

YMEP Project 17-068

Target Evaluation – Placer Module

Final Report

2017 EXPLORATION REPORT

on the

LEWIS GULCH PROPERTY

(Placer Prospect Lease Certificate #ID01496)

Owned by RYAN COE

Operated by Fox Exploration Ltd.

Map Sheet No. 116P/14

Latitude: 63° 50' 43" N

Longitude 137° 10' 19" W

Dawson Mining District

Yukon, Canada

Prepared by:

Cor Coe, B.Sc., P. Geo.

October 7th, 2017

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Summary

The Lewis Gulch Prospecting Lease No. ID01496 was granted by the Yukon government to the staker, Ryan Coe, in 2016 and approved initial prospecting activities as described in Mr. Coe's application (Appendix I). The Prospecting Lease was staked to cover a target area along Lewis Gulch that has been identified based on historic and current placer activity work within the Left Clear Creek drainage of the area, anomalous gold identified by the government's regional geochemical survey (Figure 6), and the Yukon Geological Survey's *Yukon Gold Potential Map* (Bond, J., 2013; Open File # 2012-13) that identifies the creek as having 'High Probability' of containing placer gold (Figure 7). The area has had active placer production for several decades with the most recent at Nels Harper's operation on Left Clear Creek approximately 1 km upstream from the junction of Lewis Gulch and Left Clear creek.

An application submitted in early 2017 for YMEP participation to conduct a first stage investigation into placer gold potential within the Lease area was approved by the Yukon Government and this funding partially financed the 2017 exploration program (YMEP # 17-068).

Exploration work on Prospecting Lease No. ID01496 for 2017 involved digging test pits in order to determine depth to bedrock, obtain geological information and gather sample material at various horizons to determine gold content (Figure 8).

From August 9th, 2017 to September 7, 2017, a crew of three persons, consisting of one geologist (the author) and two geotechs, one of which was also an excavator operator, conducted a geological survey and carried out initial testing for placer gold in alluvial deposits spread over 3 kilometers of Lewis Gulch. A Kubota KX161-3 excavator and portable Long Tom sluice equipped with a 2 inch Honda water pump were used to process alluvial material from 4 test pits spatially located along the alluvial gravels within the valley. Road access exists to the southern boundary of the Prospecting Lease and a Yamaha 700 ATV equipped with tracks was used to commute up the valley to the test pits. A camp was located just off the southern Property boundary at the confluence of Lewis Creek and Left Clear Creek.

A geological reconnaissance of the Lewis Gulch drainage was conducted by the author and Jeff Bond (head of the Surficial Geology Department of Yukon Geological Survey) prior to testing in order to identify the best locations for test pits based on local surficial and bedrock geology and topographic features. A total of 7 test pits were dug and the material was processed by putting a known volume through the portable Long Tom sluice and then panning the material caught in the miners moss below the riffles. Placer gold was present in all test pits.

Sufficient work was conducted and approved by the Yukon Mining Recorder on the Prospecting Lease part way through the 2017 program and a decision was made to stake the area with placer claims. A total of 21 placer claims were staked over the area previously blanketed by the Prospecting Lease. Bulk testing of the alluvial gravels is recommended to further define the extent and average value of the placer gravels.

Introduction

In 2016, Ryan Coe staked the placer prospecting lease area along Lewis Gulch and was subsequently granted a Prospecting Lease (#ID01496) by the Yukon government. Lewis Gulch is located in the Dawson Mining District (NTS map sheet 115P14) and post #1 of the lease is located at longitude 137° 10' 19"W and latitude 63° 50' 43"N (Figure 2). Post # 2 is located 2 miles upstream.

The Lease was staked to cover a target area along Lewis Gulch that has been identified based on historic and current placer activity work within the Left Clear Creek drainage of the area, anomalous gold identified by the government's regional geochemical survey (Figure 6), and the Yukon Geological Survey's *Yukon Gold Potential Map* (Bond, J., 2013; Open File # 2012-13) that identifies Lewis Gulch as having 'High Probability' of containing placer gold (Figure 7).

An application submitted in early 2017 for YMEP participation to conduct a first stage investigation into placer gold potential within the Lease area was approved by the Yukon Government and this funding partially financed the 2017 exploration program (YMEP # 17-068).

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From August 9th, 2017 to September 7, 2017, a crew of three persons, consisting of one geologist (the author) and two geotechs, one of which was also an excavator operator, conducted a geological survey and carried out initial testing for placer gold in alluvial deposits spread over 3 kilometers of Lewis Gulch. A Kubota KX161-3 excavator and portable Long Tom sluice equipped with a 2 inch Honda water pump were used to process alluvial material from 4 test pits spatially located along the alluvial gravels within the valley. Road access exists to the southern boundary of the Prospecting Lease and a Yamaha 700 ATV equipped with tracks was used to commute up the valley to the test pits. A camp was located just off the southern Property boundary at the confluence of Lewis Creek and Left Clear Creek.

A geological reconnaissance of the Lewis Gulch drainage was conducted by the author and Jeff Bond (head of the Surficial Geology Department of Yukon Geological Survey) prior to testing in order to identify the best locations for test pits based on local surficial and bedrock geology and topographic features. A total of 7 test pits were dug and the material was processed by putting a known volume through the portable Long Tom sluice and then panning the material caught in the miners moss below the riffles. Placer gold was present in all test pits.

Sufficient work was conducted and approved by the Yukon Mining Recorder on the Prospecting Lease part way through the 2017 program and a decision was made to stake the area with placer claims. A total of 21 placer claims were staked over the area previously blanketed by the Prospecting Lease.

Location and Access

The Lewis Gulch Property Prospecting Lease (# ID01496) is located in the Dawson Mining District in Yukon, approximately 100 kilometres east of Dawson City. The property is located on NTS map sheet 115P14 with the # 1 post at longitude 137° 10' 19"W and latitude 63° 50' 43"N (Figure 1). Access to the Property is via paved road east on Highway

#2 for 100 kilometers from Dawson to the Clear Creek road turnoff and then for 50 kilometers by seasonal gravel road up the Clear Creek road and Left Clear Creek road to the junction of Lewis Gulch and Left Clear Creek road.

Claim Information

The Property is located in the Dawson Mining District and is comprised of one prospecting lease # ID01496 with the number one post of the lease being located at longitude $137^{\circ} 10' 19''$ W and latitude $63^{\circ} 50' 43''$ N (Figure 1). Post # 2 is located upstream 2 miles. The prospecting lease was staked and recorded by Ryan Coe and the official documents are included in Appendix I. The prospecting lease location map is shown in Figure 2.



Legend

town ●
roads —

Yukon boundary —

Notes

127.0 0 63.50 127.0 Kilometers

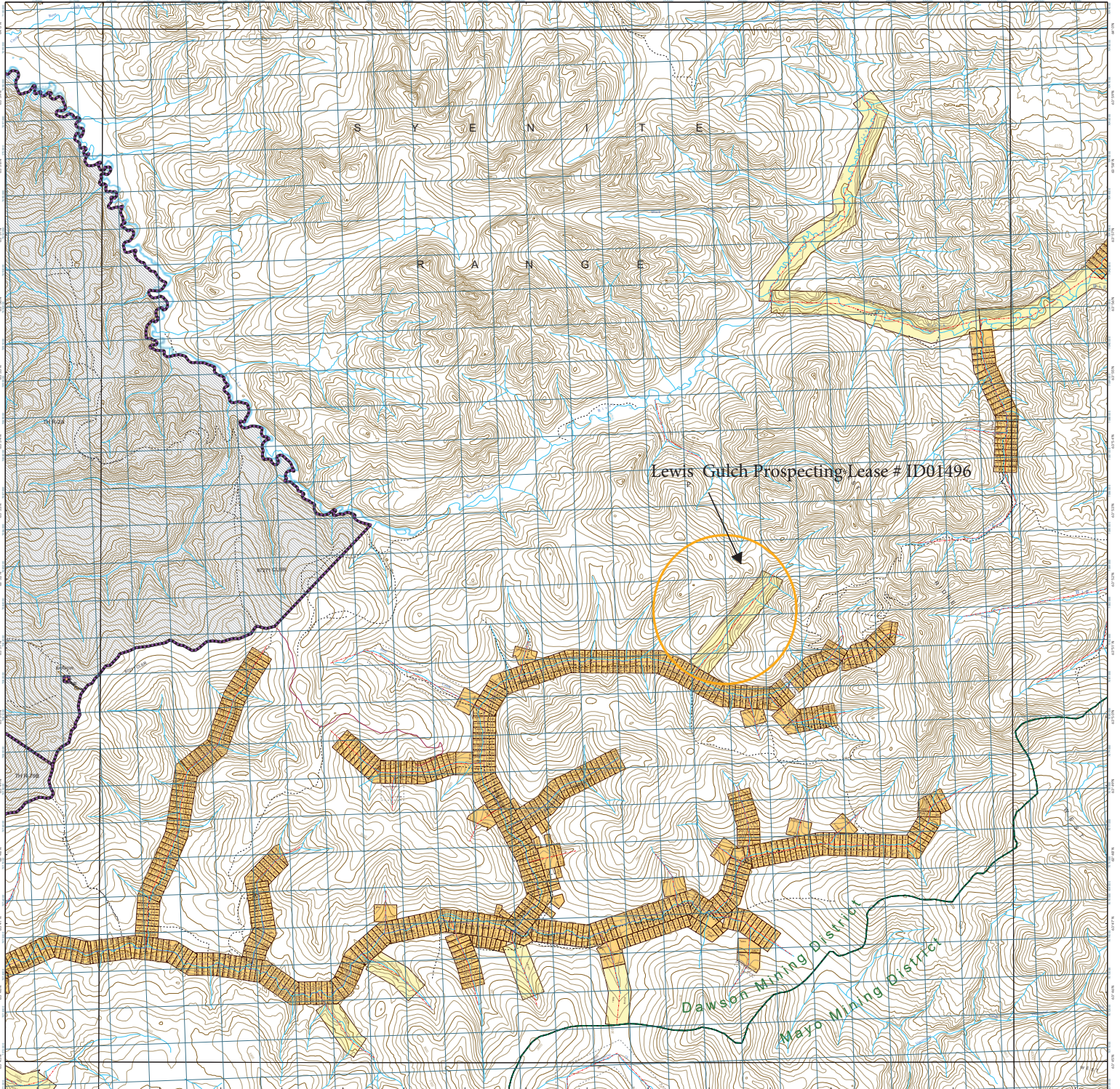
Yukon Albers Projection
Produced from: Yukon Mining Viewer

