Both permits are valid until July 5, 2027.

Regional Bedrock Geology

The project area is situated within the Yukon-Tanana terrane, an accreted pericratonic sequence that covers a large part of the northern Cordillera from northern British Columbia to east-central Alaska (Gordey and Ryan, 2005; Colpron and Nelson, 2006). The Yukon Tanana Terrane consists of Paleozoic schist and gneiss that were deformed and metamorphosed in the late Paleozoic, and intruded by several suites of Mesozoic intrusions that range in age from Jurassic to Eocene (Colpron and Nelson, 2006). The Paleozoic rocks are pervasively foliated with at least two overprinting fabrics (MacKenzie and Craw, 2010; MacKenzie et al, 2008). During Late Permian to Early Jurassic time these rocks were tectonically-stacked along thrust faults which were parallel to regional foliation. Later tensional-extensional tectonics occurred during the mid-Cretaceous, and this resulted in brittle fracture of the Paleozoic rocks, which is likely responsible for structurally-controlled gold mineralization in the south Klondike area including the White Gold exploration camp (MacKenzie et al, 2008; MacKenzie and Craw, 2010; MacKenzie and Craw, 2012).

Major units in the Klondike area include: the Snowcap (Nasina) Assemblage, the Klondike Series, the Slide Mountain (Moosehide) Assemblage, upper Cretaceous Carmacks Group volcanics/volcanoclastics, and Eocene intrusives (Figure 3). The basement unit is the Snowcap (Nasina) Series, consisting of metamorphosed schist and quartzite. It is overlain by the Klondike Series, a dominantly quartzofeldspathic schist of Early Permian (280 m.y.) age. Mid-Permian Sulphur Creek orthogneiss cuts the Klondike Schist extensively especially along Sulphur Creek. In the south and west Klondike, the Klondike Series is in contact with Late Devonian to Mississippian Simpson Range orthogneiss. Structurally overlying the Klondike and Nasina Series are greenstone and altered ultramafic of the Slide Mountain (Moosehide) Assemblage. In the east and south Klondike, upper Cretaceous andesitic volcanics and clastic sediments occur. These units are intruded by Eocene age rhyolite and diorite dykes and sills. Significant lode gold has been found throughout the Klondike and south Dawson areas (Chapman et. al., 2011 and others). The precise relationship between lode gold sources and local placer gold deposits is enigmatic and has been the subject of many scientific studies.

Local Bedrock Geology and Mineral Occurrences

Figure 3 shows the local bedrock in Gold Run Creek as Klondike Schist (map unit PK 2) in its headwaters and western boundaries, and Snowcap assemblage quartzite and schist (map unit PDS1) in the lower reaches and eastern extents.

The nearest mineral occurrences are Minfile numbers 115O 062 BRIMSTONE, 115O 138 COWAN (Ba-Ag-Au), 115O 063 GOLD RUN (Au-Ag). The latter is the most significant, with exploration activity dating back to 1910 including underground workings and trenching. The occurrence is described as a foliaform vein with free gold and galena, hosted in schist. Historical assays returned values up to 5.7 ounces per ton (195.43 g/t) (YGS, 2016).

Quaternary History

Most of the Klondike region has not been glaciated (Duk-Rodkin, 1999; Jackson et al., 2001). However, the marginal effects of a pre-Reid glaciation deposited glaciofluvial gravel along Australia Creek and Indian River. These were sourced from meltwater channels which breached the divide in the headwaters to the east. There is no evidence that glacial ice advanced into the drainage, although the pre-Reid glaciofluvial terraces covered pre-existing Tertiary White Channel gravels. These are especially evident in downstream reaches above Indian River (Froese and Jackson, 2005).

Surficial and Placer Geology

The surficial geology of the project area was mapped by Froese (2005) and Froese and Jackson (2005) and is given in Figure 4. 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). LeBarge (2007) describes a portion of 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. The center of the valley consists 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 consist of 10 to 12 metres (35 to 40 feet) of black muck overlying 3.6 metres (12 feet) of gravel and broken bedrock.

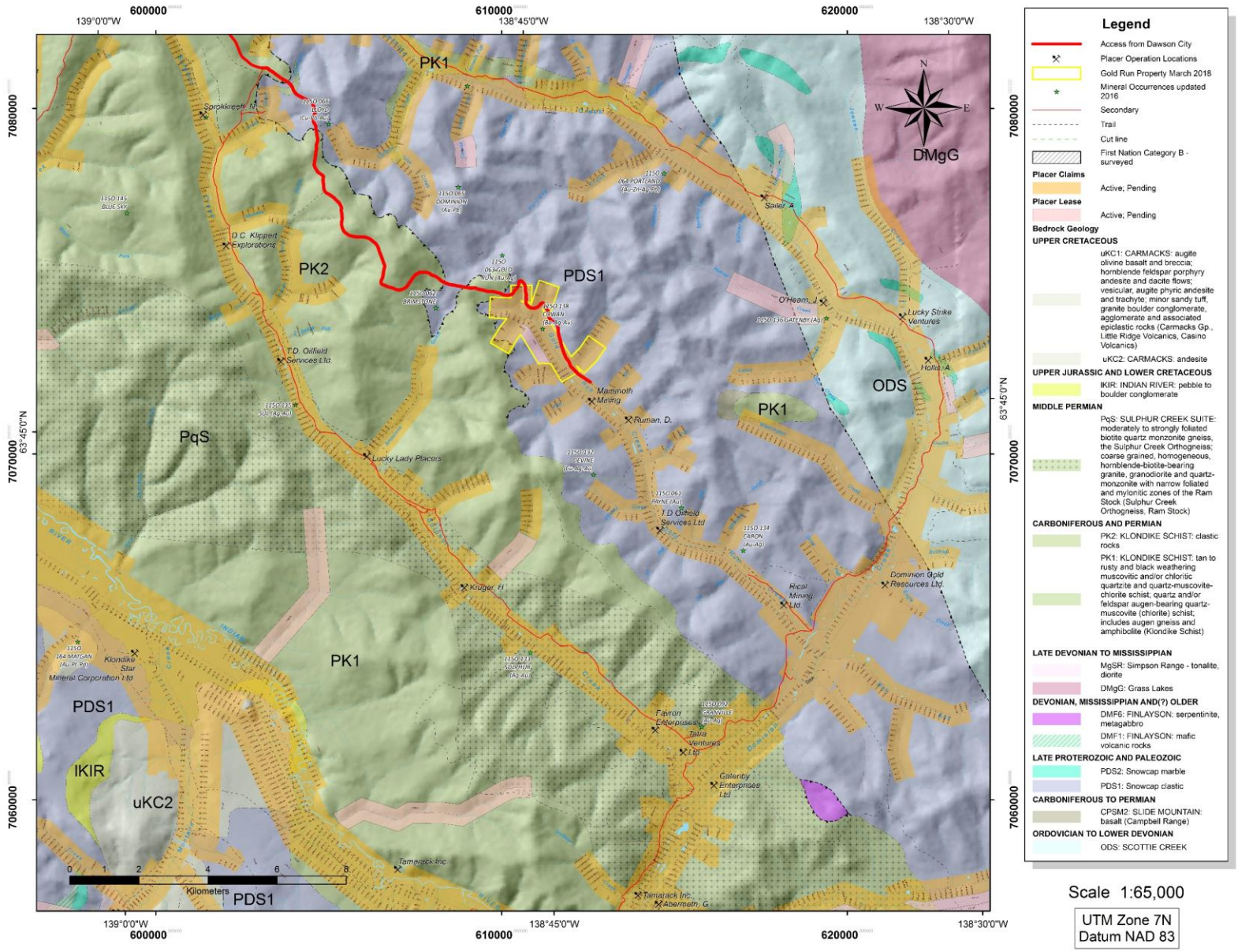

Figure 3- Bedrock geology of the Gold Run Creek area, with project area outlined in yellow, and surrounding placer claims shown (modified from YGS 2016).

