

**Ground Magnetics and Orthophoto Survey on the Gold Run  
Project,  
Dawson Mining District  
Yukon Territory, Canada**

*AIME 1 – 26 (YC44707 – YC44732)*

*FB 1 – 60 (YC25506 – YC25565)*

**NTS MAP-SHEETS 1150/10**

**63° 43' N 138° 40' W**

**615000mE / 7068000mN NAD83, Zone 7N**

**DAWSON MINING DISTRICT**

**Work completed: September 8 – 15, 2015**

**Submitted by: Peter Tallman P. Geo.**

**On behalf of  
Klondike Gold Corp.**



**715 - 675 West Hastings Street,  
Vancouver, BC Canada V6B 1N2  
Tel · 604.559.4440 Fax · 604.559.4443  
Webpage · [www.klondikegoldcorp.com](http://www.klondikegoldcorp.com)**

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## 1.0 Introduction

This report describes 2015 assessment work for the Gold Run Property, a contiguous block of 86 claims covering a 16.6 square kilometer area that straddles Gold Run Creek near Laskey Creek. During the 2015 exploration season Klondike Gold Corp. (the “Company”) contracted GroundTruth Exploration Inc. (“GroundTruth”) of Dawson to complete ground magnetic and drone orthophoto surveys across the Gold Run Property.

Exploration on the Gold Run property consisted of ground magnetic surveying totaling 190 line kilometers covering a ~17 square kilometer area completed between Sep. 8 and Sep. 15, 2015 for a total of twenty-three man days of work. Additionally, GroundTruth flew a ~20 sq km drone orthophoto survey of the property to document historical exploration work and provide an accurate topographic mapping base for future exploration programs.

In 2014 the Company completed an interpretation of Geological Survey of Canada (“GSC”) airborne magnetics (published 2002), particularly relying on first vertical derivative data, and discerned a dextral shear fault which transects the Klondike goldfields from Eldorado Creek to Dominion Creek. The fault at its western margin displays horsetail fault splays underlying Eldorado Creek and a pattern of secondary pinnate extensional faults between Eldorado Creek and Hunker Dome. The dextral shear fault is interpreted to continue between Hunker Dome to Dominion Creek along a reactivated pre-existing thrust fault but with no pinnate fractures evident. In total the main dextral shear fault is 50 kilometers long and associated horsetail and pinnate extensional faults add considerable breadth of reach to the system. These faults, when overlain on many of the productive placer creeks within the Klondike goldfields, correlate with the divide between placer leases with production (downstream) and placer claims undergoing exploration (upstream), as shown on the YGS placer claims website.

The eastern end of the main dextral shear fault system parallels Gold Run Creek, a prolific placer gold producing creek, and transects the Gold Run Property. GroundTruth Exploration Ltd. was engaged to run a ground magnetic program on the property to delineate this inferred structure and any secondary pinnate fractures or splays in order to focus gold exploration targeting.

## 2.0 Property Description and Location

The Gold Run Project located near the eastern end of the Klondike goldfields consists of a block of 60 FB and 26 AIME claims straddling central Gold Run Creek from 24 Pup to 51 Pup including most of Laskey Creek. The claims lie on NTS map sheet 1150/10 within the Dawson mining district. Locations on the property are located by handheld GPS using NAD83 UTM coordinates. Property and claim locations are shown in figures 1 and 2, and claims summary list is tabled below (See Appendix II for full claims list).

Table 1: Summary of Gold Run Claims

Gold Run Project Claim Summary		NTS 1150/10
Claim Names	Owner	Grant Numbers
FB 1 - 60	Klondike Gold Corp.	YC25506 - YC25565
AIME 1 - 26	Klondike Gold Corp.	YC44707 - YC44732