Scale: 1:5,000,000

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Date Printed: 20-Mar-2017

Figure 1 Location Map

Operators must notify the Yukon government of plans for low-level Class 1 mining exploration when working in designated areas. Designated areas are identified on this map by this symbol: [Symbol]



Lewis Gulch Prospecting Lease # ID01496

Dawson Mining District
Mayo Mining District

Mineral

- Placer (Gold)
- Quartz (Hard rock)
- Coal
- Mineral tenure

Areas defined by OIC

- Class 1 notification areas
- Areas withdrawn from staking mineral claims
- Interim protected First Nation lands
- Settled First Nation lands
- First Nation settlement lands
- Unsurveyed
- Surveyed

Land

- Land applications - active
- Land leases
- Notations
- Land dispositions
- Lease
- Reservation
- Others
- Agriculture tenure
- Surveyed land parcels
- Administrative boundaries
- Perils and protected areas

Basic features

- Topographic
- Hydrographic
- Transportation routes

115P14P MINING CLAIMS

Mining District: Dawson, Mayo
Date: January 23, 2017

Coordinate System: NAD 1983 UTM Zone 20N
Projection: Transverse Mercator
Datum: North American 1983

Reference Scale: 1:30,000

116A04	116A03	116A02
115P13	115P14	115P15
115P12	115P11	115P10

General remote information

Dawson Mining Recorder
Location: 1000 Broad Street, Box 1108, 100
Phone: (867) 944-5443
Email: dawson@yukon.ca

Mayo Mining Recorder
Location: 1000 Broad Street, Box 1108, 100
Phone: (867) 944-5443
Email: mayo@yukon.ca

Watson Lake Mining Recorder
Location: 1000 Broad Street, Box 1108, 100
Phone: (867) 944-5443
Email: watson@yukon.ca

Yukon Mining Recorder
Location: 1000 Broad Street, Box 1108, 100
Phone: (867) 944-5443
Email: yukon@yukon.ca

Areas withdrawn from staking and designated areas

Information provided by Order in Council (OIC) under the Placer Mining Act
<http://www.yukon.ca/land/areas-withdrawn-from-staking>

Quartz tenure - made by Order in Council (OIC) under the Quartz Mining Act
<http://www.yukon.ca/land/quartz-tenure>

Coal tenure - made by Order in Council (OIC) under the Coal Mining Act
<http://www.yukon.ca/land/coal-tenure>

Free data for download

Disclaimer

The information may contain cartographic errors or omissions. It is not intended to be a substitute for a professional survey or other data. It is provided as a guide to navigation. The Yukon government does not warrant, represent, or guarantee the quality, accuracy, completeness or timeliness of the information. The Yukon government does not assume any liability for any loss or damage caused by the use of the information. Comments or questions about this map can be sent to info@yukon.ca

Yukon Energy Mines and Resources

Figure 2 Location of Prospecting Lease # ID01496

Physiography and Climate

The Lewis Gulch Property covers moderate terrain, with elevations ranging from 1,200 metres to 1,400 metres. Forest cover is fairly thin and consists mostly of black and white spruce and willows, with higher elevations covered by talus and felsenmeer.

The climate of the property area is generally dry during the summer months with most precipitation occurring in July and August. Temperatures range from -40° C in the winter months to 30° C in the summer. Snow accumulation begins generally in late September and is mostly melted by late-May.

Property History

No documented work was found for the Lewis Gulch area. Evidence of old shallow test pits were observed during staking of the Prospecting Lease (Ryan Coe, personal communication; October 2016) and several old placer claim posts were also discovered during the author's initial reconnaissance of the creek. Left Clear Creek has been actively placer mined for several decades both upstream and downstream from the convergence of Lewis Gulch and Clear Creek. The number one post of the current Lewis Creek prospecting lease is located approximately 500 metres upstream on Lewis Gulch from the junction of Lewis Gulch and Clear Creek.

Regional Geology

The area has been mapped at 1:50,000 scale (Murphy & Heon, 1996), and the regional geology has been comprehensively studied and described by Murphy (1997). A study of the geology and geochemistry of the gold deposits in the area (Marsh et. al., 1999) contains the following description of the regional geology:

“The Clear Creek area is underlain by phyllite, quartzite, psammite, calc-phyllite, calc-silicate, grit and marble of the Yusezyu Formation of the Neoproterozoic to Early Cambrian Hyland Group (Murphy, 1997). The strata along the northern Selwyn Basin margin are imbricated by thrust faults of Jurassic and Early Cretaceous age. The Clear Creek area is in the hanging wall of the Robert Service Thrust within an east-trending, moderately north-dipping, transposed assemblage of lower greenschist facies rocks of the Tombstone Strain Zone (Murphy, 1997). At the headwaters of Clear Creek, six Tombstone intrusions, the Saddle, Eiger, Pukelman, Rhosgobel, Josephine and Big Creek stocks, have surface exposures ranging from 0.2 to 3.5 km. They yield U-Pb dates of ~92 Ma and are part of the Tombstone plutonic suite (Murphy, 1997). Notable gold occurs within and surrounding all except the Big Creek stock. The Saddle, Pukelman and Rhosgobel stocks are composed of medium- to coarse-grained quartz monzonite characterized by large (1cm) alkali feldspar phenocrysts. Local zones are granitic and aplitic, particularly in the southern Rhosgobel stock. Biotite is the dominant mafic mineral, but hornblende is not uncommon. The Josephine and Big Creek stocks are composed of fine- to medium-grained, equigranular granodiorite. The Eiger stock is composed of fine to medium grained, equigranular diorite with rare mafic phenocrysts. The intrusions have good exposure above treeline.

Contact metamorphism of the Hyland Group country rocks extends for as much as 0.5 km around the stocks and is dominated by a resistant, rusty weathering biotite hornfels.

Calcareous rocks are altered to calc-silicate and thin carbonate beds locally form small skarns.

Dykes, a common feature of the Clear Creek area, are dominantly ESE-trending and dip steeply: they are dominantly felsic, mostly composed of the porphyritic quartz monzonite. Also common are granite, quartz-feldspar porphyry, and rhyolite dykes. The felsic dykes are generally 0.5 to 2 m wide. Pegmatite and aplite dykes are thinner and are sparse outside of the intrusions. Lamprophyre dykes are up to 12 m wide, contain sparse biotite phenocrysts and biotite-diopside nodules, and cut all intrusive phases.”

Allan et. al. (1999) describes the glacial history of the region is:

“...the Clear Creek region was affected by the pre-Reid (early Pleistocene), Reid (middle Pleistocene), and McConnell (late Pleistocene) glacial periods. The pre-Reid glacial period, the most extensive glaciation in the Yukon with multiple stages, was the only event that directly affected the valleys of Clear Creek.”

Local Geology

The project area is underlain mostly by Hyland Group, Yusezyu Formation metasediments (Figure 4) exhibiting multi-episodic deformation resulting in a fabric of pervasive foliation and several styles of folding. Areas proximal to the Clear Creek intrusions exhibit hornfelsing and contact metamorphic and metasomatic fabrics. Stephens et al (2003) have divided the hornfelsed aureole into two zones: an inner aureole of contact metasomatism with skarn development, strong foliation and a strong contact metamorphic overprint of biotite-andalusite; and an outer aureole characterized by a contact metamorphic overprint of biotite and andalusite (C. Schulze, 2005).

Surficial Geology of the Clear Creek Area

The Clear Creek drainage basin, according to Allen et.al. (1999), was effected by both the pre-Reid, Reid, and McConnell glacial periods but the pre-Reid glacial period was the only event that directly affected the valleys of Clear Creek. Glacial erratics are found on slopes up to an elevation of 945 metres. Surfaces above that are unglaciated except where independent montane glaciers existed locally. At upper elevations, felsenmeer (frost heaved rubble and rubbly outcrop) predominate (Allen, P., 1987).

Creek and gulch placer deposits in the Clear Creek basin developed in a brecciated stream environment as a result of down cutting and gravelly sedimentation after a pre-Reid glacial advance. (Allen, P., 1987).