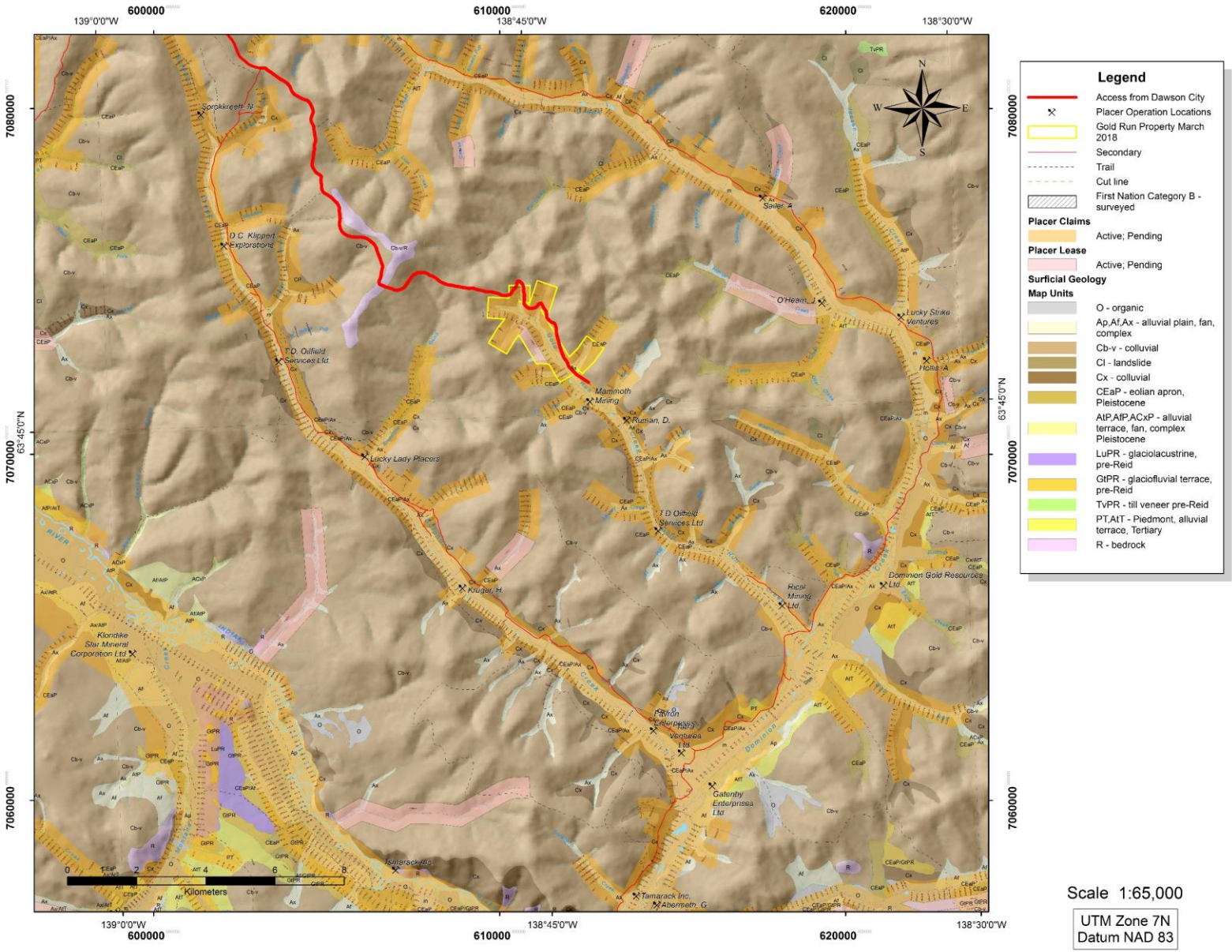

Figure 4- Surficial geology of the Gold Run Creek area with project area outlined in yellow (modified from Froese and Jackson, 2005, Froese, 2005)

History of Exploration and Mining on Gold Run Creek

Early History

Gold was first discovered in the Klondike on August 17, 1896. The first discovery of gold on Gold Run Creek occurred in February of 1898 when Billy Leake, Robert Ennis and his brother David Ennis set up camp at the mouth of the creek. The Ennis brothers continued to mine on Gold Run Creek for many years (Gates, 2013).

The early mining on the creek was by hand, using the traditional drift mining method. One of the early miners on the creek left the Yukon in 1899 with $13,000. His name was John W. Nordstrom, and he used the money to establish what became one of the largest retail chains in the United States (Gates, 2013). The first steam equipment was introduced to the creek one year later, and soon most of the mining operations on the creek were using boilers to generate steam to operate pumps and winches and thaw the frozen muck. The demand for firewood consumed thousands of cords of wood each year (Gates, 2013). When the government road was completed to Gold Run by November of 1899, easier transportation made the creek more profitable, and the population exploded. By 1900, 699 people were reported to be living and working there (Gates, 2013).

Gold Run and adjacent Dominion Creek continued to be worked by hand methods (shafts and drifts) until about 1911, when most of the claims were acquired by Yukon Gold Company (YGC). Dredging was first conducted on Gold Run Creek by the Yukon Gold Company (YGC), which later became Yukon Consolidated Gold Corporation (YCGC). YGC dredge #6 on Gold Run Creek mined 6 to 7 million cubic yards between 1913 and 1922, recovering approximately 70,000 fine ounces (Green, 1977; Ross, 1982; Froese et al., 2001).

Options were taken by the Murphy Brothers of Portland, Oregon, on most of the claims on Gold Run Creek in 1940. They prospected a large part of the creek, at first sinking shafts, and later by prospect drilling. However, by 1941 the options had been dropped (Bostock, 1941).

A proposal to develop the entire Gold Run block of claims owned by Yukon Consolidated Gold Corporation (YCGC) in 1942 was not adopted, and the lower ground was allowed to come open in 1974 (Ross, 1982). The lower Gold Run ground in the Dominion Creek valley was then staked by Consolidated Mines (Yukon) Ltd. and optioned by Territorial Gold Placers (Ross, 1982).

In 1978, YCGC was absorbed by Teck Corporation who proceeded with infill drilling on Gold Run Creek to verify earlier drill results and to determine values in the dredge tailings. The dredge tailings were subsequently re-mined by Teck, and the unmined right and left limit portions of lower Gold Run Creek were also mined from 1997 to 2000 (Mining Inspection Division, 2003).

Mary-Ange Resources Ltd. acquired the Teck ground in 2001 and mined until 2005. They describe that early dredging by YCGC had very little pre-stripping, resulting in 30 to 45 feet high faces during dredging. As the dredge dug the face, large slough-ins would occur, pushing pay gravels under the bucket chain, and that pay gravel was thus 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 as a result up to 15% of the pay gravel was not recoverable at the time. These gravels were the main pay material for Mary Ange Resources Ltd. (LeBarge, 2007).

Chronology of Exploration and Mining

Table 2- Work done in Gold Run Creek, sorted chronologically (sources including Bostock, 1941; LeBarge, 2007; LeBarge & Nordling, 2011; Van Loon & Bond, 2014; Froese et. al. 2001).

Year	Work	Results
1898	Gold discovered at Gold Run	
1898-1911	Hand workings of shafts and drifts	
1913-1923	Yukon Consolidated Dredge #6	~70,000 fine ounces (Froese et. al, 2001).
1940	Historical exploration 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	Mr. Rintoul	Upper portion Gold Run Creek. Monitor used to strip ground on left limit of the creek.
1982	M. Mynot	Former location of Rintoul's work. Mined a cut along right limit of creek.
1983-1984	Hakonson & 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.

Year	Work	Results
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
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 report. 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 1999). 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. Several cuts mined each year. Sluiced 0.9 m of gravel and 0.9 m of decomposed bedrock.

Year	Work	Results
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.

Placer Gold Production

Gold Run Creek has consistently been one of the top ten producing creeks annually in the Yukon since placer mining began there early in Klondike history. Detailed information on gold production has been documented from many sources including Bostock (1941), Green (1977), Lowey (2004), LeBarge (2007), Froese et. al. (2001) and subsequent annual reports on the Yukon Placer Mining Industry (LeBarge & Nordling, 2011, Van Loon & Bond, 2014 and others). Table 3 indicates the amount of placer gold reported to Government for royalty purposes on Gold Run Creek from 1961 to 2013 – this tally is over 155,000 crude ounces. Lowey (2004) states that between 1978 and 2001, Gold Run Creek ranked 6th in the Klondike and produced a minimum of 187,885 ounces of gold. Based upon this value, the values in Table 3, and the approximately 70,000 ounces indicated by Froese et al. (2001) and Green (1977); a total of 292,540 crude ounces have been well-documented from Gold Run Creek. As royalty records consistently under-report the actual gold production of any one creek, there is likely to be well over 300,000 crude ounces of placer gold produced to date on Gold Run Creek.

Table 3- Gold Run Creek placer gold production by year as indicated by royalty records (Yukon Mining Recorder).

Year	Quantity (crude oz)	Year	Quantity (crude oz)	Year	Quantity (crude oz)
2013	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		

Recent Exploration on Gold Run Creek Property

Within the present property boundaries on upper Gold Run Creek, previous work has consisted of drilling, shafting and stripping by various operators (Midnight Mines, 2002). Since 2002, several small operators have tested the upper Gold Run Creek ground under lease arrangements or as contractors to Bill Harris. All of these recent programs were of insufficient scale and scope to determine the economic value of the project area claims.

The following sections summarize recent exploration programs conducted or contracted by Bill Harris and are included to add context to the October 2017 exploration program.