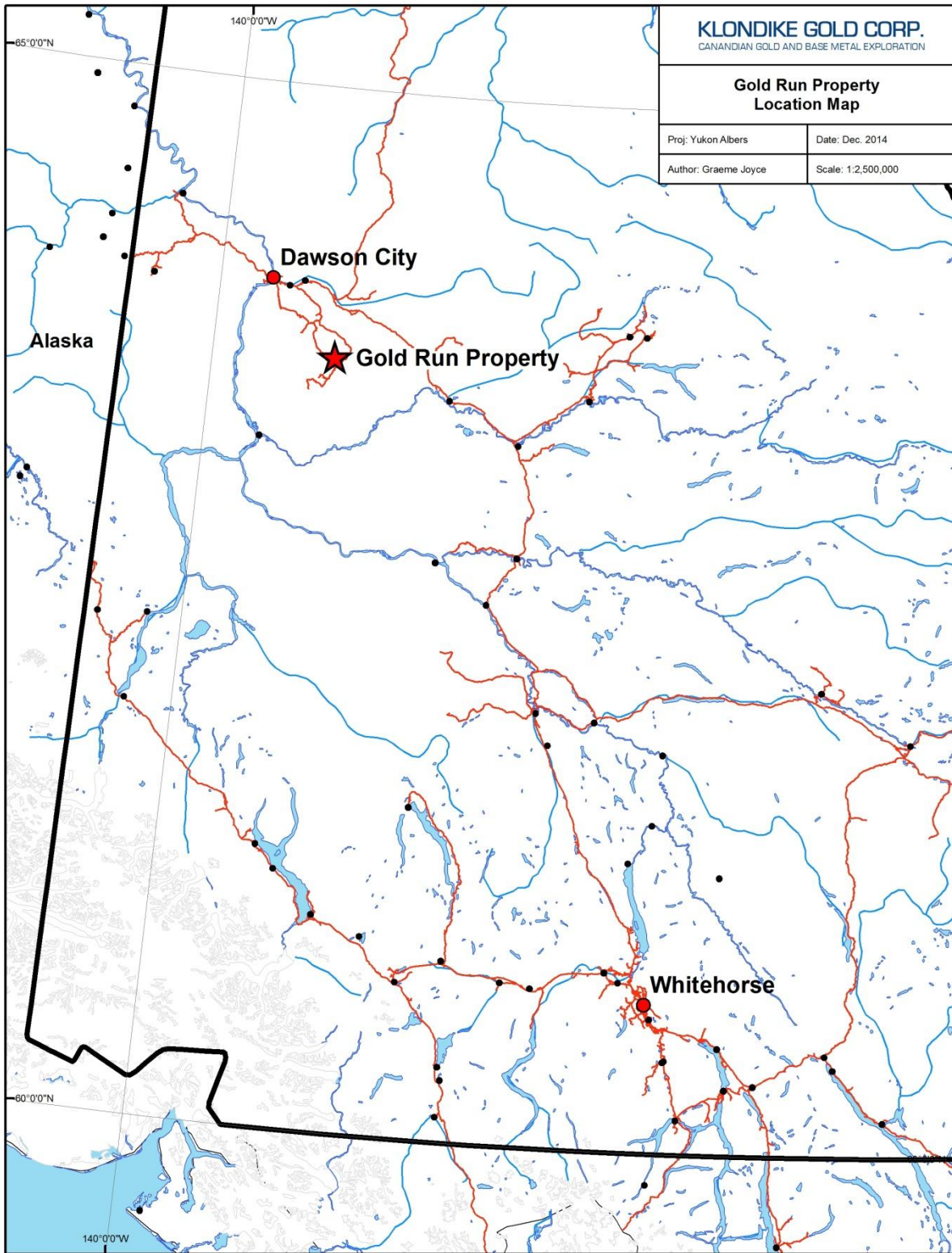


Figure 1: Location Map

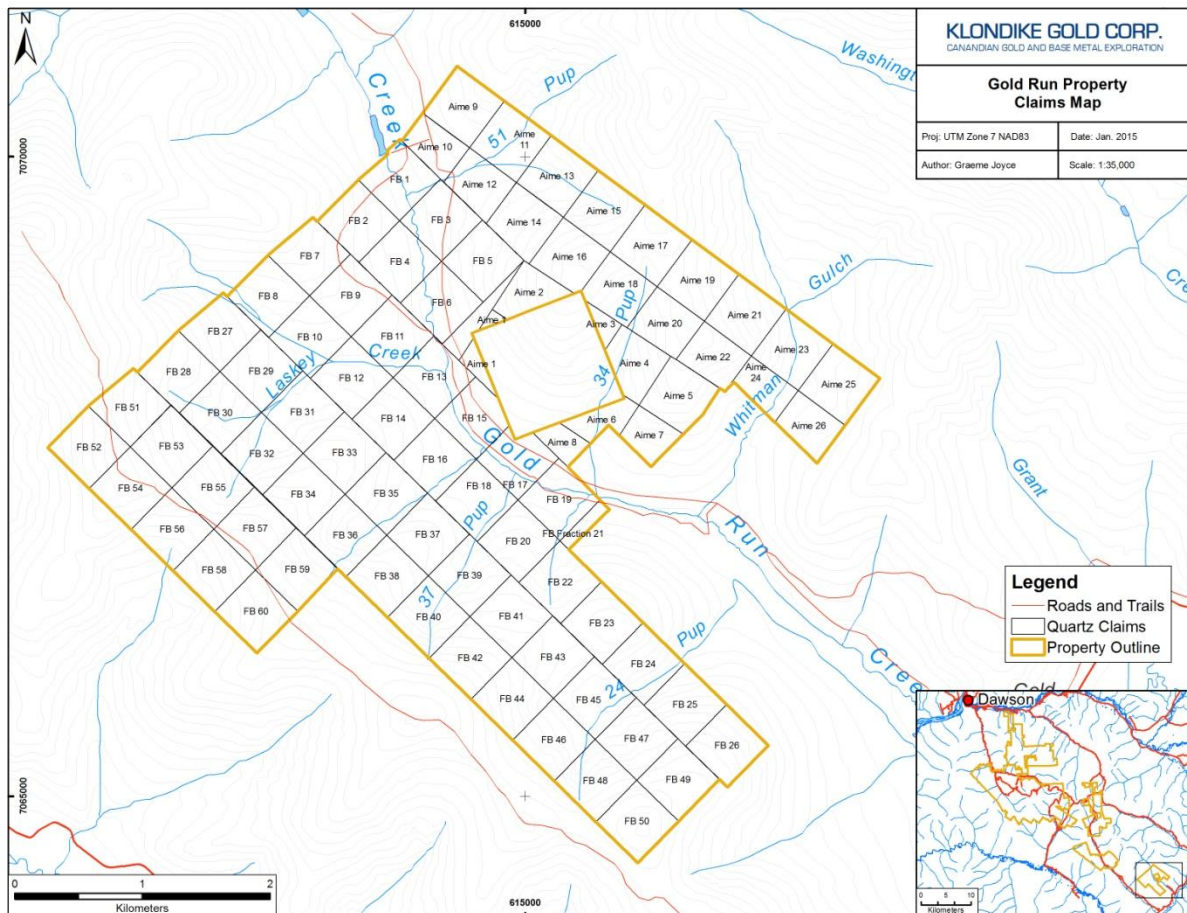


Figure 2: Claims Map

### 3.0 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Gold Run Property lies near the geographic eastern end of the Klondike placer goldfields located near Dawson City (“Dawson”), Yukon Territory. Gold in the gravels and bedrock here has been the target of prospectors and placer gold miners since 1896.

Dawson is connected to the territorial capital of Whitehorse via a 480 km sealed, government maintained two-lane highway (the “Klondike Highway”). Electricity in Dawson is supplied by the Yukon Energy Corporation’s territorial power grid (connected in 2004) with back-up diesel power. A 5000’ x 100’ gravel surface lighted Yukon Government airfield at 1214’ (370 m) elevation is located on the outskirts of Dawson. Scheduled daily air service is maintained by Air North using twin-engine turboprop aircraft from Whitehorse, and seasonally by Boeing 737 jet (with special gravel landing kit installed) from Fairbanks, Alaska for cruise ship tourists. Charter fixed wing aircraft of various capabilities are available locally or in Whitehorse. In addition, there are two year-round helicopter bases (Trans North Helicopters and Fireweed Helicopters) in Dawson. Other helicopter companies establish seasonal bases as needed. Regular truck freight, parcel and mail, and fuel services supply Dawson via the highway.

Dawson offers normal town facilities such as hotels, restaurants, grocery, clothing, building supplies and hardware stores, engineering supplies and four bulk fuel depots.

The Gold Run Property lies within the traditional territory of the Tr'ondëk Hwëch'in First Nation. The Tr'ondëk Hwëch'in are based in Dawson with roughly 1,100 members who are descended from the Han-speaking people. Tr'ondëk Hwëch'in began negotiating their individual land claim in 1991. The Tr'ondëk Hwëch'in Final Agreement was signed on July 16, 1998, and came into effect on September 15, 1998.

The Gold Run Property has a number of access points. The Hunker Creek-Bonanza Creek road and Dominion Creek-Sulphur Creek road are inter-connected government maintained loop roads that provide access from the Klondike Highway to the centre of the Klondike goldfields area. The Gold Run Creek road forks north off the Dominion Creek road to provide the best access to the Gold Run Property claims. An historic trail that is not maintained leaves the Sulphur Creek road above Green Gulch and provides access across Dominion Mountain to the head of Gold Run Creek. A third rough trail leaves lower Sulphur Creek road and provides access to the ridge at the northwest part of the FB claims, with a spur that leads to the FB 23 claim.

The main roads are 2-wheel drive dirt and gravel roads and have significant traffic through the summer. They are not plowed in the winter, but are cleared and graded from April until October. Dirt trails, some requiring 4-wheel drive or ATV, branch from the main roads and provide a network which allows relatively easy access by vehicles and equipment to most areas on the claim block. There are several placer mines active on Gold Run Creek, and in some cases these operations may provide heavy equipment or logistical assistance to exploration efforts.