In the Prospecting Lease area of Lewis Gulch, gravels confined to the creek and valley floor are primarily alluvial but are occasional covered by colluvial material deposited off the valley slopes. The alluvial gravels are comprised of a mixture of phyllite, schist, and quartzite sedimentary rocks that are locally derived from the Yukon Hyland Group metasedimentary rocks that occur on the Property and are intermingles with granite boulders and cobbles that have been eroded and transported downstream from the Clear Creek intrusions outcropping at the headwaters of Lewis Gulch (Figure 5).

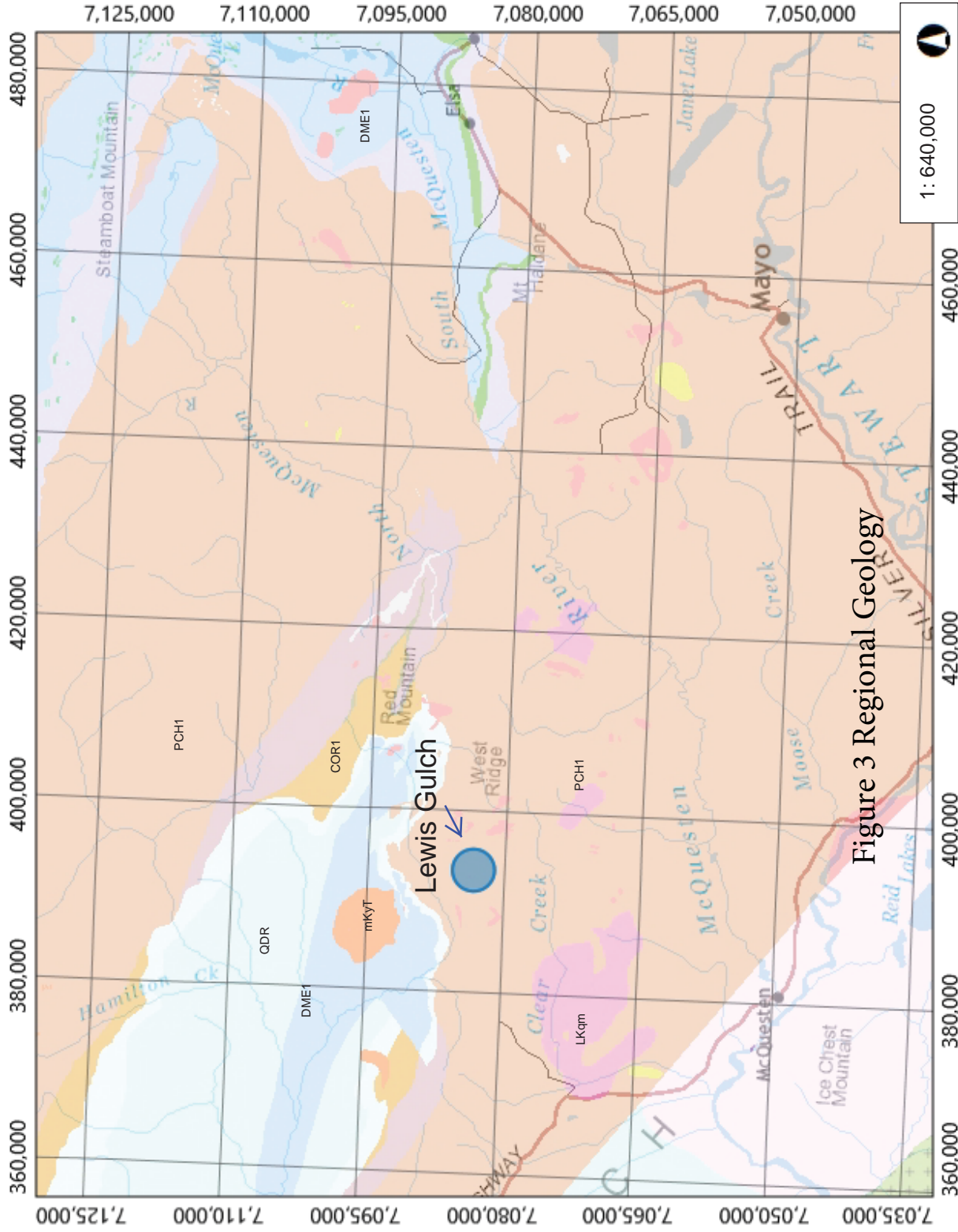


Figure 3 Regional Geology

32.5
0 16.26 32.5 Kilometers
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Date Printed: 28-Mar-2017

Yukon Albers
Produced from: Yukon Geological Survey MapMaker Online



Legend

Bedrock Geology

- mKyT Tombstone suite: Bt-Hbl- Cpx syenite, qtz syenite
- LKqM McQuestion Suite: Bt_Ms granite and qtz monzonite
- PCH1 YUSEZYU: brown to pale green shale, quartz rich sandstone, grit, pebble conglomerate
- PCH3 Narchilla : Interbedded maroon and apple green slate
- COR1 Rabbit Kettle : thin bedded silty limestone and grey lustrous calcareous phyllite
- DME1 Earn: laminated slate; fine and medium grained chert_qtz arenite, arenite

Notes

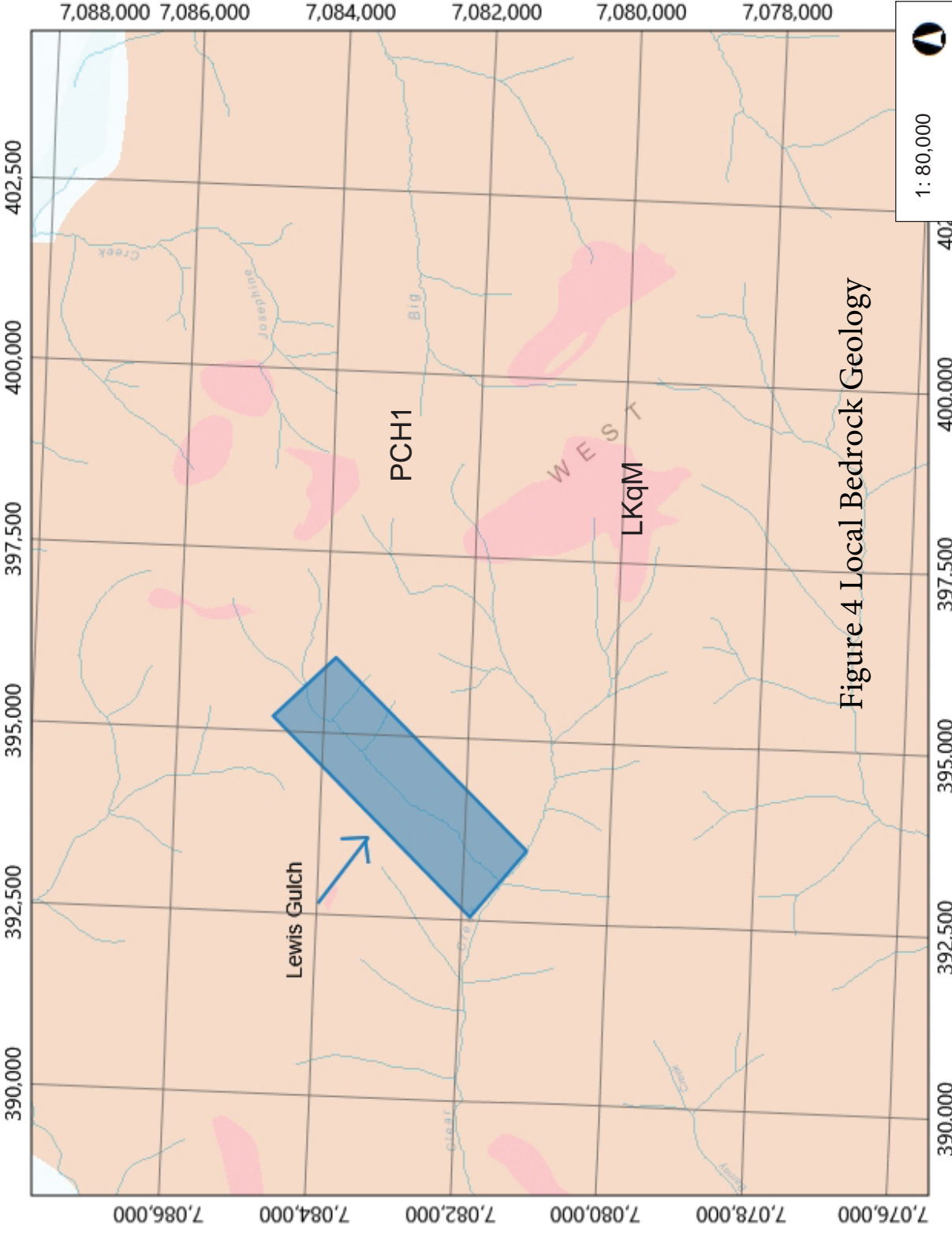


Figure 4 Local Bedrock Geology

1: 80,000

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Date Printed: 28-Mar-2017

4.1
0 2.03 4.1 Kilometers

Yukon Albers
Produced from: Yukon Geological Survey MapMaker Online

Legend	
Bedrock Geology	
mKyT	Tombstone suite: Bt-Hbl- Cpx syenite, qtz syenite
LKqM	McQuestion Suite: Bt_Ms granite and qtz monzonite
PCH1	YUSEZYU: brown to pale green shale, quartz rich sandstone, grit, pebble conglomerate
PCH3	Narchilla : Interbedded maroon and apple green slate
CORI	Rabbit Kettle : thin bedded silty limestone and grey lustrous calcareous phyllite
DME1	Earn: laminated slate; fine and medium grained chert_qtz arenite, arenite