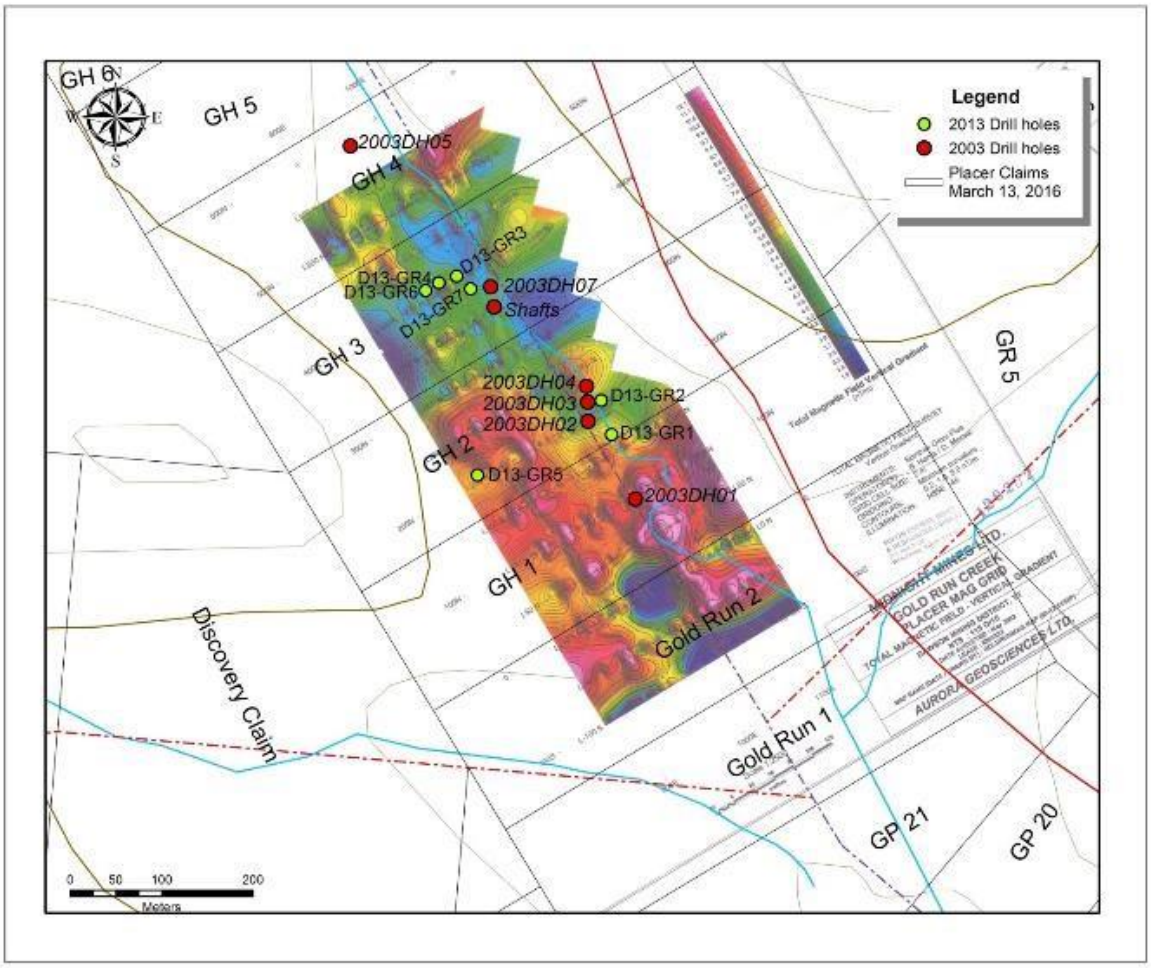

Figure 5- 2002 Total Magnetic Field, vertical gradient, at Gold Run Placer project. Auger drill holes from 2003 and 2013 also shown.

Total Field Magnetic and Gradiometer Survey - 2002

A total field magnetic survey and gradiometer survey was conducted by Aurora Geosciences Ltd. on the Gold Run Creek Property in 2002 (Midnight Mines Ltd., 2002). A total of approximately 4.0 line kilometers were surveyed on a prepared grid. The vertical gradient of the total magnetic field is shown in Figure 5, along with the 2003 and 2013 drill holes. Several magnetic anomalies were detected. A broad, magnetic high zone along the right limit from the bottom of the grid (claim Gold Run 2) to about mid-way on the grid (claim GH 2) may be due to a bedrock anomaly rather than a placer anomaly. However, a smaller magnetic anomaly upstream of grid line 450N-500N may be indicative of a paleochannel proceeding out of a right limit pup that enters Gold Run Creek in this area. Additionally, a semi-continuous moderate to high anomaly which runs along the left limit (east side) of the creek could be a result of a placer paleochannel showing accumulations of placer magnetite, with associated placer gold.

Auger Drilling Programs – 2003 and 2013

In 2003, an auger drill program was undertaken by Bill Harris on what are now the GH 1 to 4 claims (shown on Figures 5 and 6). A bombardier-mounted 6-inch auger was used to complete six drill holes. Gravel layers were sluiced and concentrates were panned to recover gold. The best results included 181 mg of Au from drill hole 2003DH07, and drill hole 2003DH04 with 117 mg of Au (B. Harris, pers. comm.). The depth to bedrock encountered was between 14 and 20 metres (B. Harris, pers. comm.). In 2013, a program of seven auger holes was conducted (Christie, 2013) by Gimlex Mining under contract to B. Harris (Figures 5 and 6). Gravel layers were sluiced and concentrates were panned to recover gold. These drill holes returned gold values from trace to 60 mg. Significant magnetic black sand was present in the concentrate, which indicate a magnetic survey may be an effective tool for discovering placer paleochannels.

Photo 1 - During the 2003 auger drilling program, drill samples were processed in the field using a Le Trap long tom. Concentrates were then panned and the gold dried and weighed. The highest grade samples contained 181 mg Au (drill hole 2003DH07) and 117 mg Au (drill hole 2003DH04) respectively.

Ground Penetrating Radar Surveys – March 2017

A Ground Penetrating Radar (GPR) survey was undertaken on the property in March of 2017 (Logutov, 2017). A total of 3.58 line km were surveyed. Figure 6 shows the location of the GPR lines, as well as the interpreted location of two paleochannels. These paleochannels were interpreted to have a maximum depth to bedrock of 15m. They are approximately 100 metres apart although they are interpreted to merge in their downstream extent. There is a rough correlation between the location of these interpreted paleochannels and the two linear magnetic high features delineated in the 2002 magnetometer survey.

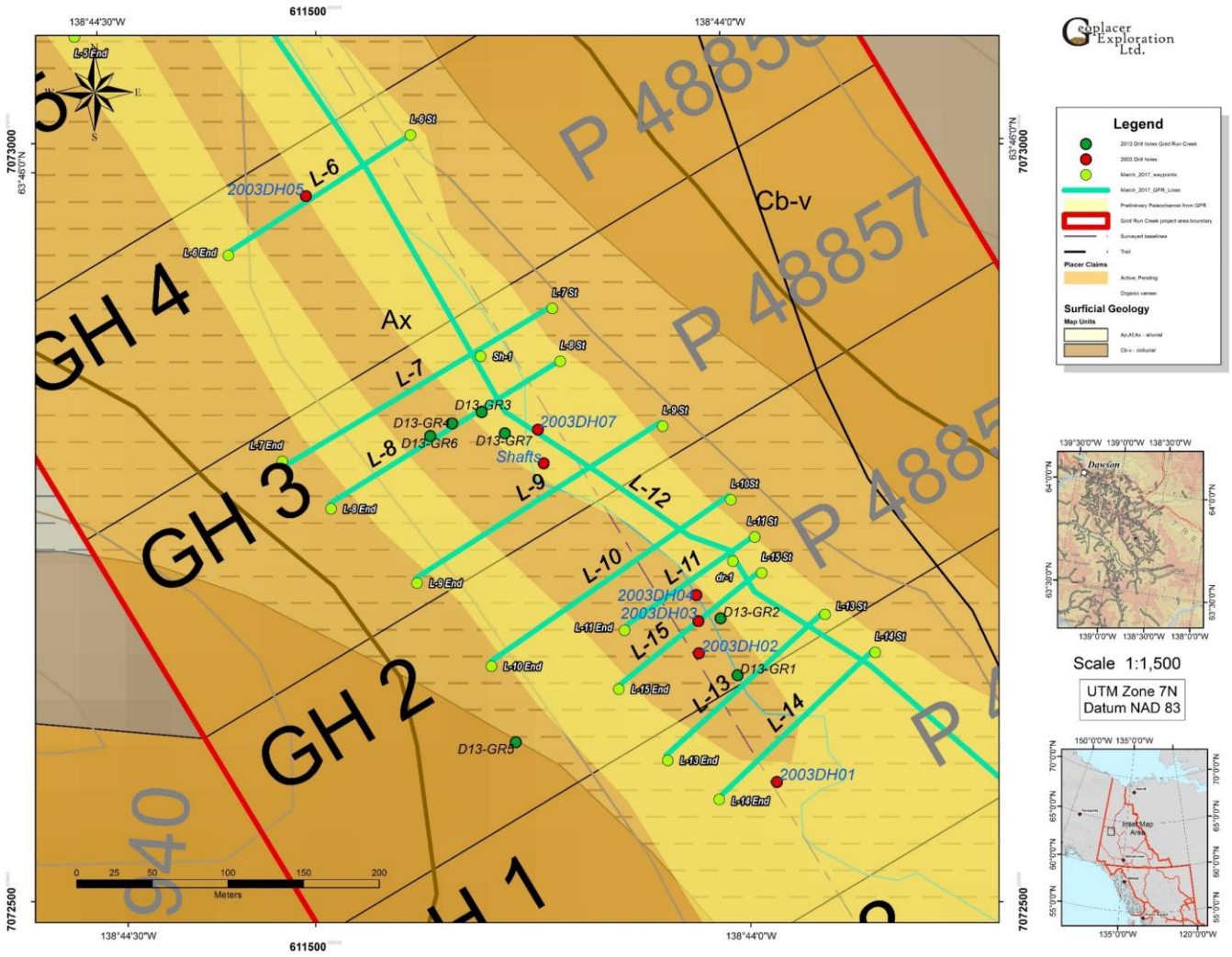

Figure 6- Location of interpreted paleochannels in yellow from the March 2017 GPR survey. The green lines indicate the GPR survey line locations. The auger drill holes from the 2003 and 2013 programs are also shown.

2017 Placer Exploration Program

Overview

The 2017 Placer Exploration program on the Gold Run Creek property consisted of resistivity geophysical surveys, placer claim and lease staking, and hand-shafting. The resistivity surveys were conducted for Midnight Mining Services Ltd. by geologists William LeBarge and Selena Magel between October 20 and October 23, 2017. Assistance was provided by Nicholas McKay. In October, 2017, two co-discovery claims were staked on a right-limit upper tributary, as well as a one-mile prospecting lease on the right limit. Based in part on the geophysical results from October 2017, three shafts were located and hand-excavated on the property in late March 2018.

Resistivity Geophysics - General

A total of six - 300 metre long resistivity surveys were conducted on the Gold Run Creek Property. The Lippmann 4-Point Light Resistivity System was used to conduct the surveys. Good contact resistance was obtained during the surveys, so few data points were filtered and removed during processing. Extensive permafrost in the survey area make results of the resistivity surveys uncertain. The permafrost is expected to be more continuous on north facing slopes, and discontinuous on south facing slopes and valleys with high water saturation.