The Gold Run property is within Central Yukon Basin climatic zone, characterized by a sub-arctic climate, with normally low annual precipitation (approximately 400 mm total precipitation). The exploration season typically extends from May through October by which time nightly temperatures are below freezing and there may be a few centimeters of snow on the ground. Winter temperatures may drop to at least -40 °C for up to six weeks in January and February.

The Klondike region consists of rugged topography of rounded hills and V-section valleys since this region was not recently glaciated. The hills have therefore a more subdued profile than the eastern Yukon, with cliffs being only prominent along the Yukon River valley. Weathering of the region has had a lengthy history, resulting in few natural fresh rock exposures. The Gold Run project is situated in the Yukon Plateau ecoregion, part of the Boreal Cordillera ecozone (Smith et al, 2004).

Dawson City is on the Yukon River at 1050' (320 m) elevation and the highest point near the Gold Run property, King Solomon Dome, is at 4032' (1229 m). Elevation on the property ranges from a low of 600 m to a high of 900 m. The property area circa 1900 was denuded of large timber by cutting to either supply mines and fuel boilers or by forest fires, and is now covered by regrowth of spruce, poplar, birch and alder (see figure 3 below).





Figure 3: Physiography of the Claims - Looking north with placer stripping on Laskey Creek (left centre) and older working on Gold Run Creek (right). Vegetative regrowth comprised of spruce, poplar, birch, and alder.

#### 4.0 History

- 1896: Start of placer exploration and mining in the Klondike, along with quartz exploration.
- 1897: Start of placer mining on Gold Run Creek which underlies the centre of the Gold Run claim group. This creek has been a major placer gold producer, with mining continuing to the present.
- 1900-1901: Staking and surveying of Quartz claims in the lower Gold Run area (Yukon Minfile 1150 061 PAYNE).
- 1901: Report by A. McMillan of a gold-bearing quartz vein striking northwest along the ridge between Gold Run and Sulphur Creeks. This target area is partly covered by FB claims, but the vein has never been confirmed despite considerable subsequent investigation.
- 1901-1903: Old Kentucky Lode and OKL extensions 2 & 3 staked and explored by pits and shallow shafts (Yukon Minfile 1150 132 DEVINE). The Old Kentucky Lode showing is

on the FB claims, while the extensions are on competitors ground to the northwest (probably the Kentucky West and Doron targets of Kreft).

- 1902: Underground testing of gold-quartz veins at PAYNE. 50 m adit and two shafts, with bulk samples tested at the Munger mill in Dawson. Claims lapsed in 1903.
- 1911: Cairnes visits and describes many of the lode gold prospects in the Klondike, but did not report on the Gold Run Creek area.
- 1913: PAYNE showings restaked by J. Lloyd. At least 100 m of tunnel dug by 1925, with exploration continuing until 1930.
- 1914: Maclean visits and reports on many of the lode gold prospects in the Klondike, but did not report on the Gold Run Creek area.
- 1922-1928: trenching and shallow shafts dug by J. Devine in the DEVINE area.
- 1929-1938: more trenching and shallow shafts dug by J. Devine in the DEVINE area.
- 1967: Airborne magnetics survey of area published by Geological Survey of Canada.
- 1976: PAYNE workings restaked by F. Burkhard as DEB. The DEB claims are still in good standing.
- 1978: bulldozer trenching at DEB by F. Burkhard. This was the last exploration work done on these claims.
- 1982: A large block of G. HAWK claims were staked by W. Hawkes in the area.
- 1983: Archer Cathro associates conducted geological mapping to the north of the KLAM claims which surrounded the DEB claims. The assessment report contains an excellent historical summary of exploration and placer mining at Gold Run Creek (Mortensen, 1983).
- 1984: Bedrock geology map, 1:50,000 published (Debicki, Open File 1984-3).
- 1984: United Keno Hill Mines staked quartz claims over many of the main placer creeks in the Klondike, including the RUN claims at upper and lower Gold Run Creek. They flew 3 airborne surveys and conducted minor VLF-EM ground surveys. They drilled 95 rotary percussion holes in 14 areas, including 5 holes in a fence across upper Gold Run Creek (about 4 km north of the FB claims) and a second 5 hole fence located near the mouth of Whitman Gulch, just south of the FB & AIME claims (assessment report #091634, Minfile 1150 134 CARON).
- 1984-1985: The LASS claims were staked in the Laskey Creek area by L. Gatenby, who explored with B horizon soil sampling in the Kentucky Lode area (Gatenby, 1984). This work returned numerous low level gold anomalies, and was followed by bulldozer trenching in 1985 beside the old shaft.
- 1986: United Keno Hill Mines staked and explored the RIJ claims on the ridge between Gold Run and Sulphur Creeks to cover an airborne geophysical anomaly and to cover a quartz vein exposed in a bulldozer cut in the area reported by McMillan in 1901. 303 widely spaced soil samples were collected on a grid, with 10 returning over 25 ppb Au, and a maximum value of 305 ppb Au. A VLF survey identified an anomaly. An excavator trench was dug to test the VLF anomaly and the coincident maximum gold value. The



trench was 260 m long and 7 m deep, and revealed a graphitic schist unit but little gold (Ouellette, 1986).

- 1986-1988: Doron staked the BTTA claims northwest of the RIJ claims (mostly on current FB claims). Soils and prospecting were performed. Added the Kentucky claims in 1987, further soils and prospecting. More soils in 1988. A cut line grid on the Kentucky claims with a 2.4 km due east baseline and 20 N-S 800 m long wing lines was established near the Kentucky West zone. 800 soils were collected, and 4 significant anomalies identified in the Kentucky (DEVINE) area (Davidson & Lueck, 1988). The eastern end of the baseline crosses the current FB 7 claim.
- 1994: Wealth Resources acquired the G. Hawk claims, which covered most of the current FB & AIME claims, and also part of the expired Kentucky claims of Doron. They collected 300 B horizon soil samples from two grids. The main HW2 grid partially overlaps with Doron's Kentucky grid, but has lines spaced 250 m apart, and extends further to the north and south. A two line grid (HW) was sampled north of the DEB claims. A placer pit on Gold Run Creek excavated by Teck on the current FB 1 claim was mapped and sampled. A quartz pod with chalcopryrite and chalcocite returned 59 g/t Au & 187.5 ppm Ag (Southam, 1994).
- 1994: A fence of 32 auger holes was drilled near the mouth of Gold Run Creek on the GR 55 & 56 claims (still current) by J. Christie. The holes were 6.5" in diameter, spaced 25 feet apart, drilled 10 feet deep, collared in bedrock exposed in a placer pit. The holes cut various hues of green schist, and returned a best value of 85 ppb Au.
- 1996: Barramundi Gold Ltd staked and optioned much of the Klondike area, over 3000 claims. Their property covered much of the current Gold Run group. As part of their exploration program, Barramundi collected 210 regional stream silt samples that cover most of the current Gold Run group. Anomalous gold values were found at the headwaters of 37 and 51 pups, with the best values in the Gold Run drainage from the un-named pup between 24 and 37 pups. (Stevens, 1996. assessment report #093711, which comprises 4 separate reports). This pup drains the anomalous southern area of this report.
- 1996: Bedrock geology maps, scale 1:50,000 published, including 1150/10 (Mortensen, Open File 1996-1).
- 2000-2002: The northern part of the DEVINE occurrence (Kentucky West) was staked as the HIT claims by KSL (Adamson & Thomas, 2002). They performed 12 lines of MMI soil geochemistry in the same general area previously sampled by Doron and Wealth.
- 2002: Airborne magnetics and radiometrics geophysical survey, 1:50,000 scale published (Shives et. al., GSC Open File 4308).
- 2003: FB claims staked by Klondike Gold Corp.
- 2004: Prospecting and soil sampling on the FB claims. Some moderate soil anomalies were located, and rock grab samples up to 2.43 g/t Au (assessment report #094689).
- 2005: Prospecting and soil sampling on the FB claims (assessment report #094579).