Notes

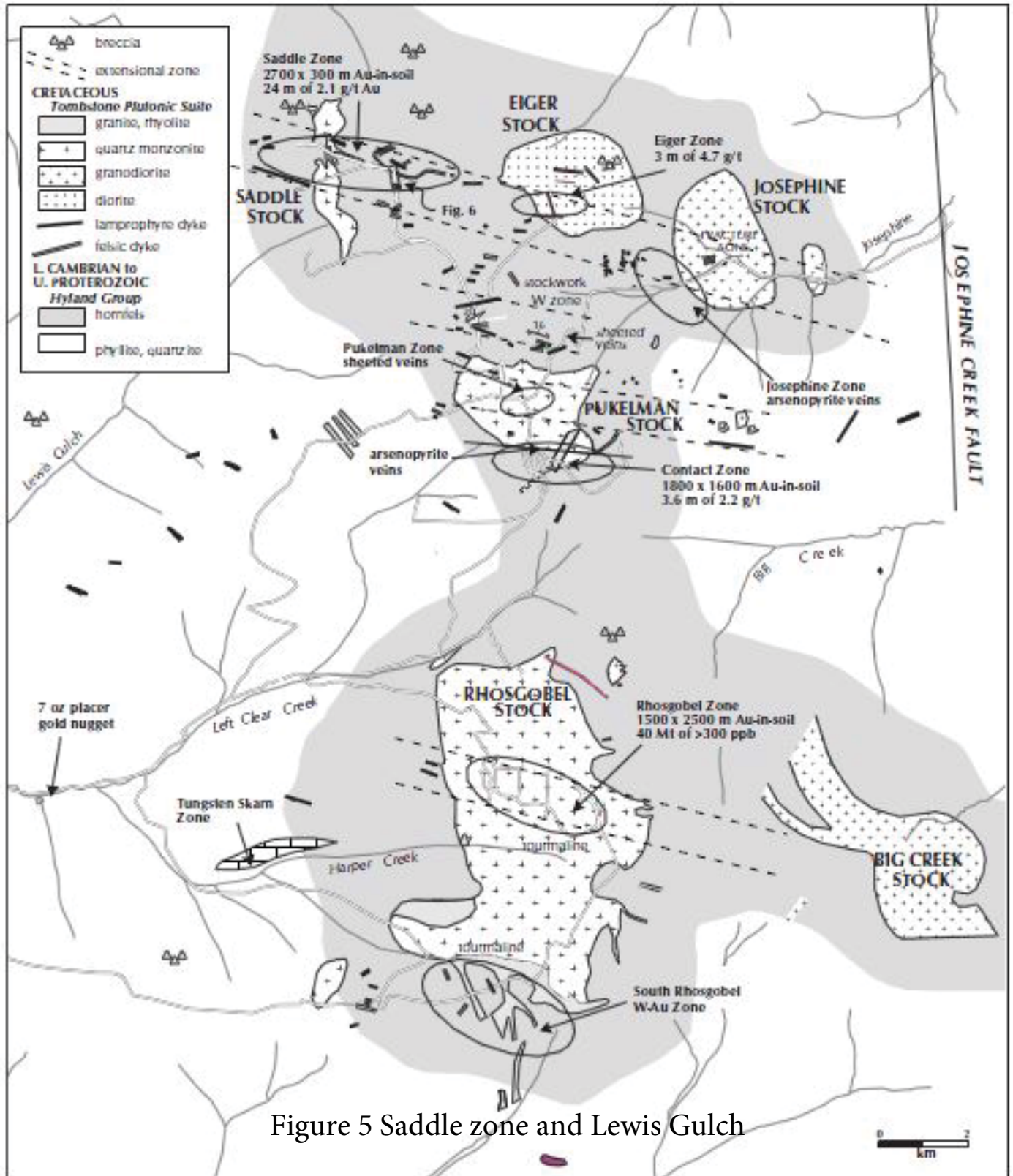


Figure 5 Saddle zone and Lewis Gulch

Figure 2. General geology of the upper Clear Creek drainage. Six stocks intrude Hyland Group metasedimentary rocks, each with a surrounding hornfels. All except the Big Creek stock are well mineralized. Linear regions, characterized by numerous parallel felsic and lamprophyro dykes, quartz and arsenopyrite veining, and alteration, are interpreted to represent zones of extension, delineated on this map by the dashed lines.