Resistivity Methodology

Electrical Resistivity was used to define the contact between bedrock and overburden. Tests were calibrated using drill holes with bedrock depths previously found in the local area. Calibrating the surveys to a known bedrock depth allowed extrapolation of data along possible contacts in the resistivity surveys. The Lippmann 4-Point Light equipment allowed for a maximum effective length of 285m and 60m of depth penetration.

The resistivity technique injects an electrical current into the subsurface through stainless steel spikes and then measures the remaining voltage at various distances away from the injection point. Ground materials have different resistances to the current, and give data points in a cross section of the subsurface. With the data points, a tomogram or pseudo section can be created representing changes of resistivity in the ground. Data was collected using Geotest software, while the inversion and data filtering was completed with RES2DINV software. Data points with poor contact resistance were exterminated and noisy data was filtered statistically with root mean squared data trimming. Two dimensional tomograms were produced using least squares damped inversion parameters to display the resistivity properties and to display potential contacts.

The two-dimensional images are used for preliminary interpretations of bedrock structure. The images were interpreted by William LeBarge and Selena Magel. The preliminary interpretations include areas of permafrost, water saturated material, decomposed bedrock, as well as solid bedrock and overburden.

General principles and assumptions of electrical resistivity are:

1. Low resistivity can indicate thawed and water saturated areas, as well as fine grained material.

2. Very high resistivity values can be due to ice rich material and frozen or highly disturbed ground.

3. Dry gravels, cobbles and boulders generally have high resistivity values.

4. The contrasts between values is more important in determining contacts than the absolute values found with resistivity data.

Limitations and Disclaimer

The interpreted sections provide an estimate of the conditions beneath the surface to the depths conducted and are within the accuracy of the system and methods. The data becomes more uncertain with depth and are more accurate toward the surface and is further complicated with permafrost present in the region. The materials are interpreted based upon drill hole data and local geology observed, as well as geologic knowledge of the area. Certain materials may be similar in composition and result in uncertain results. The accuracy of the information presented is not guaranteed and all mine development is the client's responsibility. William LeBarge of Geoplacer Exploration Ltd and Selena Magel of Midnight Mining Services Ltd. accept no liability for any use or application of these data by any and all authorized or unauthorized parties.

Photo 2 - Data was captured in the field using a laptop running the Geotest and RES2DINV programs, and the Lippmann 4 point light resistivity meter. Moderate snow conditions and below freezing temperatures required some additional time and care in deploying the geophysical equipment.

Resistivity Survey Profiles

The coordinates of the profiles are shown in Table 4 and the traces are shown on the map (Figure 7). The interpreted profiles are shown as Figures 8 to 13.

Table 4- Resistivity line names, lengths and start and end locations of resistivity lines conducted in Gold Run Creek placer leases.

Resistivity Lines- Gold Run Creek, October 2017										
Date	Line Name	Length (m)	Start Point				End Point			
			Latitude	Longitude	y	x	Latitude	Longitude	y	x
2017-10-20	RES17-GR-01	300	63.761237	-138.727	7072403	612115.2	63.75989	-138.731	7072245	611897.5
2017-10-21	RES17-GR-02	300	63.762223	-138.729	7072510	612024.6	63.76029	-138.73	7072292	611950.8
2017-10-21	RES17-GR-03	300	63.764237	-138.732	7072728	611830	63.76222	-138.729	7072510	612024.6
2107-10-22	RES17-GR-04	300	63.765788	-138.733	7072899	611770.2	63.76431	-138.738	7072725	611536.4
2017-10-22	RES17-GR-05	300	63.767369	-138.736	7073071	611662	63.76579	-138.74	7072887	611434.1
2017-10-23	RES17-GR-06	300	63.771321	-138.74	7073503	611425.7	63.77007	-138.745	7073355	611168.9

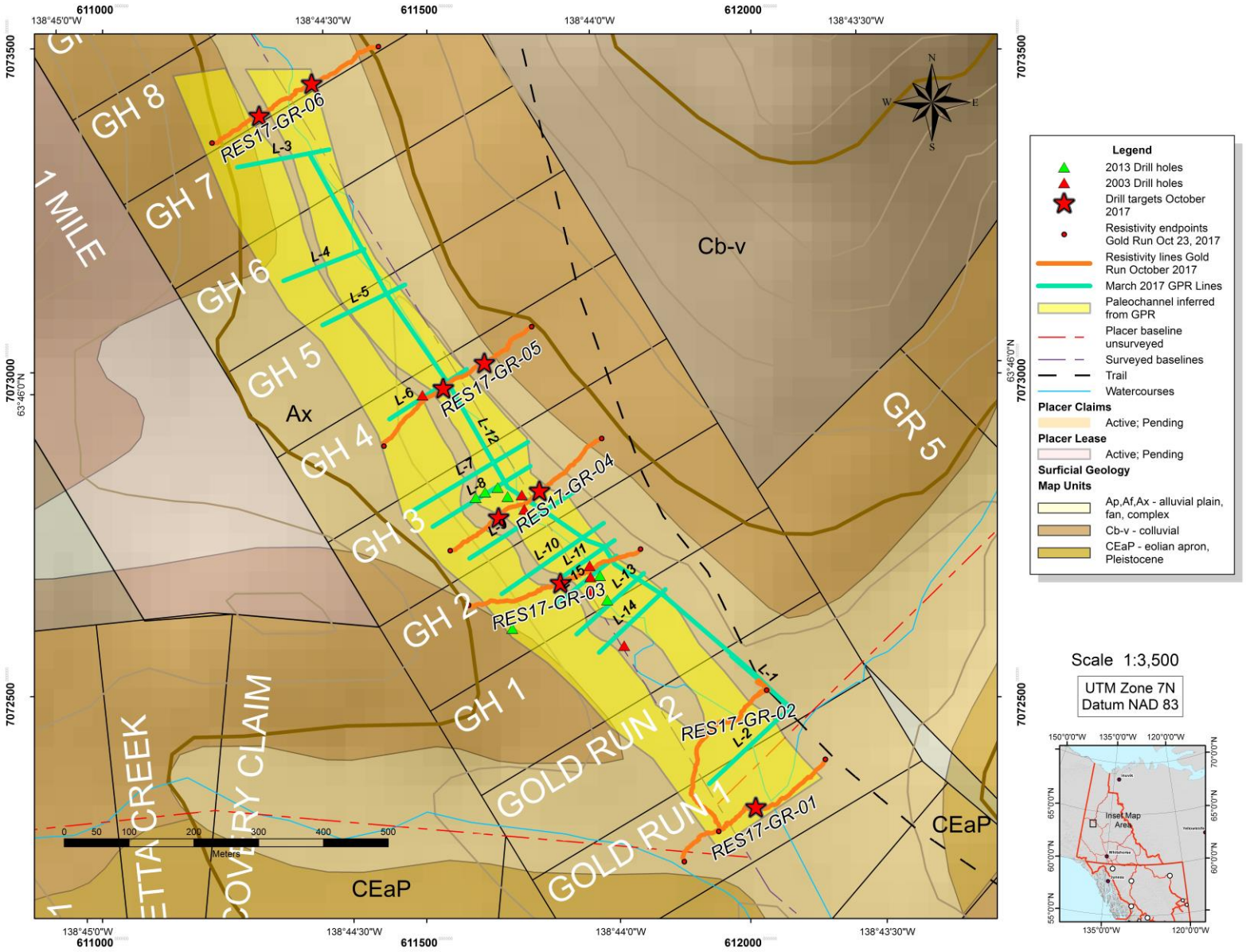

Figure 7- Surficial geology map showing locations of resistivity lines RES17-GR-01 to RES17-GR-06. Paleochannels interpreted from 2017 GPR surveys are indicated in yellow. Drill targets are displayed with stars. Adapted from Froese and Jackson 2005.