- 2006: AIME claims staked by Klondike Star Mineral Corp. MMI and conventional soil sampling on the AIME & FB claims (assessment report #094783).
- 2007: B. Kreft staked the GR claims north of the FB claims, collected 94 soil samples, and excavated 5 trenches totaling 124 m length. 57 channel samples and 4 grab samples were collected from the trenches. The trenching returned 15 anomalous zones with values up to 2242 ppb Au over 18.2 m from trench 4 at the Doron target. The Doron target lies about 100 m from the FB property boundary (Kreft, 2007).
- 2008: Prospecting and soil sampling on the FB & AIME claims. 88 soils and 1 rock collected. Soil anomalies between the PAYNE and DEVINE occurrences were enhanced and confirmed, and extended to the east of the DEB claims. (Mann & Liverton, 2008).
- 2009: B. Kreft expanded his claim block to the northwest and continued trenching in the Doron area located immediately north of the FB claims (Kreft, 2009). 9 additional trenches were dug, and the Doron zone is found to contain at least 19 auriferous alteration and vein zones over a width of about 350 m. Values up to 14.7 g/t Au over 1.9m were returned from chip samples of the trenches.
- 2010: Kreft optioned the GR claims to Kestrel Gold, which appears to have done soil sampling over the entire property (Kestrel Gold corporate website).
- 2010: Taku Gold conducted an airborne magnetic and radiometric survey over their Sulphur project, which includes claims to the southwest of the FB claims.
- 2011: Taku Gold collected ridge and spur soil samples across their Sulphur claims, which led to the identification of the LIONS target about 1 km southwest of the FB claims. This target was covered with a soil grid, and then tested by two excavator trenches which did not reach bedrock. Two gold-silver-arsenic anomalies are present across a 1000m length.
- 2012: Taku Gold drilled 6 holes totaling 881 m at the LIONS target, with weak gold mineralization encountered.
- 2012: Klondike Gold collected 125 soil samples and 5 rock samples in areas northwest and central on the property. 2012 work confirmed the Doron extension onto Gold Run Property claims.
- 2013: Klondike Gold collected 97 soil samples and 27 rock samples in the Northwest Anomalous Zones and the LIONS extension. Results from the Northwest zone had values up to 0.7 g/t Au.
- 2014: Klondike Gold prospectors identified visible gold in two samples of quartz vein boulders located 25 meters apart while following up anomalous gold-in-soils in the northwest part of the property. Three samples of quartz veins in outcrop from different parts of Gold Run Creek assayed between 15.1 g/t and 24.8 g/t Au from cross-cutting narrow extensional quartz veins containing clots of pyrite.

## 5.0 Geological Setting and Mineralization

### 5.1 Yukon-Tanana Terrane

The Klondike region is underlain by Permian age Klondike Schist, correlative with units of the Yukon-Tanana terrane (“YTT”) which extends from Alaska to the southern Yukon and British Columbia. The YTT is a diverse lithotectonic terrane of largely continental affinity consisting primarily of quartzitic, pelitic and calcic metasedimentary rocks, and local mafic and felsic meta-igneous rocks. These protoliths are intruded to a large extent by Mesozoic and Cenozoic granitic rocks. The YTT is bound on the north by the Tintina-Kaltag fault system, and on the south by the Tanana-Denali-Farewell fault system. These fault systems form zones of major right lateral strike-slip movement. Units of YTT are polydeformed and, over a regional scale, show a range of metamorphic grade from lower green schist to amphibolite facies (Mortensen et al., 1992; Roots et al., 2003). Structural styles are consistent with deformation during east to northeastward directed accretion and crustal shortening.

Igneous rocks are widespread throughout the YTT, but are most abundant in the eastern portion of the province. Age dates of plutonic rocks in the YTT generally cluster into three distinctive groups: 1) 215-188 Ma (Late Triassic–Early Jurassic), 2) 110-85 Ma (mid- to Late Cretaceous), and 3) 70-50 Ma (Latest Cretaceous-Eocene). Within the 110-85 Ma group, most age dates cluster within a sub-group ranging in age from 95-90 Ma, and typically referred to as the “Tombstone” suite (Mortenson et al, 2000).

### 5.2 Geology

The northwestern Klondike area is underlain by three recognizable thrust fault bounded assemblages (Rushton et al., 1993) that constitute the Permian Klondike Schist with an absolute age about 260 Ma. These are: Assemblage III of carbonaceous quartz-muscovite phyllite, schist and marble that crops out southwest of the Indian River and also to the northeast of Hunker Creek. Structurally above is Assemblage II of micaceous and chloritic quartzite, feldspathic quartzite, marble and calcareous schists which is intruded by the Mt. Burnham orthogneiss, found in the east of the Klondike. Assemblage I consists of three units: quartz augen schist; the Sulphur Creek orthogneiss; and intercalated chloritic schist, metagabbro, amphibolite, quartzite and felsic schist. A major thrust fault is mapped running north-south along the east side of the claim group. Most of the Gold Run property is underlain by mafic schist.

### 5.3 Structural Geology

Four phases of deformation (D1-D4) have been ascribed to the Klondike Schist and attributed to progressive fabric development. The last “D4” phase is represented as angular folds, shears, and gouge zones ascribed to N to NE compressional deformation of tentatively Early Jurassic age, with an absolute age about 190 to 175 Ma. Academic literature is uncertain if gold-bearing quartz veining is produced by this age of veining.

Subsequent to the “D4” event, Klondike Gold has identified an extensional brittle fault event of tentatively Late Jurassic age inferred to have an absolute age of about 160 Ma. The main fault trends NNW-SSE, has a dextral sense of offset, and extends some 50 km through the Klondike goldfields. At the

NNW end the fault terminates in a horsetail splay pattern underlying Eldorado Creek south of Bonanza Creek. Extensional pinnate fracture faults are concentrated between Eldorado Creek and Hunker Dome, and these show rotation due to progressive offset along the main fault of 1500 to 2000 meters implying a long-lived event. (Assuming 2 cm per year for creep on the pinnate extensions, then the main fault was active for 100,000 years).