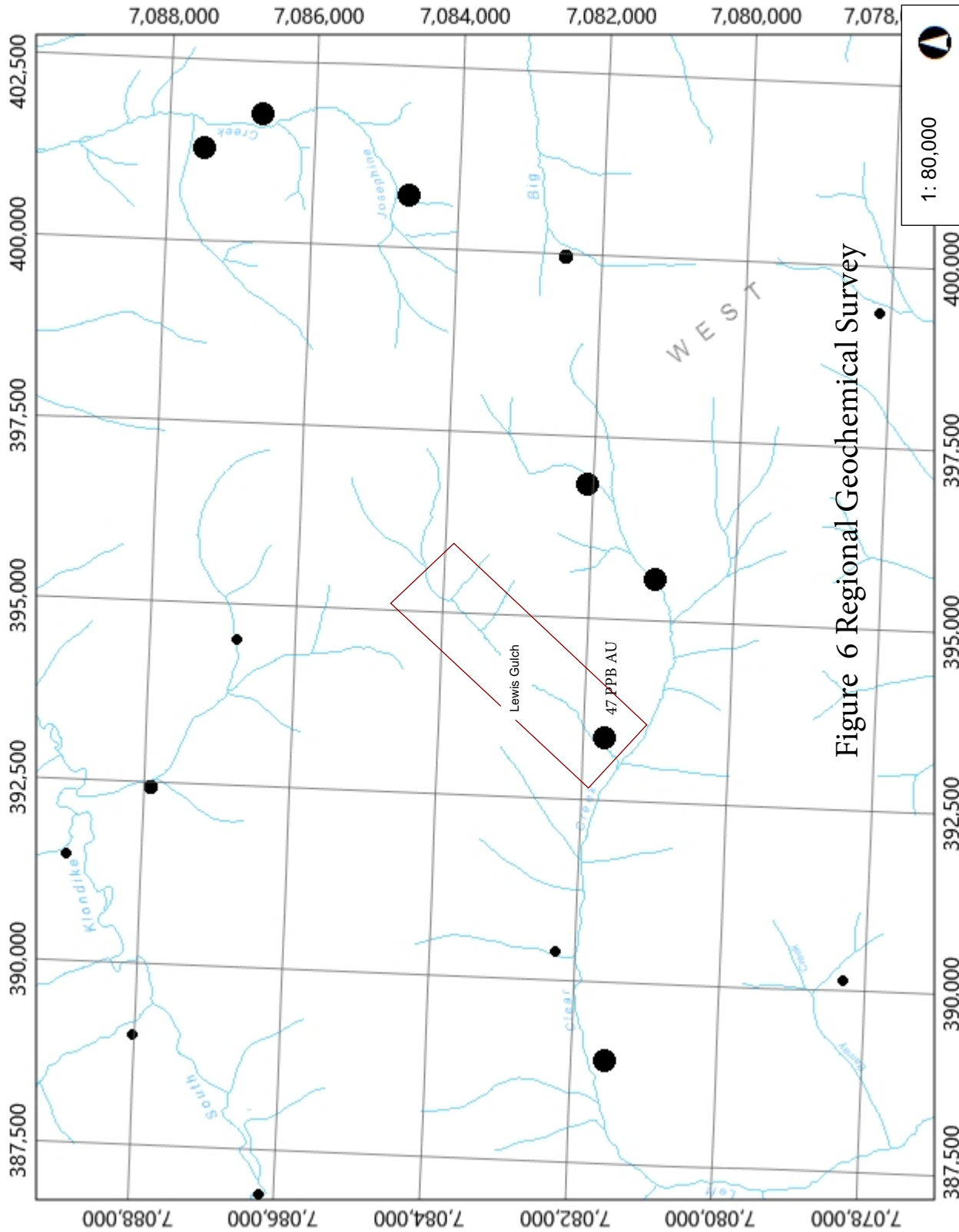


Figure 6 Regional Geochemical Survey

Legend

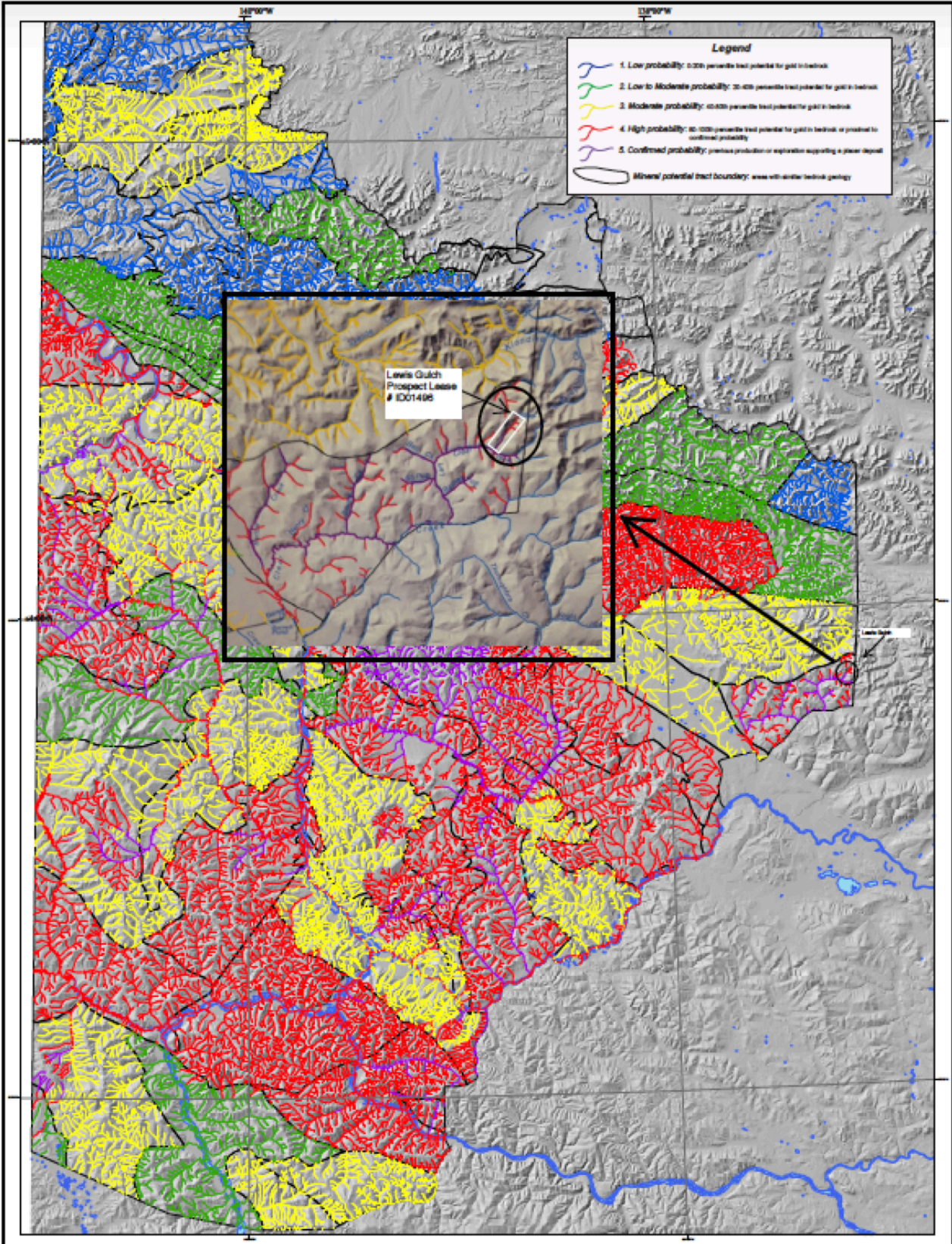
- Sample Location
- Au
 - less than 50%: 0.5 - 1 ppb
 - 50-90%: 1 - 8 ppb
 - 90-95%: 8 - 17 ppb
 - 95-99%: 17 - 92 ppb
 - greater than 99%: 92 - 3130 ppb

Notes

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Date Printed: 28-Mar-2017

4.1 Kilometers





Placer Gold Potential Map Dawson Land Use Plan

Yukon Land Use Planning Regions

Introduction
This map has been prepared as a tool to assist in the Dawson land use planning process. It is not intended to be used as a guide to the location of placer gold. The map is based on the best available information and is subject to change. It is intended to be used for planning purposes and is not intended to be used for any other purpose. It is intended to be used for planning purposes and is not intended to be used for any other purpose.

Placer potential classification system
This map shows the results of a stream potential classification system. The system is based on a number of factors including stream order, stream density, and stream network complexity. The system is based on a number of factors including stream order, stream density, and stream network complexity. The system is based on a number of factors including stream order, stream density, and stream network complexity.

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References
Government of Yukon, 2012. Dawson Land Use Planning. Dawson, Yukon: Government of Yukon, 2012.
Government of Yukon, 2011. Dawson Land Use Planning. Dawson, Yukon: Government of Yukon, 2011.
Government of Yukon, 2010. Dawson Land Use Planning. Dawson, Yukon: Government of Yukon, 2010.

Prepared by
Yukon Geological Survey
Energy, Mines and Resources
Government of Yukon

Open File 2012-13
Placer Gold Potential Map - Dawson Land Use Plan
(NTS 1:50,000, 0 and part of 1:50,000, 1168, C, F, G)
Yukon
(1:300,000 scale)

By
Jeffrey D. Boyd

Yukon
Energy, Mines and Resources

0 10 20 30 40
SCALE: 1:50,000
Meters

Figure 7 Placer Stream Gold Classification (YGS)

Deposit Types and Mineralization Potential

Lewis Gulch is a tributary of Left Clear Creek, which has been mined for placer gold for several decades. Placer mining began in the Clear Creek area towards the close of the 19th Century, with staking of numerous quartz claims and small mine workings occurring in the early 1900s (Mann, B. 2004).

Placer mining continues to the present day, with total production of placer gold from the Clear Creek drainage estimated to exceed 130,000 ounces (Allen, 1999). Lewis Gulch is located in the Clear Creek drainage and is identified by the Yukon Geological Survey as having high potential to contain placer gold (Figure 6). Regional silt stream sediment sampling in the area shows anomalous gold in all the drainages and one sample in Lewis Gulch returned 47 ppb gold (Figure 6). At the headwaters draining into Lewis Gulch, in the vicinity of the Saddle Stock, anomalous gold in soils is documented (Marsh, E., et al., 1999). The intrusions in this area have been extensively explored for and are known to be associated with Intrusion Related Gold Deposits and erosion of these types of deposits could be possible source for placer gold (Figure 5).

Regional Geochemical Survey

The regional government geochemical stream silt sampling survey (RGS) shows anomalous gold values within the drainage area of the Lewis Gulch area. One sample in Lewis Gulch assayed 47 ppb Au (Figure 5).

2017 Exploration Work

From August 9th, 2017 to September 7, 2017, a crew of three persons, consisting of one geologist (the author) and two geotechs, one of which was also an excavator operator, conducted a geological survey and carried out initial testing for placer gold in alluvial deposits spread over 3 kilometers of Lewis Gulch. A Kubota KX161-3 excavator and portable Long Tom sluice equipped with a 2 inch Honda water pump were used to process alluvial material from 4 test pits spatially located along the alluvial gravels within the valley. Road access exists to the southern boundary of the Prospecting Lease and a Yamaha 700 ATV equipped with tracks was used to commute up the valley to the test pits. A camp was located just off the southern Property boundary at the confluence of Lewis Creek and Left Clear Creek. On August 14th, 2017 a geological reconnaissance of the Lewis Gulch drainage was conducted by the author and Jeff Bond (head of the Surficial Geology Department of Yukon Geological Survey) prior to testing in order to identify the best locations for test pits based on local surficial and bedrock geology and topographic features. Jeff also flew a drone video camera over the Prospecting Lease area during his visit.

A total of 7 test pits were dug and the material was processed by putting a known volume through the portable Long Tom sluice and then panning the material caught in the miner's moss. Placer gold was present in all test pits.

Sufficient work was conducted and approved by the Yukon Mining Recorder on the Prospecting Lease part way through the 2017 program and a decision was made to stake the area with placer claims. A total of 21 placer claims were staked over the area previously blanketed by the Prospecting Lease.

