

GEOPHYSICAL REPORT
on the
Carlisle Creek & Independence Creek
Placer Prospecting Leases

Whitehorse, Yukon Territory

Independence Creek:

Lease No.: IW00339 – Owner: Brodie Klemm 100%

Carlisle Creek:

Lease No.: IW00340 – Owner: John McGrath 100%

NTS # 115J/13, 14

Latitude: 62.966° N Longitude: 139.5241° W

Whitehorse Mining District

For:
Ryanwood Exploration
Box 213
Dawson, YT
Y0B 1G0

WORK PERFORMED: March 16-26, 2012

By
Isaac Fage
Ground Truth Exploration Inc.
Box 70, Dawson, Yukon Y0B 1G0

November 6, 2012

DATE OF REPORT: NOVEMBER 6, 2012

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Summary

A total magnetic field survey was conducted on the Carlisle and Independence Creek placer leases to identify the location of potential auriferous pay channels. The leases are located 95km northeast of Beaver Creek just above where the creeks join the Yukon River (figure 1).

The survey was conducted by Groundtruth Exploration with a four man crew from March 16 to March 26, 2012. The property was accessed by snowmobile from Dawson City. A combined total of 67 line-kms was gridded for the surveys. Both Grids were flagged every 25m with labelled grid stations every 50m. Grid lines were spaced at 50m intervals. The MAG survey was done using a GEM Systems GSM-19T Proton Magnetometer in 'walk mode', with a GPS tagged reading being recorded every 0.5 of a second.

The survey has identified several distinct anomalous magnetic lineaments that warrant follow-up sampling.

1.0 Introduction

Groundtruth Exploration was contracted by Ryanwood Exploration (acting as agent for Brodie Klemm and John McGrath; see Section 3.0) to conduct a ground total magnetic field survey on the Carlisle & Independence Creek placer leases. A grid totalling 67 line-km was established and ground magnetic survey conducted on the property between March 16 and March 26, 2012. The purpose of the exploration program was to identify potential gold bearing, magnetite rich placer channels on the Carlisle & Independence Creek placer leases. The survey was conducted by: Chad Cote, Dan Murray, Yoann Voyer, and John McGrath.

Personnel:

Chad Cote	Dan Murray	Yoann Voyer	John McGrath
Box 70	Box 1391	Box 70	Box 70
Dawson, YT	Dawson, YT	Dawson, YT	Dawson, YT
Y0B1G0	Y0B1G0	Y0B1G0	Y0B1G0

2.0 Location and Access

The prospecting leases are located 95km northeast of Beaver Creek and 120km south of Dawson City within the Yukon river drainage system in west-central Yukon Territory. It is centered at 62.966° N, 139.5231° W, on NTS mapsheet 115J/13 & 115J/14 (Figure 1). It is accessible in winter on the Yukon river via snowmobile, and accessible by helicopter year round. Neighbouring Thistle Creek (~10km to the north) has placer mines which are currently accessed from Dawson City by barge on the Yukon River to the mouth of Thistle creek.

3.0 Property

The Carlisle and Independence Creek Placer Prospecting leases consist of 2 separate leases.

Location	Length	Lease #	Owner	Expiry Date
Carlisle Creek	5 miles	IW00340	John McGrath - 100%	October 3, 2013
Independence Creek	5 miles	IW00339	Brodie Klemm - 100%	October 3, 2013

4.0 Physiology and Geology

The Carlisle Creek and Independence Creek placer prospecting leases are located within the Yukon-Tanana Terrane. The landscape is composed broad valleys bordered by moderately sloped, tree covered hills ranging in elevations from 1200 to 5000 feet. The area experiences typical climatic conditions for central Yukon Territory with short, warm and dry summers and cold winters. Temperatures range from -20°C to -60°C in the winter and +10°C to +30°C in the summer.

The Carlisle and Independence Creek placer leases are completely underlain by a Devonian-Mississippian metamorphic unit. The southern headwaters of Carlisle creek are underlain by an early Jurassic plutonic unit but this is outside of the placer lease (approx. 10km away).