#### 5.4 Quartz Vein System of the Klondike and Mineralization

Two types of quartz veins are common in the Klondike, and are distinguishable by not being an exploration target, or being an exploration target respectively:

a) foliaform veins that are typically concordant with transposed bedding (S2) and which may be meters thick, but which are usually lenticular. These are almost always barren of gold and,

b) discordant veins that carry sulphide mineralization (pyrite, with minor galena, chalcopyrite and tetrahedrite) and visible gold which is both commonly contained in selvages of pyrite (or after weathering, pseudomorphs of goethite/limonite) and as free gold grains in the white quartz. The discordant veins are rarely up to 2-3 meters thick and can persist for hundreds of meters strike length. Some spectacular gold grades are reported from this vein type (Rushton et al., 1993; Klondike Gold NR 14-Jan-2015 results from Lone Star). These discordant veins would post-date D4.

Base metal and gold primary or secondary enrichment in the Klondike Schist has been postulated and if present may have been emplaced during several events. There is some evidence for VMS type mineralization at the Bronson occurrence west of Bonanza Creek (minfile 1150 113), and a horizon of sulphide mineralized schist investigated during the 2008 season in the Quartz Creek area. Pyrite that predates and postdates the D3 deformation has been commonly observed. The association of sulphides, sulphosalts and free gold with discordant ("post-D4") quartz vein formation is well demonstrated throughout the Klondike area.

#### 5.5 Quaternary Geology

The Gold Run project lies in unglaciated terrain, near the western margin of the Cordilleran ice sheet limits. It is in the zone of widespread discontinuous permafrost, with permafrost generally present on north and east facing slopes.

The upland soils in the area, dominated by colluvium have been described by Bond & Sanborn (2006): "... a thin veneer (<25 cm) of loess is preserved on moderate upland slopes. On slopes with a south-facing aspect the loess forms a distinct unit at the top of the B horizon. A minor component of coarser locally derived colluvium appears to have been incorporated in the loess by slope processes in many places. On north-facing slopes, permafrost is commonly present (or has been present), which enhances the colluviation of the surficial deposits. On these slopes, the loess has been incorporated in the underlying colluvium by cryoturbation."

The dominant soil types on ridge crests and south facing slopes are dystic brunisols. The dominant soils on north facing slopes are turbic cryosols.

### 5.6 Property Geology

The main (Late Jurassic?) NNW-SSE fault structure underlies the northeastern claim boundary of the Gold Run property. Chlorite rich mafic schist with locally interlayered phyllite underlies much of the property. Massive dark green serpentinite is reported from the Gold Run Creek bed at the north end of the claims (Southam, 1994) marking a (Early Jurassic?) thrust fault. Grey, unaltered quartz-feldspar porphyry dykes were mapped in the same area. The dykes are up to 5m wide, east-west striking, with near vertical dips. Minor lenses of black graphitic schist are found within the Klondike Schist, notably along the ridge crest on the west side of the FB claims (Ouellette, 1986).

The veins described at the PAYNE occurrence are typical of gold-bearing veins in the Klondike. White quartz with scattered cubes of pyrite and rare grains of galena and traces of visible gold are discordant to schistosity. The wall rock of the veins is pyritized. Mortensen (1992) reported minor ribboned quartz and mesothermal type salinities and homogenization temperatures at this location. There are no elevated levels of metals or trace elements other than gold reported from these veins.

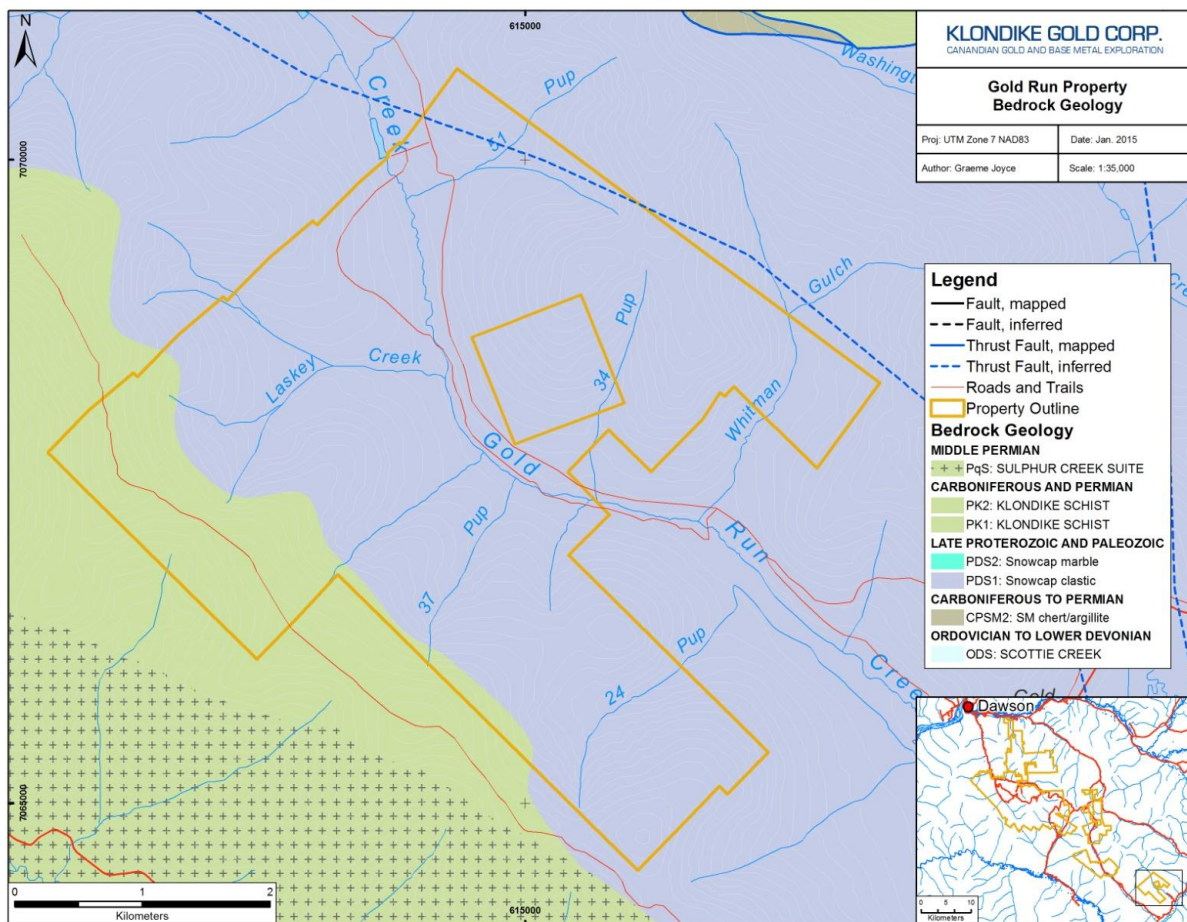


Figure 4: Regional Geology Map



## 6.0 Adjacent Properties

The Gold Run property is surrounded on all sides by claims held by competitors. These claims have numerous geochemical anomalies and minor mineral occurrences. All properties in the area are at an early stage of exploration, except for active placer gold mining on Gold Run and Laskey Creeks.