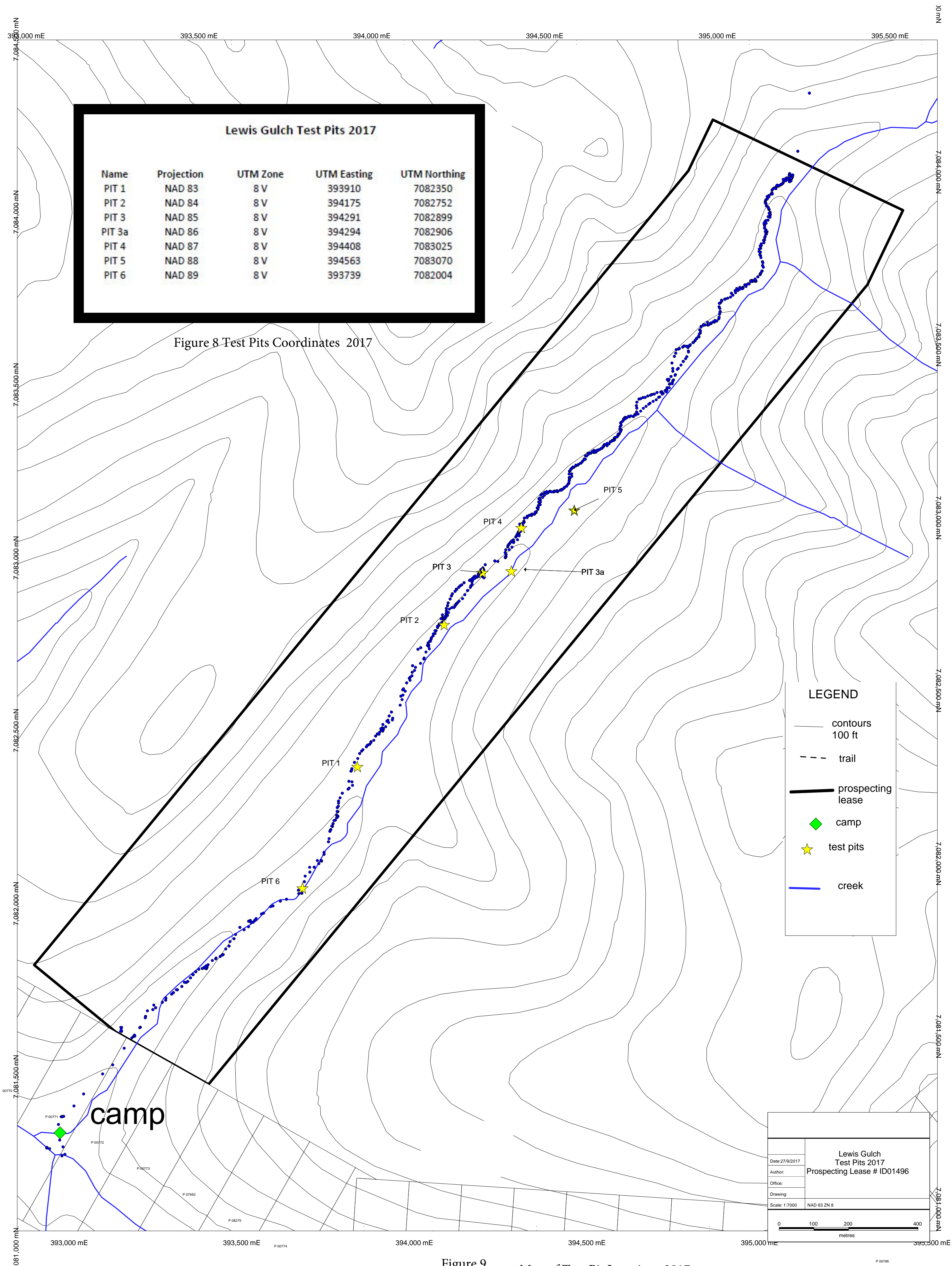


Figure 9

Map of Test Pit Locations 2017

Pit # 1

Size: 3m x 4m x 2.2m deep

Permafrost: No

Water depth: 120 cm

Overburden: 10 cm

Bedrock reached: No

General description: rounded cobbles to 50 cm dia. Flakes of schist in sandy matrix. Fluvial environment. No imbrication.

Gold present: Yes.

Methodology: Sluiced through Long Tom and miner's moss washed and panned.

One 5 gallon bucket taken from 30cm to 60cm from surface panned 2 colour ~ 0.6mm x 0.4mm thin and 0.2mm x .2mm thin; both angular pieces.

One 5 gallon bucket taken from 60cm to 140cm from surface panned 14 colours; more rounded and a maximum size of ~ 0.6mm x 0.44mm

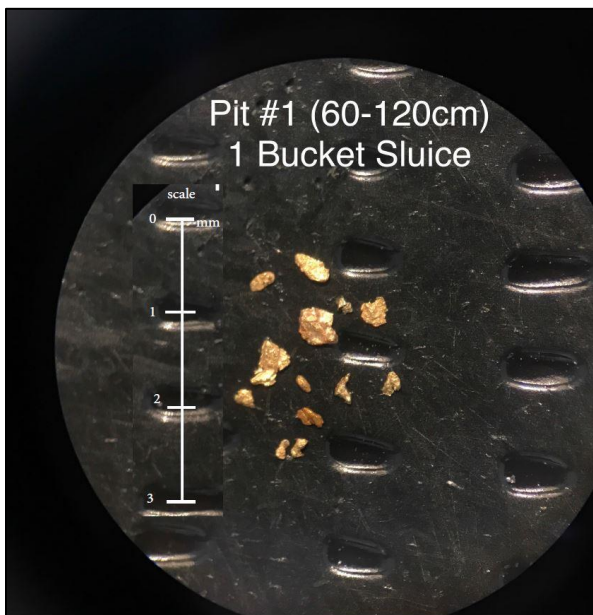


Figure 10 Pit 1 Gold



Figure 11 Pit 1 and Excavator

Pit #2

Size: 3m x 4m x 1.7m deep

Permafrost: No

Water depth: 70 cm

Overburden: 5 cm

Bedrock reached: No

General description: 5cm – 100cm: pebbles, cobbles and boulders in fine sand and schist matrix. 100cm – 120cm: Phyllite slabs laying at a downstream imbrication oriented flat downstream. 120cm – 170cm: cobbles and pebbles in fine schist matrix.

Gold Present: Yes, 2 colours ~ 0.2mm x 0.2mm flat. From panning but unable to pump out (too much water) and get strata bucket sample. No picture.

Methodology: Gold pan.



Figure 12 Pit 2

Pit #3

Size: 4m x 6m x 2.5m deep

Permafrost: No

Water depth: 50 cm

Overburden: 5 cm

Bedrock reached: No

General description: 5cm – 80cm: rounded pebbles, cobbles and boulders in schist flakes and sandy matrix. 80cm – 180cm: Unorganized high energy rounded boulders and pebbles in schist flakes and sandy matrix with a layer of grey clay at 120cm to 140cm and red oxidized layer at 120cm to 160cm. Three 5 gallon buckets taken:

Gold Present: Yes

*Initial pan of material within the oxidized layer produced 29 colours.

Bucket 1 from 5cm – 80cm depth * 8 colours up to 0.7mm / sharp, angular

Bucket 2 from 80cm to 180cm depth* 12 colours up to 1.0mm / sub-angular to round

Bucket 3 from 140cm to 160cm depth * 14 colours up to 1.0mm

Methodology: Sluice and material from miner's moss panned.

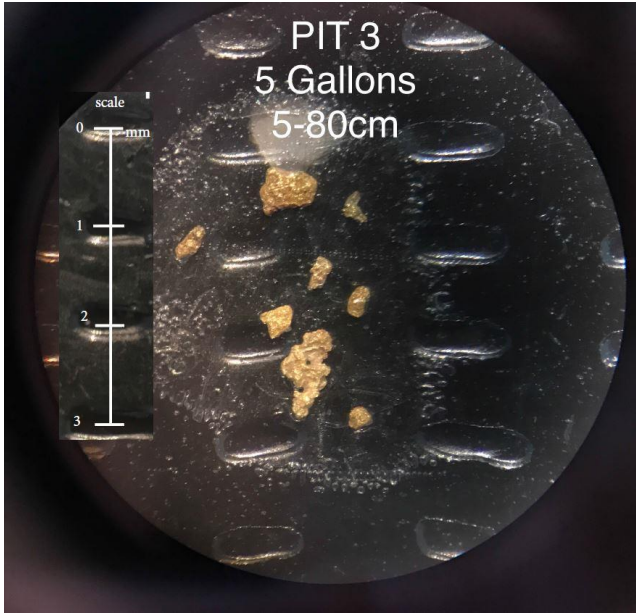


Figure 13 Pit 3 Gold



Figure 14 Pit # 3



Figure 15 Red Oxidized Clay Layer in Pit # 3

Pit # 3a

Size: 4m x 5m x 2.5m deep

Permafrost: No

Water depth: 50 cm

Overburden: 5 cm

Bedrock reached: No

General description: This pit was dug 5m north of Pit # 3 to test the continuity of gold from Pit # 3. One yard was put through the Tom Sluice and the material in the miners moss was panned.

Gold Present: Yes

Methodology: Sluiced 1 yard of material taken from 120cm to 250cm (bottom of Pit) and material from miner's moss panned. The gold was not weighed but is estimated at being approximately 100 mgs.



Figure 16 Pit # 3a Gold



Figure 17 Pit # 3a

Pit # 4

Size: 3m x 6m x 2.0m deep

Permafrost: No

Water depth: 40 cm

Overburden: 5 cm

Bedrock reached: No

General description: 45cm – 100m: rounded pebbles, cobbles and large boulders in fine with clay. 100cm – 200cm: boulders and cobbles in sandy matrix. in schist flakes and sandy matrix with a layer of grey clay at 120cm.

Gold Present: Yes

Two pans of shovelled trench bottom got 2 colours and one colour, all around 0.3mm x 0.3mm fairly flat, sub angular.

One 5 gallon bucket sample taken from 100cm to 200cm deep produced 11 colours; 10 < 0.3mm x 0.3mm and 1 > 2.0mm x 1.0mm; all sub angular and semi-flat.

Methodology:

Shovelled and panned two pans plus a 5 gallon bucket sluiced and material from miner's moss panned.