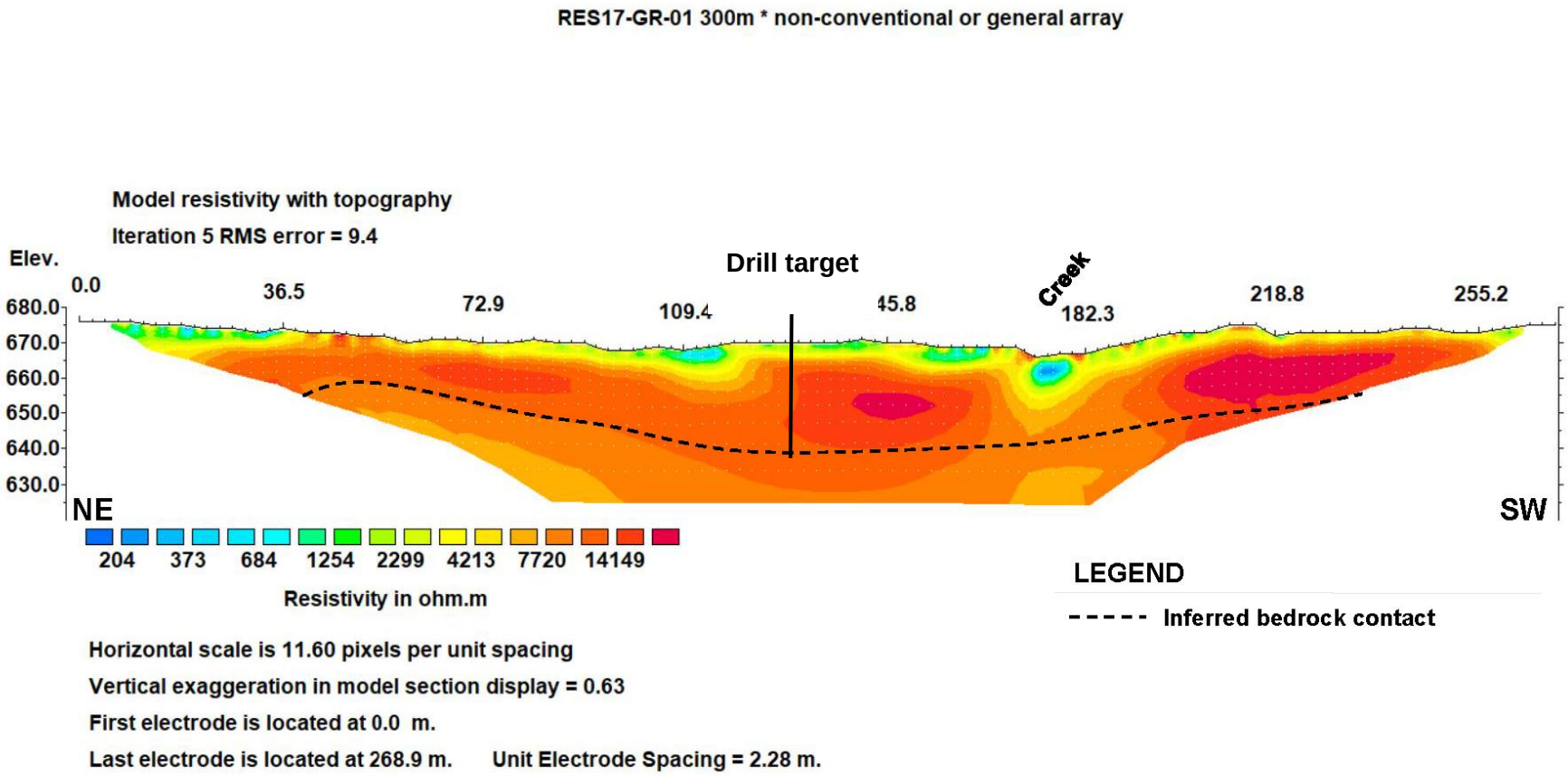

Figure 8- Line RES17-GR-01. View looking downstream. This line is the farthest downstream of the 2017 resistivity surveys. The bedrock is interpreted as up to 25m deep, and thawed (low resistivity) areas are shown surrounding the present creek.

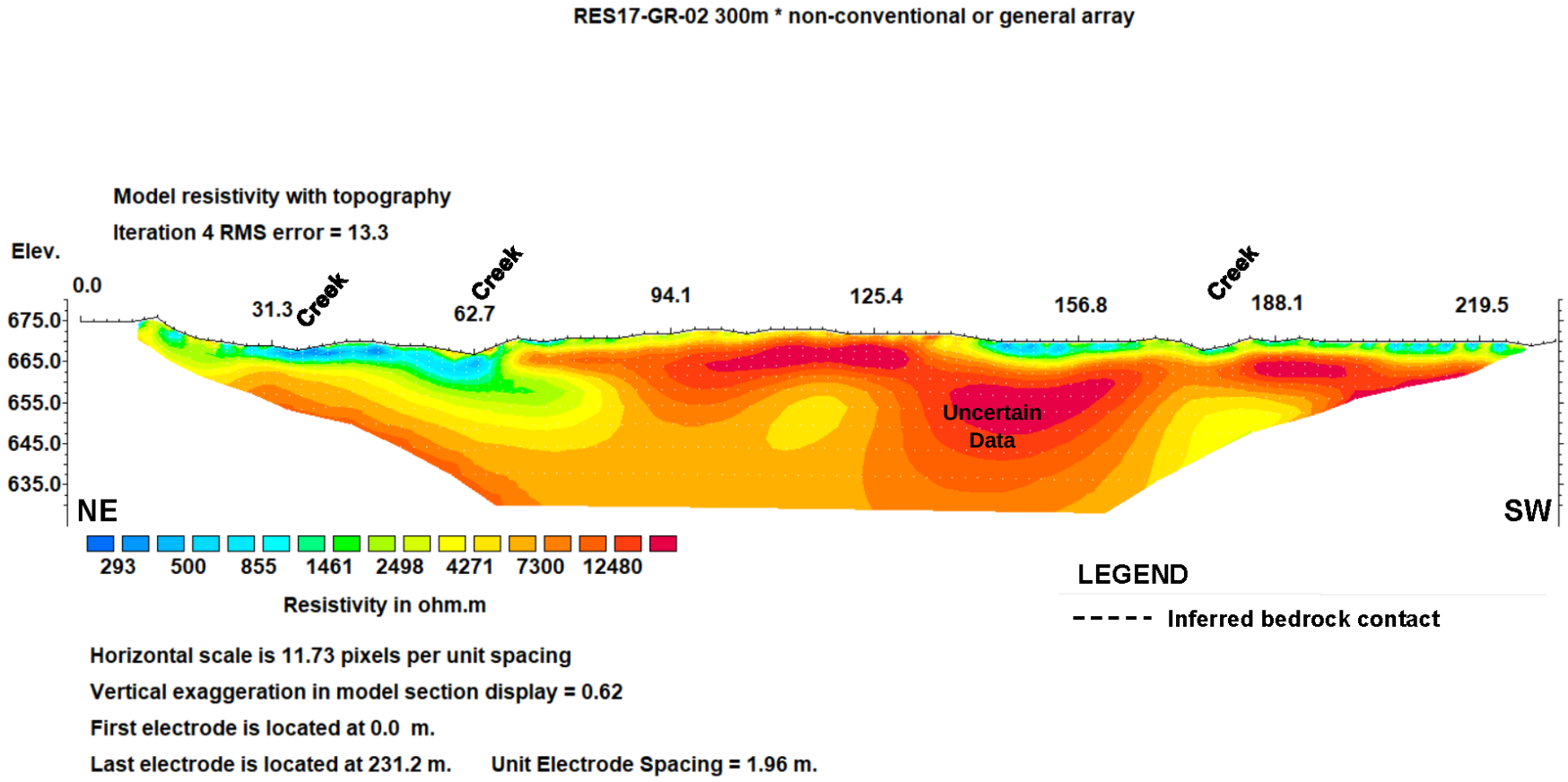

Figure 9- Line RES17-GR-02. View looking downstream. The present location of small creeks are demonstrated as low resistivity areas at the surface. This data was acquired in difficult terrain and data uncertainty is much higher than the other pseudo sections presented. The resulting contours displayed in the lower part of the image could be a result of accumulated uncertainty.

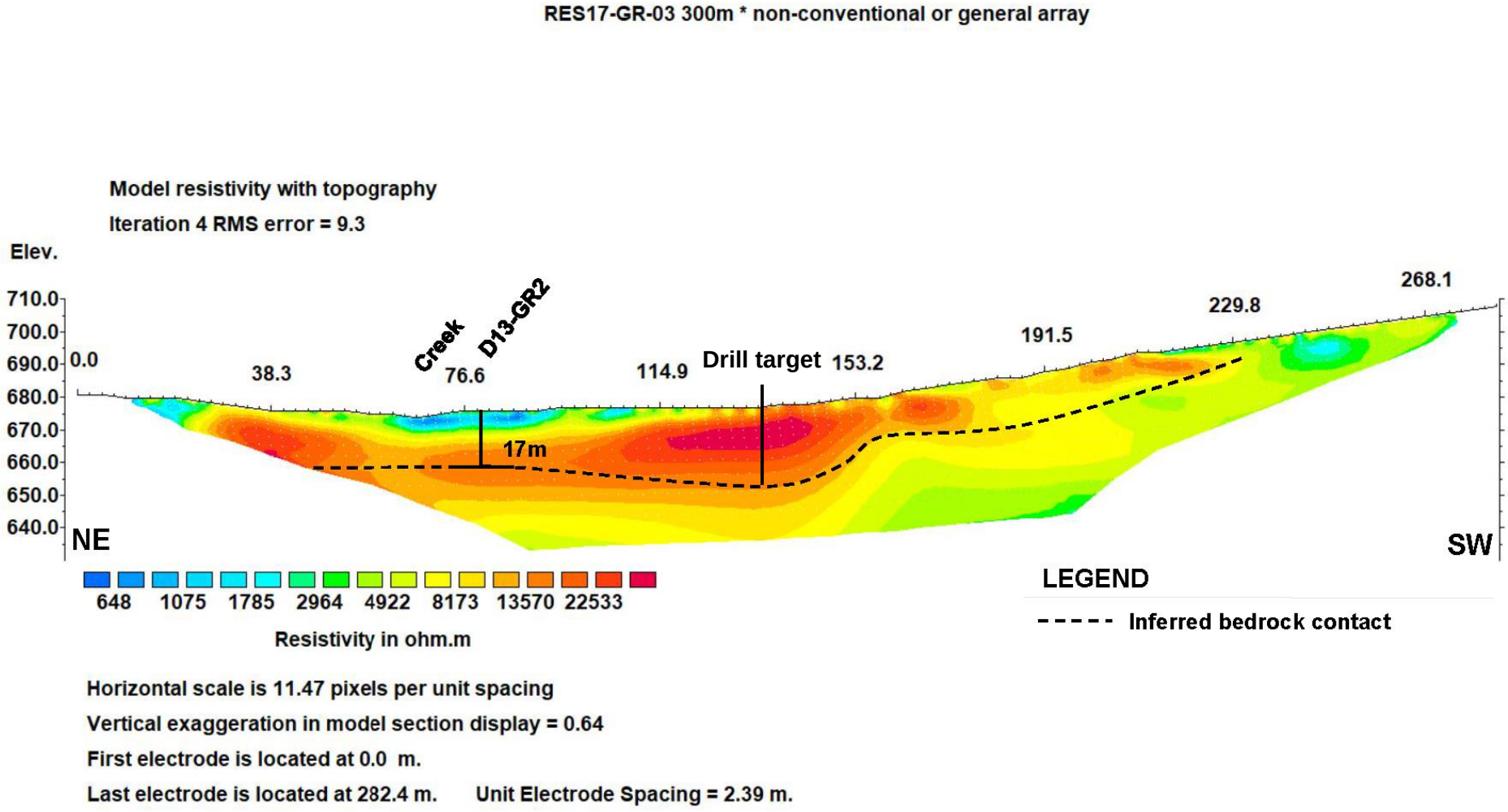

Figure 10- Line RES17-GR-03. View looking downstream. Drill hole D13-GR2 encountered 14m of black muck overlying 3m of gravel and reached schist bedrock at 17m. The bedrock contact has been interpreted as generally following topography with a slight depression around 130m along the resistivity line.