The Gold Run property adjoins the GR property of B. Kreft, formerly under option to Kestrel Gold Inc. These claims host the Doron, Doron NW and Kentucky West targets that are part of the DEVINE minfile occurrence 1150 132. The Doron occurrence is located immediately adjacent to the northern boundary of the FB claims of the project. The Doron target is described as having significant widths of gold bearing rusty schists with narrow high grade quartz veins (Kreft, 2009). Trench chip samples reportedly returned 2.2 g/t Au over 18.2 m (including 9 g/t Au over 1.8 m) in T07-04, the trench closest to the FB claims. Chip samples in other trenches returned up to 14.7 g/t Au over 1.9 m. The mineralization is described as iron-carbonate altered and pyritized, plus or minus quartz veins. The host rock is described as unaltered chlorite-quartz +/- biotite +/- sericite schist. The quartz veins associated with mineralization are discordant, northwest trending, generally vertical and typically 2 to 10 centimetres in width with alteration haloes up to 3 m wide. Locally the veins are described as sheeted in nature to form altered zones at least 20 m wide.

The Sulphur project of Taku Gold lies adjacent to the southwest of the FB claims of the Gold Run project. The southeastern block of the Sulphur project extends from the Sulphur Creek – Dominion Creek junction to the northwest, and hosts several low-level gold anomalies, with the best section called the LIONS target (located southeast of Laskey Creek over the ridge in the Sulphur Creek drainage). This zone contains two roughly parallel northwest trending anomalies, the first about 1000 m long and 400 m wide, and the second located 400 m to the north is about 600 m long and 120 m wide. Both contain low to moderate gold in soils (maximum 239 ppb) with “very strong” associated silver and arsenic (Taku Gold website, 2013). The LIONS target was tested by 2 trenches in 2011 (which did not reach bedrock) and 6 drill holes totaling 881 m in 2012. The best drill intersection was 0.31 g/t Au over 2.0 m.

The property also surrounds the DEB claims, which contain the PAYNE minfile occurrence (1150 061) which covers several old adits and shafts. These showings have (currently inaccessible) underground workings developed on gold-quartz veins. The mineralization is thought to trend onto the Gold Run group in both directions.

## 7.0 2015 Exploration Program

Klondike Gold Corp. contracted GroundTruth Exploration of Dawson, Yukon to perform a ground magnetic and aerial orthophoto survey on the Gold Run property. The program was conducted between September 5 and September 15, 2015 with daily access to the property from Dawson.

### 7.1 Ground Magnetics

During 2014 Klondike Gold completed an interpretation of Geological Survey of Canada (“GSC”) airborne magnetics (published 2002), particularly relying on first vertical derivative data, and discerned a dextral shear fault which transects the area of the Klondike goldfields from Eldorado Creek to Dominion Creek.

A portion of this fault system parallels Gold Run Creek, a prolific placer gold producing creek, and transects the Gold Run Property. GroundTruth Exploration Ltd. was engaged to run a ground magnetic program on the property to delineate this inferred structure and investigate any pinnate fractures or splays which may indicate faulting and help with exploration targeting.

The magnetic program began on September 8th, 2015. A total of 190 line kilometers of walking magnetics covering a ~17 square kilometer area was completed between Sep. 8 and Sep. 15, 2015 and totaled 23 man days to complete. Two portable Gem Systems Overhauser proton magnetometers plus one base station were utilized to conduct the survey. Survey data was collected by walking in a NE-SW direction at nominal 50 meter spaced lines. The magnetometers were set up to “walk” mode and set to record reading every two seconds. The GPS location of the walking line was recorded with a Garmin GPSMap 60cx or 76cx GPS device in UTM NAD 83 format and was merged with the magnetic data based on the reading times which were synchronized daily. The data was collected in the field and then sent to Dawson daily via satellite. The data was then de-spiked, corrected for IGRF values and diurnal variation, and then leveled for plotting as the final total field magnetic product. The final product was delivered in .grd format which can be plotted and viewed by most standard mapping programs.