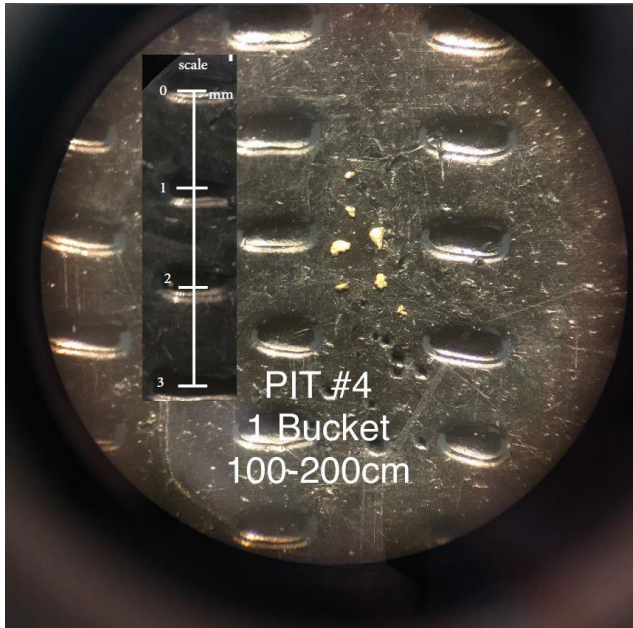


Figure 18 Pit # 4 Gold



Figure 19 Pit # 4

Pit # 5

Size: 3.5m x 6m x 2.0m deep

Permafrost: No

Water depth: full

Overburden: 5 cm

Bedrock reached: No

General description: First meter depth is fine gravel and angular rock fragments consisting of sedimentary rocks (quartzite and siltstone; some granite) then a red layer of similar but oxidized material for 5 cms; then boulders observed from tailings pile to bottom of pit . Estimated depth of 2.5m.

Gold Present: Yes, all 5 pans all had colour.

First pan: bottom of pit; 3 colours ~ 2mm x 3mm average size angular and sub angular.

Second pan: 3 colours ; 2mm x 3mm average size angular and sub angular.

Third pan: top metre of pit; 1 colour; 2mm x 3mm average size angular and sub angular.

Fourth pan: random in tailing pile; 7 colours; 2mm x 3mm average size angular and sub angular.

Fifth pan: 2nd clay seam area; 8 colours; 2mm x 3mm average size angular and sub angular.

Methodology: Shovelled and panned.



Figure 20 Pit # 5

Pit # 6

Size: 3m x 6m x 3.0m deep

Permafrost: No

Water depth: 40 cm

Overburden: 5 cm

Bedrock reached: No

General description: surface to 150cm; overburden and sandy mixture. 150cm to bottom of pit: gravel and large boulders up to 45 cm in diameter.

Gold Present: Yes

One pan from bottom of pit material: 2 colours ~ 0.2mm x 0.2mm and sub angular / flat.

Methodology:

Shovelled and panned.



Figure 21 Pit # 6

Conclusions

Placer mining began in the Clear Creek area towards the close of the 19th Century, with staking of numerous quartz claims and small mine workings occurring in the early 1900s (Mann, B. 2004). Placer mining continues to the present day, with total production of placer gold from the Clear Creek drainage estimated to exceed 130,000 ounces (Allen, 1999). Lewis Gulch is located in the Clear Creek drainage and is identified by the Yukon Geological Survey as having high potential to contain placer gold (Figure 6). Regional silt stream sediment sampling in the area shows anomalous gold in all the drainages and one sample in Lewis Gulch returned 47 ppb gold (figure 6). At the headwaters draining into Lewis Gulch, in the vicinity of the Saddle Stock, historic anomalous gold in soils is documented (Marsh, E., et. al., 1999, p 187; Figure 5) that could be from a source that may contribute to placer gold deposition in Lewis Gulch.

The 2017 exploration program at Lewis Gulch was successful in identifying auriferous alluvial deposits within Lewis Gulch in all test pits. Substantial evidence exists to postulate that this gold is widespread through the valley and quite possibly to the headwaters of the creek. The sub angular nature of the gold suggests it has not travelled far and could be coming from the intrusion related gold deposits at the headwaters of the valley.

Recommendations

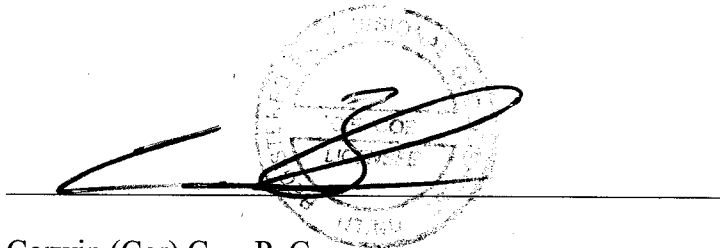
Further exploration and bulk sampling of Lewis Gulch should be completed to determine the continuity and economic viability of the gold present within this drainage. Bulk sampling should be focused on areas where gold was identified during the 2017 exploration program and should utilize a larger excavator that can reach bedrock and provide feed for a test plant that can process 10 – 20 yards of material per hour. Additional test pits or trenching should be completed to extend testing upstream toward the headwaters of Lewis Creek.

2017 Exploration Expenditures

DESCRIPTION	AMOUNT
WAGES	\$34,050
EQUIPMENT RENTAL	\$22,420
EXPENSES (Consumables, Room & Board, Airfare, Satellite Communication)	\$12,448.52
REPORT PREPARATION	\$2,000
TOTAL:	\$70,918.52

Statement of Qualifications

- 1) I, Corwin Edward Coe, of 1701 Robert Lang Drive, Courtenay, B.C., V9N 1A2, am self-employed as a contract geologist and am the author of this report.
- 2) I am a graduate from Simon Fraser University, Burnaby, B.C., with a Bachelor of Science degree in Earth Sciences (2006).
- 3) I am a Professional Geoscientist registered with the Association of Professional Engineers and Geoscientists of British Columbia (#33451) and the Nunavut and Northwest Territories Association of Professional Engineers and Geoscientists (#L3268).
- 4) I am a graduate Mining Technologist with a diploma in Mining Technology from the British Columbia Institute of Technology (1976).
- 5) I am an Applied Science Technologist (A.Sc.T.) registered with the Association of Applied Science Technologists and Technicians of British Columbia (#8127).
- 6) I have worked in the Yukon in mineral exploration for over 35 years.

A handwritten signature in black ink is written over a circular professional seal. The seal is partially obscured by the signature and a horizontal line. The signature is a stylized, cursive representation of the name 'Corwin Coe'.

Corwin (Cor) Coe, P. Geo.
Project Geologist,

October 7, 2017

References

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- Stephens, J.R., Mair, J.L., Oliver, N.H.S., Hart, C.J.R., Baker, T., 2003: Structural and mechanical controls on intrusion-related deposits of the Tombstone Gold Belt, Yukon, Canada, with comparisons to other vein-hosted ore-deposit types; submitted to: Journal of Structural Geology.
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Appendix I

Official Documents for Prospecting Lease # ID01496



Energy, Mines and Resources

Dawson Mining District
P. O. Box 249
Dawson City, Yukon
Y0B 1G0
PH: (867)993-5343
FAX: (867)993-6747

January 6, 2017

Ryan Coe
1701 Robert Lang Drive
Courtenay, BC
V9N 1A2

Dear Mr. Coe:

Enclosed please find approved Prospect **Lease Certificate number ID01496 registered in the name of Ryan Coe**. Part 4 of the Certificate refers to the different pieces of legislation that will affect the work performed on the lease property.

Please see attached letter from Russell McDiarmid. Should you have any questions regarding water use or leave strips or access, please contact Compliance, Monitoring and Inspections at (867) 996-2568.

Mining Land Use Regulations came into effect December 16, 1998. Please consult with the Mining Land Use Officer in Dawson prior to beginning your new prospecting program for the season.

If program changes are required, an amended Work Program & Additional Information form must be completed. **Approval of an amended work program must be received prior to commencing work. Work performed prior to receiving approval from the Mining Recorder may not be accepted. This may result in the lapsing of the lease.**

Please direct any inquiries or concerns to the Dawson District Office.

Sincerely,

A handwritten signature in black ink, appearing to read "Janet Bell".

Janet Bell-MacDonald
Mining Recorder

Enclosures/cm

**LEASE TO PROSPECT
PLACER MINING ACT**

New <input checked="" type="checkbox"/>	1st Renewal <input type="checkbox"/>	2nd Renewal <input type="checkbox"/>
Dawson Mining District		Number ID01496

By this Lease to Prospect made pursuant to the Placer Mining Act and in consideration of receipt of the fees as prescribed by section 92(6) and 97(1) of the said Act, the Commissioner hereby grants to Ryan Coe of 1701 Robert Lang Drive, Courtenay, BC, the right to prospect for one year commencing on the 29 day of September, 2016, and ending on the 29 day of September, 2017 on lands described hereunder (the Location):

DESCRIPTION:

Dawson Mining District - Lewis Gulch - 115-P-14

2 Mile(s); Creek Prospecting Lease

Post #1 is at approximate coordinates, latitude: 63 degrees, 50 minutes, 43 seconds; longitude: 137 degrees, 10 minutes, 19 seconds; Post 2 is a maximum distance of 2 mile(s) upstream from Post #1.

This lease is issued pursuant to the Placer Mining Act (the "ACT"), as a whole, and all sections of the Act are applicable.