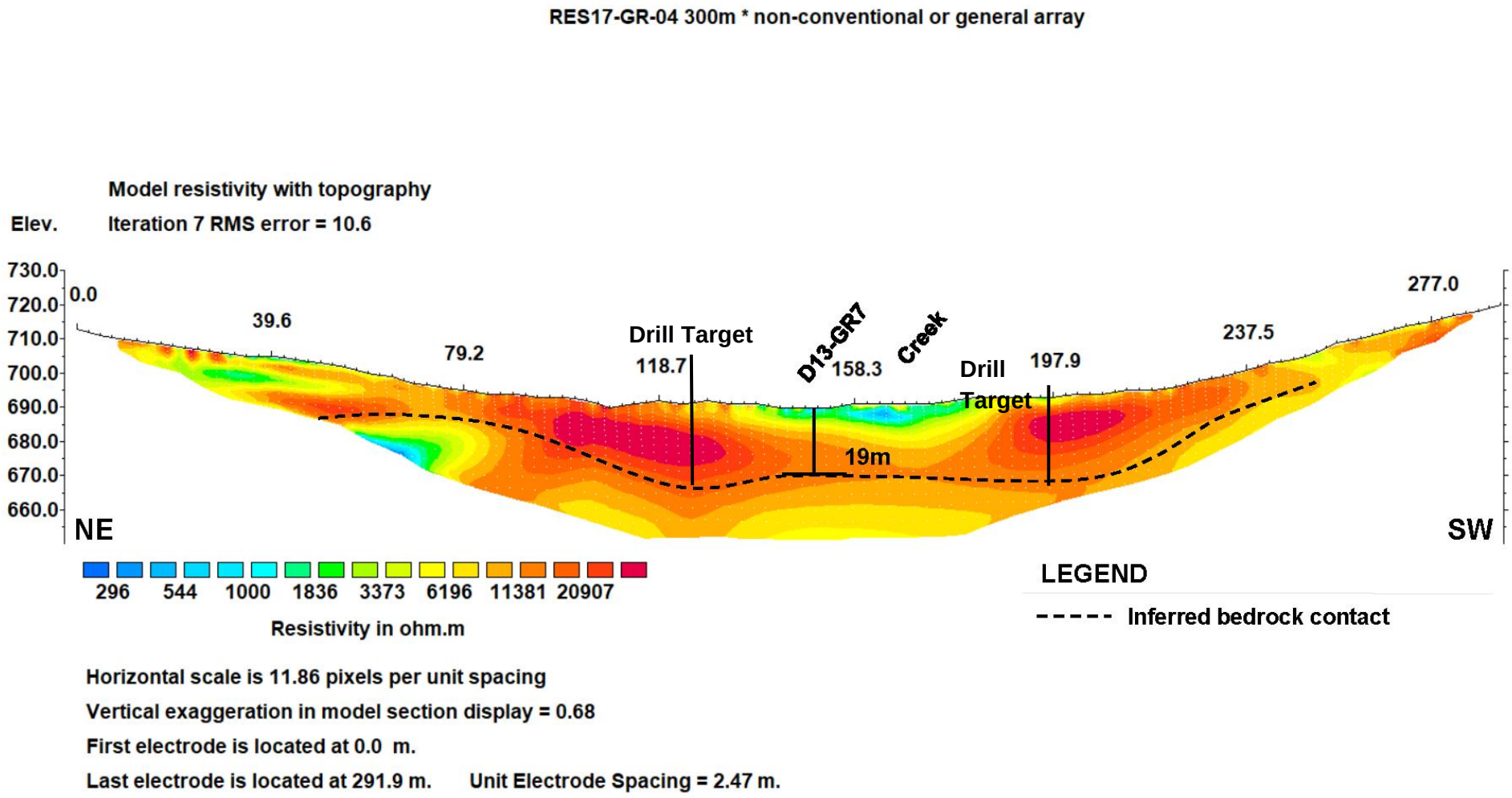

Figure 11- Line RES17-GR-04. View looking downstream. Drill Hole D13-GR7 encountered 17m of black muck, and 2.5m of gravel before encountering bedrock at 19m. The bedrock appears to outline a distinctive undulating feature with two moderate depressions (drill targets) in the valley bottom. The width of this feature is approximately 100m with raised sides.

RES17-GR-05

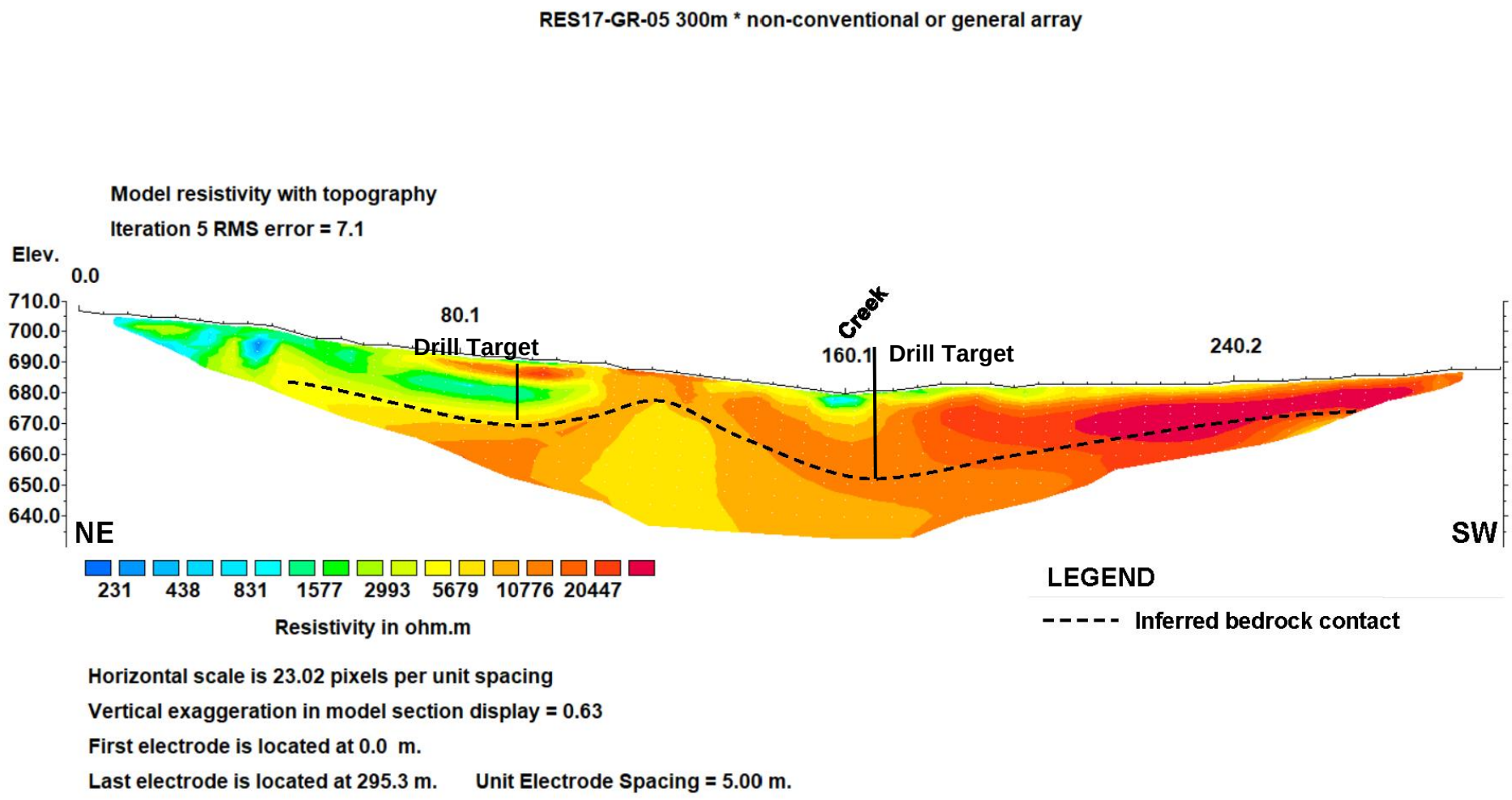

Figure 12- Line RES17-GR-05. View looking downstream. The inferred bedrock contact is interpreted to have two undulations, with the deepest portion at ~25m deep located under the present-day creek. The bedrock contact gradually rises to the SW, and a secondary drill target is shown on the NE side of the bedrock ridge.