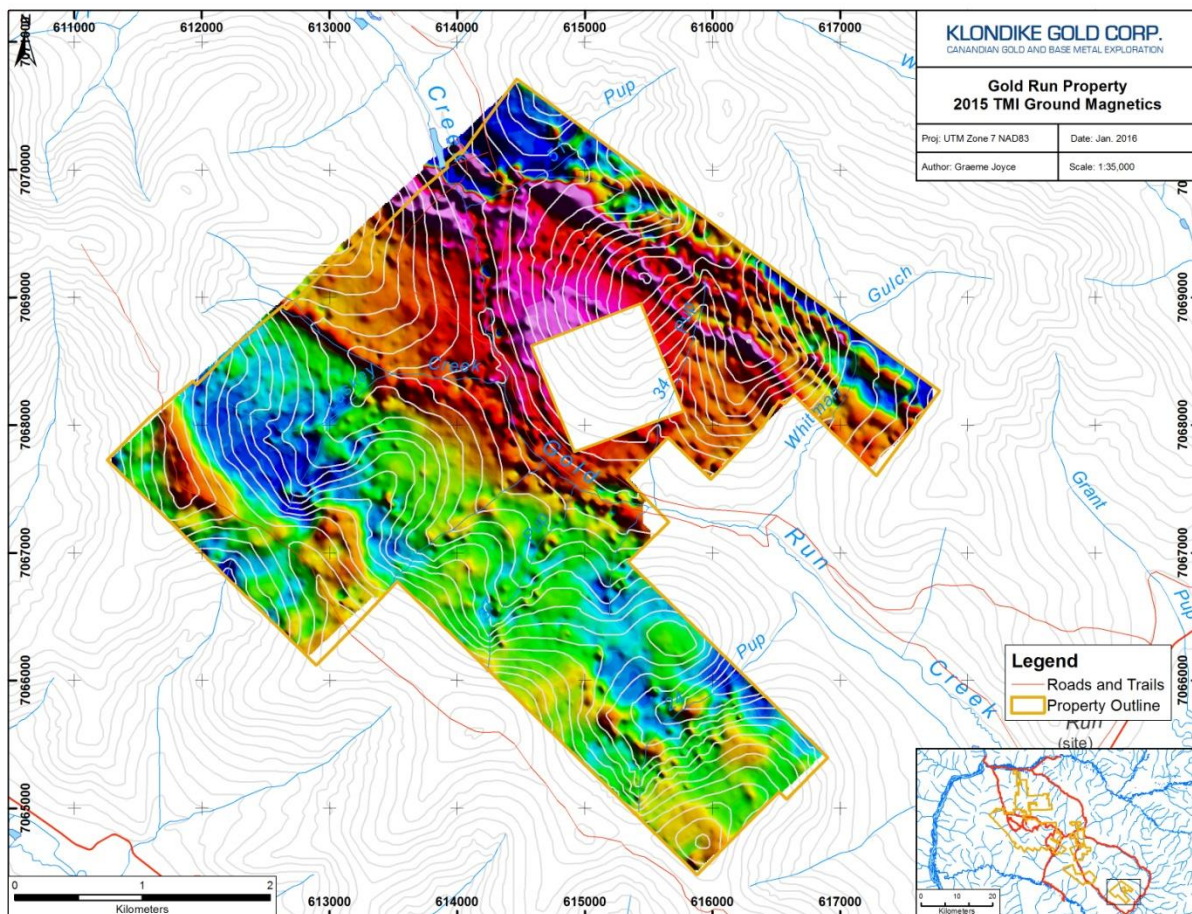


Figure 5: Ground Magnetic Survey – Total Magnetic Intensity



## 7.2 Orthophoto Survey

GroundTruth Exploration Inc. was also contracted to fly a drone orthophoto survey of the property in order to create an orthophoto mosaic to support in mapping historical work and help with future exploration programs. This program was flown on September 8, 2015.

GroundTruth utilized a SenseFly eBee drone to capture the airphotos. The eBee drone nominally flies at 100-150m above the ground and captures high definition airphotos utilizing its onboard 18.2 MP WX RGB Camera. This allows for a ground resolution of ~4cm depending on the flight altitude. The photos are then geolocated internally to approximately 3m horizontal and vertical accuracy.

The drone flight path was programmed to maximize coverage of the property while allowing the entire property to be flown in one day. This resulted in a flight altitude of ~600m and a resulting average ground sampling distance of 18.62cm (pixel size). A total of 27 flight lines totaling 802 images were needed to create the optimal 60% forward overlap and 30% side overlap suitable for stereoscopic viewing and orthophoto creation.

The data was then transported to Dawson where it was processed using the Postflight Terra 3D program. A single ortho-rectified mosaic, point cloud and DEM was then created and delivered in .Tiff format.

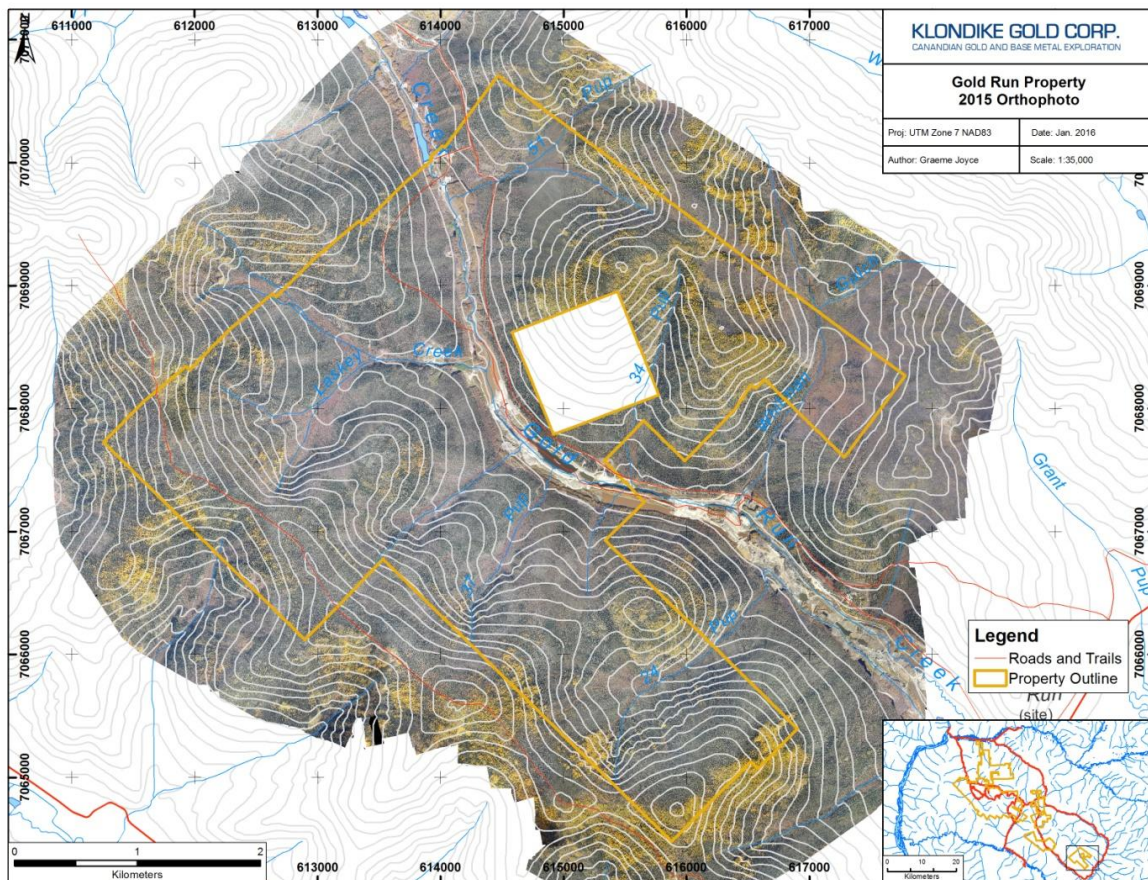


Figure 6: Orthophoto Survey

## 8.0 Conclusions and Recommendations

The Gold Run property covers a 16.6 square kilometer area in the vicinity of Gold Run Creek located near Dominion Creek in the eastern portion of the Klondike goldfields.

Interpretation of GSC magnetics, particularly first vertical derivative data, suggests a main NNW-SSE fault runs the 50 km length of the Klondike goldfields and underlies the northern claim boundary of the Gold Run property. This dextral fault is assumed to be the source of extensional quartz veining containing gold found in outcrop and float on the property. These veins have similar physical and chemical characteristics throughout the Klondike area.

The Gold Run property has potential for extensional quartz veining and brecciation in proximity to the NNW-SSE trending main fault. Interpretation of the new ground magnetics data has identified potential extensional second-order structures which are excellent targets for gold exploration.

Exploration of the main trending structure located on the north east side of the property and investigation of the potential extensional features splaying off from the main features should be a focus for future exploration. Specifically, the intersection of the main (first-) and pinnate (second-) order faults in the Gold Run Creek and Laskey Creek area should be targeted for gold mineralization. These areas should be prospected with follow up trenching depending on the results.

Historical data including results of several soil sampling surveys in assessment reports from the Gold Run property area should be compiled into the Klondike Gold digital database. Specifically, the area west of Gold Run Creek and north of Laskey Creek has been soil sampled by Gatenby (1984), Doron (1988), Wealth (1994), KSL (2000- 2002), Klondike Gold/ Klondike Star (2004- 2012), Kreft (2007- 2009) and Kestrel (2010).