1. The term of this lease shall be one year renewable subject to subsection 92(4) of the Act, for two additional periods one year each. If the Lessee has satisfied the Commissioner that the Lessee has incurred the prescribed expenditure in prospecting operations and has otherwise complied with this Act, and with the terms and conditions of the lease.
2. It is a term and condition of this lease that, prior to the termination of the year, the lessee shall furnish evidence, supported by sworn Affidavit and satisfactory to the Commissioner, that the lessee has incurred during the year an expenditure of at least Two Thousand Dollars (\$2,000.00) in prospecting operations by recognized methods upon the location itself, in accordance with the proposal submitted in support of the application for this lease, or as amended (attached hereto as appendix "A"), such evidence to include:
 - (a) evidence of all physical work on the ground (i.e drilling, excavations, shafting, trenching);
 - (b) a statement of expenditures (supported by receipts where applicable on request) in sufficient detail to show reasonable costs of labour and direct operating costs of equipment expended on actual prospecting operations by recognized methods on the Location itself, exclusive of other costs such as costs of mobilization, transportation of personnel and equipment, travel time, access, camps, food, lodging and capital costs;
 - (c) a report of physical work accomplished including dimensions and volumes of excavations, etc., a description of material encountered (overburden, stream-gravel, bedrock, permafrost, etc.) and a description of the sampling method employed or the reason for no sampling having been done, and
 - (d) a plan or map showing the locations of the physical work.
3. The lessee is required to notify the Commissioner in writing of any intention to amend or vary the proposal submitted with the application for this lease. The Commissioner's approval of any proposed amendment or variation to the proposal is required prior to commencement within the Location of any activity not contained in the proposal.
4. The lessee shall comply with:
 - (a) the provisions of the Placer Mining Act and all other applicable legislation including but not limited to, the Yukon Waters Act, the Fisheries Act, the Territorial Mine Safety Act, the Yukon Surface Rights Board Act, the Territorial Lands Act and all Regulations and Orders made pursuant thereto; and,
 - (b) any applicable Yukon First Nations Final Agreement.
5. This lease conveys no right to mine, other than for purposes of prospecting and small-scale testing.
6. While this lease remains in force the lessee is not eligible to make application for another lease to prospect.
7. The lessee shall not assign, transfer or sublet the rights described in this lease, or any portion thereof, without the consent in writing of the Minister of Energy, Mines and Resources.
8. If the evidence of expenditure referred to in paragraph 2 above is not furnished before the termination of the year, or is not satisfactory, the lessee is not entitled to a renewal of the lease, to a grant of any placer mining claims staked within the Location of this lease during the year, or to make application for consent to assign, transfer or sublet any rights described in this lease.

Signed at Dawson, in the Yukon Territory,

This 10 day of January, 2017



Janet Bell-MacDonald
Dawson Mining Recorder

PLACER PROSPECTING LEASE REVIEW FORM

MINING INSPECTIONS

P.P.L.# ID01496
New Application

Review Date: January 5, 2016
N.T.S. 115P-14

Applicant: Ryan Coe.

2 Mile Prospect Lease

Creek Name: Lewis Gulch

Recommend: **Issue with Conditions**

The Lewis Gulch is classified as **Low Habitat Suitability** in the area of the proposed operation. No activity is to take place within 5 meters of the riparian zone without Fisheries Authorization.

No new or upgrading of existing crossings of any watercourse are allowed, except in accordance with a valid Water Use Licence or with prior approval from the Department of Fisheries and Oceans. The 5 meter leave strips must be maintained at all times.

No construction or upgrading of new or existing roads and trails is permitted under a prospecting lease without a valid Mining Land Use Approval.

Water use of less than 300 cubic meters per day without a deposit of a waste will require a **Schedule III-Notification of Water Use without a Licence** to the Yukon Territory Water Board, ten days prior to use.

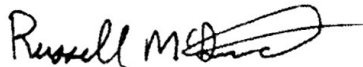
Water use of 300 cubic meters per day or greater or the deposit of waste requires a Water Use Licence issued by the Yukon Territory Water Board, prior to conducting activities.

No sluicing may take place on a placer prospecting lease. Evaluation methods are limited to hand panning or small scale tests using a long tom/test box. A lease must be converted to claims before mining can take place on the ground.

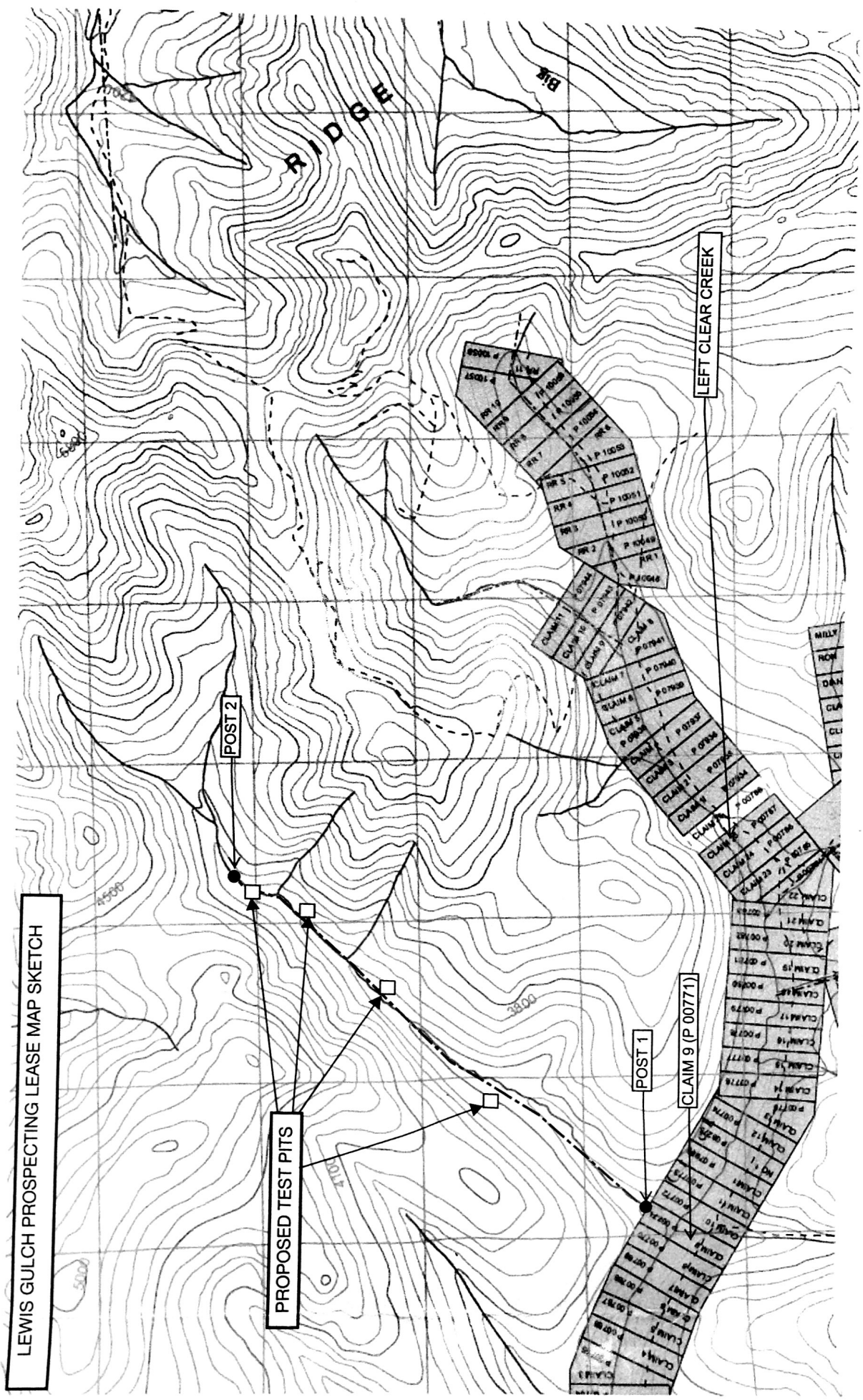
Without a Valid Mining Land Use approval, all work on the lease must be within the class 1 Criteria Thresholds and Schedule 1 Operating Conditions outlined in the Mining Land Use Regulations. The concerns associated with the proposal without a Mining Land Use Approval and/or Water License is related to access;

- No upgrading of new or existing roads and trails without a valid Mining Land Use Approval (*Proponent indicated that minimal road repair may be necessary along Lewis Gulch trail*).
- No new or upgrading of existing crossings of any watercourse are allowed, except in accordance with a valid Water Use Licence or with prior approval from the Department of Fisheries and Oceans (*testing locations appear to be on either side of the creek*).

Please contact the Mining Land use Office at (867) 996-2256 or Mining Inspections at (867) 996-2568 for any additional clarification



Russell McDiarmid
Mining Inspector
Energy, Mines and Resources
Mining Inspection Division
Box 96
Whitehorse, Yukon



LEWIS GULCH PROSPECTING LEASE MAP SKETCH

POST 2

PROPOSED TEST PITS

POST 1

CLAIM 9 (P 00771)

LEFT CLEAR CREEK

MILLY RIVER

RR 1
RR 2
RR 3
RR 4
RR 5
RR 6
RR 7

RR 1
RR 2
RR 3
RR 4
RR 5
RR 6
RR 7

CLAIM 1 P 00771
CLAIM 2 P 00771
CLAIM 3 P 00771
CLAIM 4 P 00771
CLAIM 5 P 00771
CLAIM 6 P 00771
CLAIM 7 P 00771
CLAIM 8 P 00771
CLAIM 9 (P 00771)
CLAIM 10 P 00771
CLAIM 11 P 00771
CLAIM 12 P 00771
CLAIM 13 P 00771
CLAIM 14 P 00771
CLAIM 15 P 00771
CLAIM 16 P 00771
CLAIM 17 P 00771
CLAIM 18 P 00771
CLAIM 19 P 00771
CLAIM 20 P 00771
CLAIM 21 P 00771
CLAIM 22 P 00771
CLAIM 23 P 00771

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