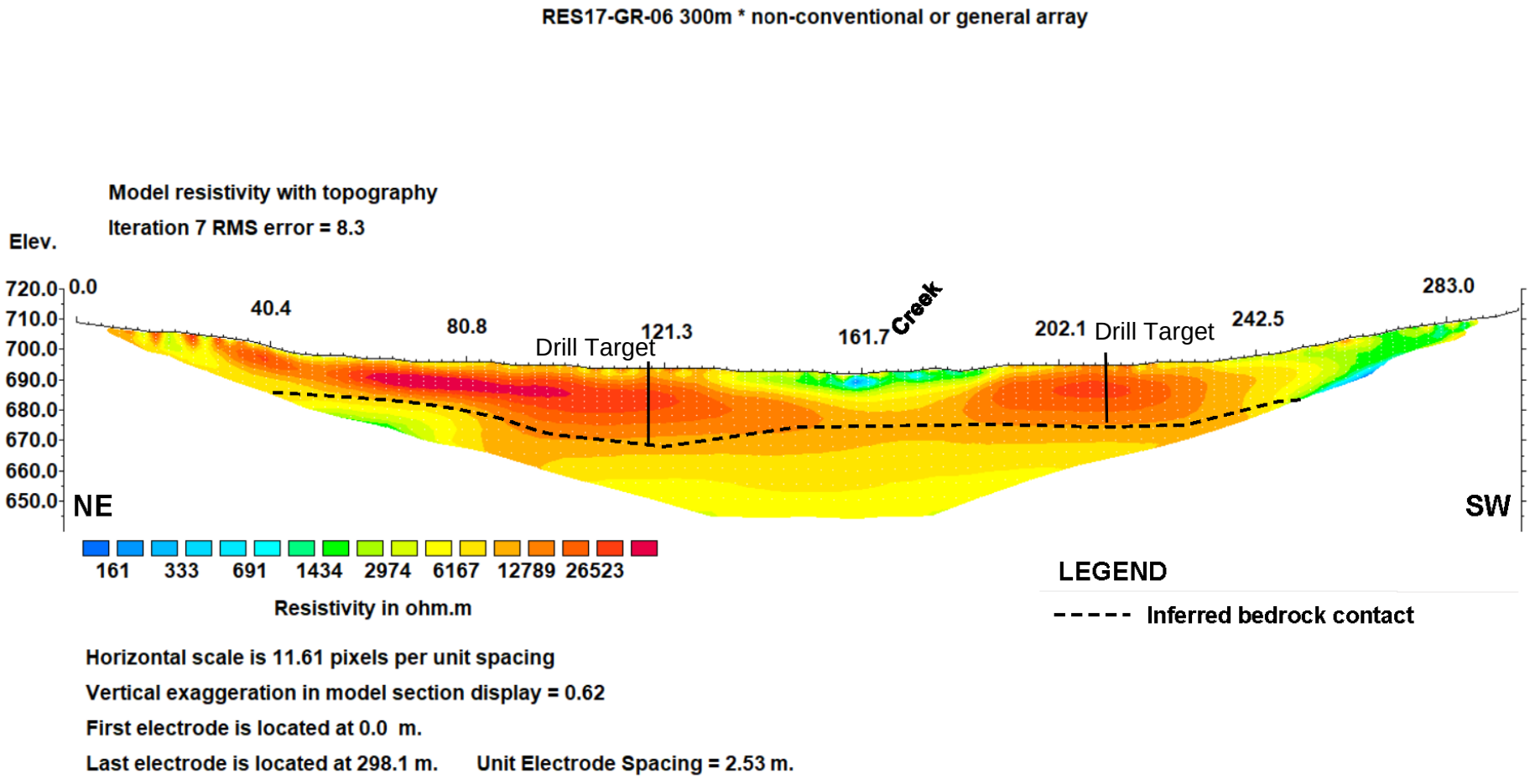

Figure 13- Line RES17-GR-06. View looking downstream. This section may display permafrost on the slopes, interrupted by a thawed zone around the creek. The interpreted bedrock contact is drawn relatively flat with two undulations in the valley at about 20m deep.

Discussion of Results – October 2017 Geophysical surveys

Throughout the surveys, low resistivity values corresponded with thawed, water-saturated material in valley bottoms, while high resistivity areas corresponded with either permafrost zones near the ground surface, or gravel bodies in the subsurface. The geophysical lines were proximal to some of the auger drill holes from the 2003 and 2013 programs, in particular survey lines RES17-GR-03 and RES17-GR-04. Bedrock outcrops (decomposed schist under a colluvium blanket) were observed 50 to 100 metres from the beginning of the survey lines on the access road. These factors aided in the interpretation of the bedrock contact in the surveys.

Figure 8 (line RES17-GR-01) shows a gently undulating bedrock surface with a moderate bedrock depression. There is a drill target chosen in the center (approximately 130m from the start point) of the line, with a potential bedrock depth of 25m.

Line RES17-GR-02 began approximately 30m away from a bedrock outcrop at the access road (Figure 9). There appears to be a rising contact in the NE side of the pseudo section (near the access road) that could represent bedrock sloping toward the valley.

Figure 10 (line RES17-GR-03) shows a slight depression on the right limit, where the apparent rise in bedrock could be the southwestern boundary of a broad paleochannel. A drill target has been identified there with a potential bedrock depth of 20m. The potential for placer gold is increased at this location because the paleochannel may be confined by the bedrock on the right limit.

Figure 11 (line RES17-GR-04) appears to show a wide moderately undulating depression with a thawed center. Two drill targets are identified on the image with a potential bedrock depth of 25m. The present-day creek has caused the ground to thaw in the surrounding area.

Figure 12 (line RES17-GR-05) also has two drill targets - one at 165m from the beginning with potential bedrock at 25m, and a secondary target at 93m from the beginning where bedrock may be forming a depression opposite a bedrock high.

Figure 13 (line RES17-GR-06) shows two possible drill targets identified in small undulations in the interpreted bedrock contact.

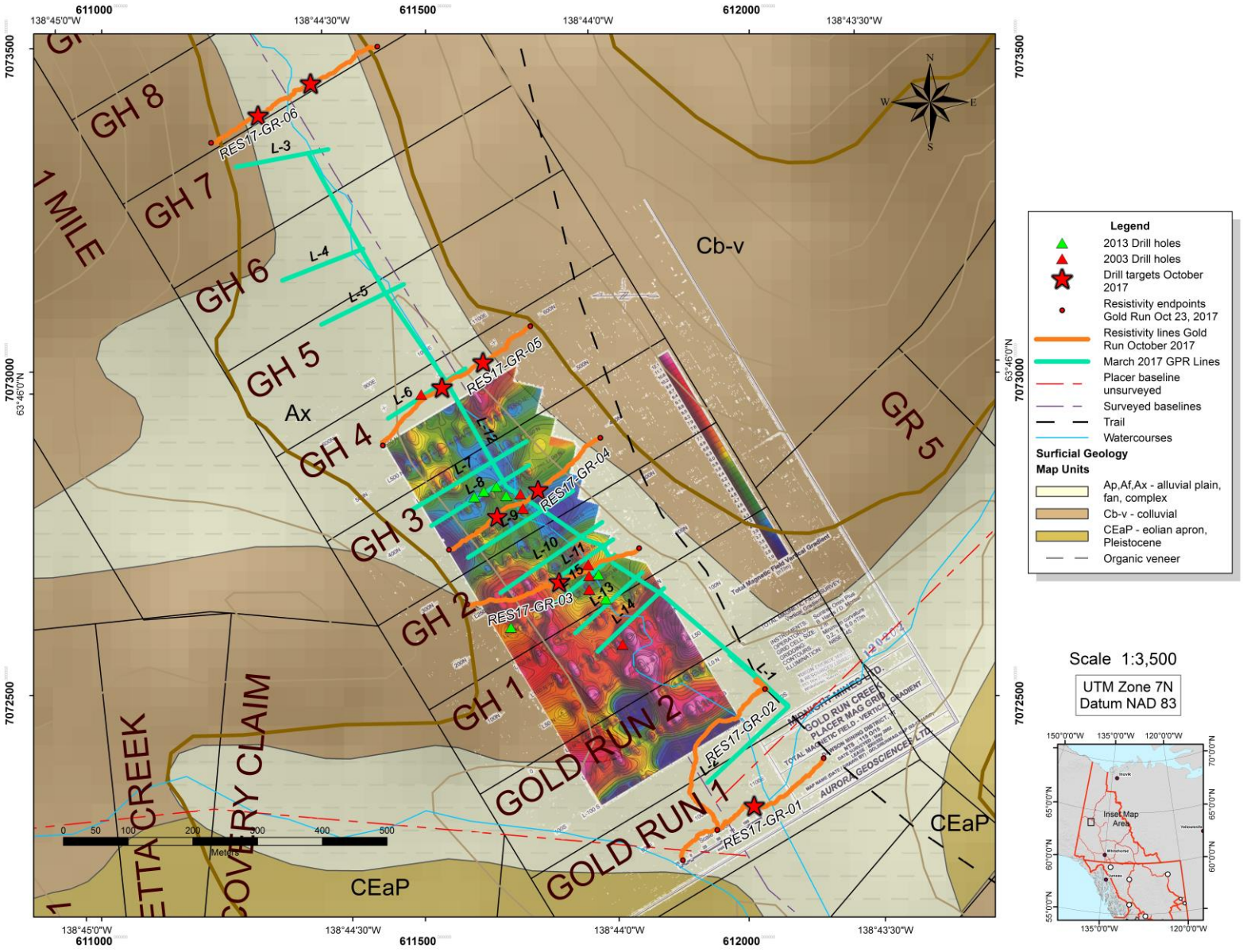

Figure 14- Surficial geology (after Froese and Jackson, 2005) with 2002 total field (vertical gradient) ground magnetic survey, March 2017 GPR surveys, and October 2017 resistivity surveys. Drill targets are shown as stars on this map.

Shafting- March 2018

Hand-shafting was conducted in three locations in March 2018.

Shaft #1: Located on centre-right limit of Gold Run with drainage from right limit bench coming into Gold Run Creek. Close proximity to a good drill hole from early 2000's and on/near potential right limit paleochannel. Total shaft depth to date, 32 feet – all black muck.

Shaft #2: Located on right limit bench, on the edge of the bench flat and also on the edge of the bench drainage into Gold Run. Six feet deep, all black muck.