## 9.0 Statement of Qualifications

I, Peter Tallman, of Vancouver, British Columbia hereby certify that:

- I am a graduate of the University of Western Ontario with a Bachelor of Science (Geology) degree (1984).
- I am a practicing Professional Geoscientist (#02366) with the Professional Engineers and Geoscientists of Newfoundland and Labrador (PEGNL) since May 1991.
- I have practiced my profession as a geologist in Canada, throughout the America's as well as Australia and Africa continuously since graduation.
- I have held the position of executive officer and/or director of various publically listed Canadian corporations since 1995.
- I currently hold the position of President and Chief Executive Officer with Klondike Gold Corp., a company listed publically on the TSXV Exchange.
- I own shares and have been granted options to purchase shares in Klondike Gold Corp.
- I directed work on the Gold Run Property and am the designated Qualified Person as defined by National Instrument 43-101 policy.

Vancouver, British Columbia

A handwritten signature in black ink, appearing to read 'Peter Tallman', with a period at the end.

Peter Tallman, P.Geo.



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# APPENDIX I

## STATEMENT OF EXPENDITURES

Appendix I - Statement of Expenditures

**Gold Run Statement of Expenditures**

<b>Contractor</b>	<b>Work Type</b>	<b>Man Days</b>	<b>Rate</b>	<b>Total</b>
GroundTruth Exploration	Ground Magnetics Survey	23		\$ 24,879.75 Sep. 8 - 15, 2015
GroundTruth Exploration	OrthoPhoto Survey	2		\$ 2,955.75 Sep. 8, 2015
<b>Total</b>				<b>\$ 27,835.50</b>



## APPENDIX II

### DETAILED CLAIMS LIST



Appendix II - Detailed Claims List

District	GrantNumber	ClaimName	ClaimNbr	Claim Owner	OperationRecordingDate	StakingDate	ClaimExpiryDate	Status	NTS MapNumber	NonStdSize	Ops Number	Claim Years (Double Credit)	NewExpiryDate
Dawson	YC44707	Aime	1	Klondike Gold Corp. - 100%	11-Aug-06	9-Aug-06	8-Feb-16	Active	115010		164510	5	8-Feb-21
Dawson	YC44708	Aime	2	Klondike Gold Corp. - 100%	11-Aug-06	9-Aug-06	8-Feb-16	Active	115010		164511	5	8-Feb-21
Dawson	YC44709	Aime	3	Klondike Gold Corp. - 100%	11-Aug-06	9-Aug-06	8-Feb-16	Active	115010		164512	5	8-Feb-21
Dawson	YC44710	Aime	4	Klondike Gold Corp. - 100%	11-Aug-06	9-Aug-06	8-Feb-16	Active	115010		164513	5	8-Feb-21
Dawson	YC44711	Aime	5	Klondike Gold Corp. - 100%	11-Aug-06	9-Aug-06	8-Feb-16	Active	115010		164514	5	8-Feb-21
Dawson	YC44712	Aime	6	Klondike Gold Corp. - 100%	11-Aug-06	9-Aug-06	8-Feb-16	Active	115010		164515	5	8-Feb-21
Dawson	YC44713	Aime	7	Klondike Gold Corp. - 100%	11-Aug-06	9-Aug-06	8-Feb-16	Active	115010		164516	5	8-Feb-21
Dawson	YC44714	Aime	8	Klondike Gold Corp. - 100%	11-Aug-06	9-Aug-06	8-Feb-16	Active	115010		164517	5	8-Feb-21
Dawson	YC44715	Aime	9	Klondike Gold Corp. - 100%	11-Aug-06	9-Aug-06	8-Feb-16	Active	115010		164518	5	8-Feb-21
Dawson	YC44716	Aime	10	Klondike Gold Corp. - 100%	11-Aug-06	9-Aug-06	8-Feb-16	Active	115010		164519	5	8-Feb-21
Dawson	YC44717	Aime	11	Klondike Gold Corp. - 100%	11-Aug-06	9-Aug-06	8-Feb-16	Active	115010		164520	5	8-Feb-21
Dawson	YC44718	Aime	12	Klondike Gold Corp. - 100%	11-Aug-06	9-Aug-06	8-Feb-16	Active	115010		164521	5	8-Feb-21
Dawson	YC44719	Aime	13	Klondike Gold Corp. - 100%	11-Aug-06	9-Aug-06	8-Feb-16	Active	115010		164522	5	8-Feb-21
Dawson	YC44720	Aime	14	Klondike Gold Corp. - 100%	11-Aug-06	9-Aug-06	8-Feb-16	Active	115010		164523	5	8-Feb-21
Dawson	YC44721	Aime	15	Klondike Gold Corp. - 100%	11-Aug-06	9-Aug-06	8-Feb-16	Active	115010		164524	5	8-Feb-21
Dawson	YC44722	Aime	16	Klondike Gold Corp. - 100%	11-Aug-06	9-Aug-06	8-Feb-16	Active	115010		164525	5	8-Feb-21
Dawson	YC44723	Aime	17	Klondike Gold Corp. - 100%	11-Aug-06	9-Aug-06	8-Feb-16	Active	115010		164526	5	8-Feb-21
Dawson	YC44724	Aime	18	Klondike Gold Corp. - 100%	11-Aug-06	9-Aug-06	8-Feb-16	Active	115010		164527	5	8-Feb-21
Dawson	YC44725	Aime	19	Klondike Gold Corp. - 100%	11-Aug-06	10-Aug-06	8-Feb-16	Active	115010		164528	5	8-Feb-21
Dawson	YC44726	Aime	20	Klondike Gold Corp. - 100%	11-Aug-06	10-Aug-06	8-Feb-16	Active	115010		164529	5	8-Feb-21
Dawson	YC44727	Aime	21	Klondike Gold Corp. - 100%	11-Aug-06	10-Aug-06	8-Feb-16	Active	115010		164530	5	8-Feb-21
Dawson	YC44728	Aime	22	Klondike Gold Corp. - 100%	11-Aug-06	10-Aug-06	8-Feb-16	Active	115010		164531	5	8-Feb-21
Dawson	YC44729	Aime	23	Klondike Gold Corp. - 100%	11-Aug-06	10-Aug-06	8-Feb-16	Active	115010		164532	5	8-Feb-21
Dawson	YC44730	Aime	24	Klondike Gold Corp. - 100%	11-Aug-06	10-Aug-06	8-Feb-16	Active	115010		164533	5	8-Feb-21
Dawson	YC44731	Aime	25	Klondike Gold Corp. - 100%	11-Aug-06	10-Aug-06	8-Feb-16	Active	115010		164534	5	8-Feb-21
Dawson	YC44732	Aime	26	Klondike Gold Corp. - 100%	11-Aug-06	10-Aug-06	8-Feb-16	Active	115010		164535	5	8-Feb-21