Shaft #3: Located on right limit bench adjacent to Shaft #2. Six feet deep, all black muck.

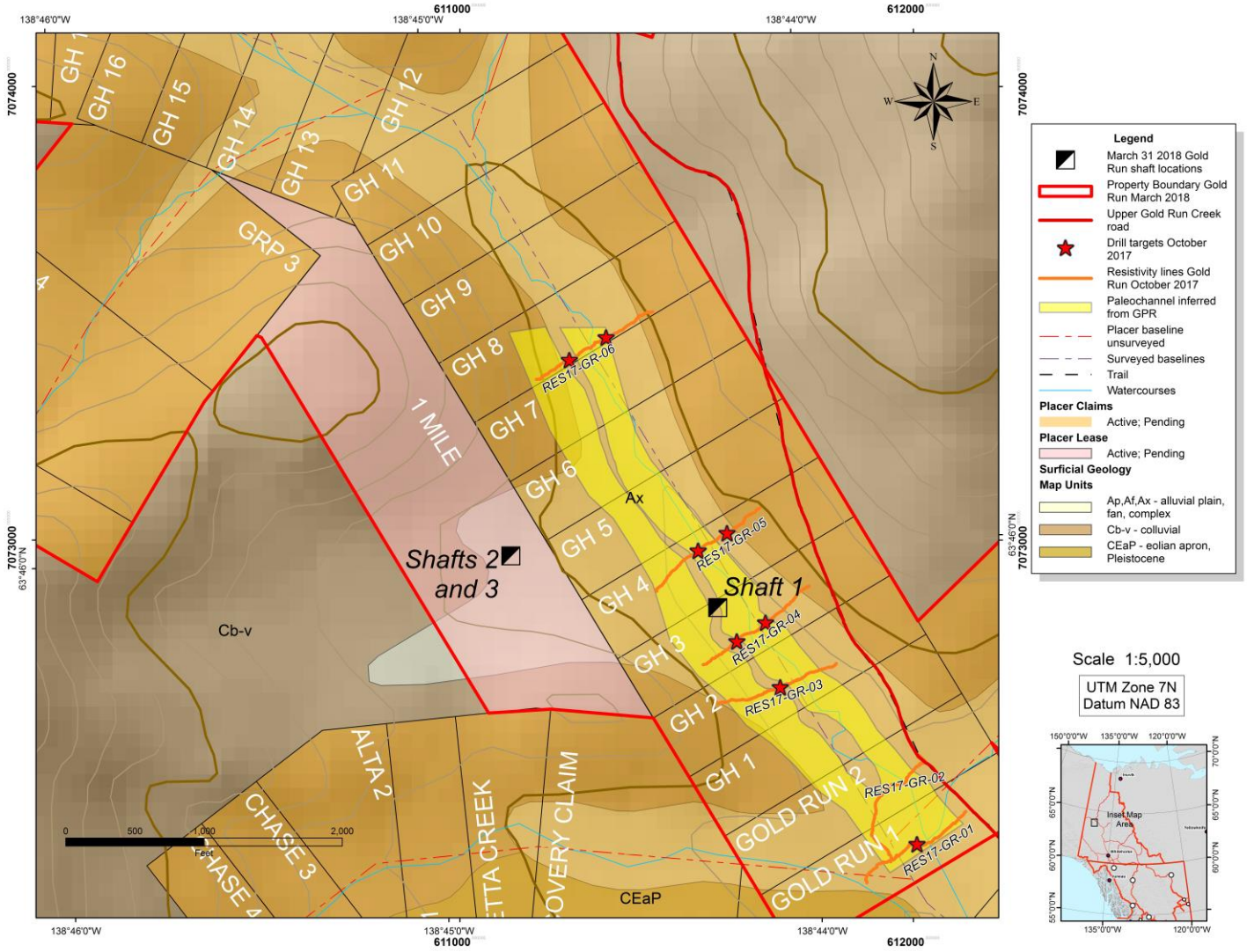

Figure 15 - Location of shafts excavated in March 2018 (under YMEP17-032) on Gold Run Creek, with surficial geology from Froese and Jackson (2005). Resistivity lines and drill targets from October 2017 program also shown.

Conclusions and Recommendations

Resistivity geophysical surveys are an effective, extremely low-impact method of placer exploration which is highly portable, fast and relatively cost-effective. However, the methodology may reflect permafrost and groundwater conditions which do not directly correlate to lithological contacts. In this respect, results are dramatically improved if other data such as drill holes, test pits or bedrock outcrops are used to corroborate interpreted results.

A comparison of the March 2017 GPR survey interpretations and the October 2017 resistivity data (Figure 7) shows a weak correlation. For example, resistivity lines RES17-GR-04, RES17-GR-05 and RES17-GR-06 were all conducted over the projection of two parallel paleochannels interpreted by the GPR surveys. These resistivity lines each show undulating depressions with two possible deeper features, similar to the two paleochannels interpreted in the GPR survey. However, the two methodologies do not show the channels precisely overlapping. This may be due to the lack of actual GPR lines in the vicinity of the projected locations of the paleochannels.

Comparison of the 2002 magnetometer survey to the current resistivity surveys (Figure 14) shows that some of the magnetic anomalies may be due to magnetic bedrock rather than a result of placer paleochannels. For example, shallow bedrock is observed in line RES17-GR-03 (Figure 10) in the same area as a significant magnetic high on the magnetic survey, on the left limit of claim GH2. In addition, an extension of the northern magnetic high anomaly on the magnetic grid (not surveyed) corresponds roughly to a zone of interpreted shallow bedrock in RES17-GR-05 (Figure 12). However, there is also the possibility of a paleochannel in this location, so the relationship is unclear without the confirmation of the bedrock contact by drilling.

The existence of placer versus bedrock magnetic anomalies would likely be clarified by additional resistivity surveys, as well as a larger grid of magnetic surveys over the entire project area. For example, the SE trending magnetic anomaly on the left limit of Gold Run Creek (between claims GH 1 and Gold Run 2) could be confirmed as either a paleochannel or bedrock if an additional resistivity survey was conducted across this feature. Similarly, a magnetic survey in the area between resistivity lines RES17-GR-05 and RES17-GR-06 would undoubtedly illuminate this relationship further.

Several drill targets have been identified based on the geophysical results. Table 5 lists the coordinates of these possible drill targets. These are also shown on the maps on Figure 7, Figure 14 and Figure 15.

Table 5 - Coordinates of possible drill targets chosen on the October 2017 resistivity profiles.

Name	Line	Latitude	Longitude	UTM_N	UTM_E	Zone
Drill Target 1	RES17-GR-01	63.760605	-138.72906	7072329.512	612008.0962	7
Drill Target 2	RES17-GR-03	63.763803	-138.734918	7072675.411	611706.5785	7
Drill Target 3	RES17-GR-04	63.76474	-138.736781	7072776.506	611611.053	7
Drill Target 4	RES17-GR-04	63.76509	-138.735472	7072817.864	611674.1856	7
Drill Target 5	RES17-GR-05	63.766558	-138.738369	7072976.22	611525.6173	7
Drill Target 6	RES17-GR-05	63.766887	-138.737052	7073015.228	611589.2365	7
Drill Target 7	RES17-GR-06	63.770417	-138.743822	7073396.554	611241.6039	7
Drill Target 8	RES17-GR-06	63.770838	-138.742145	7073446.383	611322.5762	7

Further exploration should begin with shafting to bedrock of previously started shafts, which will assist in calibration of bedrock for further geophysical surveys. This will include the best three of all shafts dug between 2014 and March 2018. This should be followed by an UAV/drone aerial photographic survey of the claims, in order to create a DEM (Digital Elevation Model), which will assist in accurate geolocation of exploration and mining data. A detailed drone-based magnetometer survey is also recommended, both to corroborate and extend the previous magnetometer survey and to correlate the anomalies identified by other methodologies. Drilling (Auger, R/C (reverse circulation) or RAB (rotary air blast) methods) should be done on the targets identified by the 2017 geophysical survey. This should be followed by a program of additional resistivity geophysical surveys on the upstream parts of the property and along tributary valleys. Additional drilling of newly-identified targets should then be conducted.

The most prospective targets identified by drilling should then be tested by excavator test pitting and large scale bulk processing of alluvial gravels. Full scale mining should be initiated if those results are shown to be favourable.

Statements of Qualifications

William LeBarge

I, William LeBarge, of 13 Tigereye Crescent, Whitehorse, Yukon, Canada, DO HEREBY CERTIFY THAT:

1. I am a Consulting Geologist with current address at 13 Tigereye Crescent, Whitehorse, Yukon, Canada, Y1A 6G6.
2. I am a graduate of the University of Alberta (B.Sc., 1985, Geology) and the University of Calgary (M.Sc., 1993, Geology – Sedimentology)
3. I am a Practicing Member in Good Standing (#37932) of the Association of Professional Engineers and Geoscientists of British Columbia (APEGBC).
4. I have practiced my Profession as a Geologist continuously since 1985.
5. I am President and sole shareholder of Geoplacer Exploration Ltd., a Yukon Registered Company.

Dated this 29th day of March 2018

William LeBarge, P. Geo.

Selena Magel

I, Selena Magel of 286 Prairie Springs Crescent SW, Airdrie, Alberta, T4B 0K9, Canada , DO HEREBY CERTIFY THAT:

1. I am a registered GIT (Geoscientist in Training) with the Association of Professional Engineers and Geoscientists of Alberta (APEGA).
2. I am a graduate of the University of Calgary (B.Sc., 2017, Geology).
3. I have practiced Geology since May 2017.
4. I have conducted and interpreted over 20 km of resistivity lines in the summer of 2017.

Dated this 29th day of March 2018

Selena Magel

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