Legend for Figure 3: Regional Geology:

Devonian-Mississippian

DMN3	DMN3: NASINA: quartzite, micaceous quartzite, quartz muscovite (chlorite; feldspar augen) schist, and minor metaconglomerate and metagrit as in (1), but may locally include significant Nisling Assemblage
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Early Jurassic

EJgA	EJgA: AISHIHIK SUITE: medium- to coarse- grained, foliated biotite-hornblende granodiorite; biotite-rich screens and gneissic schlieren; foliated hornblende diorite to monzodiorite with local K-feldspar megacrysts; may include unfoliated monzonite of the Long Lake Suite (Aishihik Suite)
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EJqL	EJqL: LONG LAKE SUITE: massive to weakly foliated, fine to coarse grained biotite, biotite-muscovite and biotite-hornblende quartz monzonite to granite, including abundant pegmatite and aplite phases; commonly K-feldspar megacrystic (Long Lake Suite)
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Upper Cretaceous

uKC1	uKC1: CARMACKS: augite olivine basalt and breccia; hornblende feldspar porphyry andesite and dacite flows; vesicular, augite phyric andesite and trachyte; minor sandy tuff, granite boulder conglomerate, agglomerate and associated epiclastic rocks (Carmacks Gp., Little Ridge Volcanics, Casino Volcanics)
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5.0 Regional Magnetics

An overlay of the GSC airborne magnetic survey identifies a significant structural lineament represented as a magnetic low that cuts across the ground survey on Carlisle creek near C-30 (figure 4,5,6) and is also crosses the ground survey on Independence Creek near line I-019 (figure 4,5,7). This structural feature is also manifested as a linear magnetic low in the ground survey. Non-linear Magnetic highs identified in the downstream portion of the ground survey correlate well with moderate magnetic highs in the airborne regional magnetics and are not attributed to the existence of placer magnetite deposits. Numerous magnetic high lineaments have been identified in the ground survey that are not observable in the regional airborne. These local anomalies are more suitable targets for placer magnetite channels (figures 4,5).

6.0 Gridding Procedure

The survey grid is oriented perpendicular to the Carlisle and Independence Creek centerlines. The grid lines were planned to be 600m in length (300m on either side of the centerline) with the exception of the lower m of Carlisle creek which were to be 500m in length (250m on either side of the centerline). Lines that proved to be too steep to ascend on snowshoes were shortened as needed. All grid lines are spaced at 50m. Line Numbers ascend as the grid proceeds upstream. Line stations originate (000) at the centerline of the claims and are followed by the cardinal direction of the line (North or South; as best as possible). The bearing of the grid was periodically adjusted to cross the centerline at 90° as the grid proceeded upstream.

The grid was established using handheld GPS units. A combined total of 67 line-kms was gridded for the surveys. Both Grids were flagged every 25m with labelled grid stations every 50m.

7.0 Magnetic Field Survey

7.1 Personnel and Equipment

The survey was conducted by: Chad Cote (Magnetometer operator/Gridder), John McGrath (Magnetometer operator/Gridder), Dan Murray (Gridder), and Yoann Voyer (Gridder). Equipment necessary to complete the survey consisted of:

Magnetometer Field Unit:	GEM Systems GSM-19T Proton Magnetometer
Base Station:	GEM Systems GSM-19T Proton Magnetometer
Data Processing	Laptop Computer
Software:	GEM Systems proprietary magnetometer upload, download software, MapInfo mapping software, Oziexplorer for grid planning and GPS interface.
Transportation:	Skidoo Skandik 800, Skidoo Tundra LT, Arctic Cat 550
Grid Establishment:	Garmin map76cx GPS (x3) Snowshoes, Machete, Flagging, Marker
Camp Equipment:	Full winter camp setup for 4 persons

7.2 Survey Specifications

The magnetometer survey was conducted according to the following specifications:

Field Magnetometer Observation Frequency: 1 reading per 0.5 of a second.

Base Station Magnetometer: Set to record an observation every 20 seconds for the duration of the survey.

Levelling: None required

7.3 Magnetic Field Theory Applied to Placer Exploration

In a placer setting, magnetite derived from bedrock weathering is concentrated in the main channel of a creek or river where the water flow has the highest velocity and the greatest turbulence. As a result, minerals with high specific gravity (magnetite, ilmenite, gold, etc.) are preferentially concentrated in this region of the stream, while material with lower specific gravity is winnowed from the sediment. High concentrations of “black sand” (magnetite, ilmenite, chromite) are often recorded in auriferous pay streaks where the stream bed has remained relatively immobile for some period, permitting hydraulic concentration to build up a significant volume of these materials.

The materials comprising black sand are magnetically susceptible. Magnetite has a very high magnetic susceptibility of $1200-19200 \times 10^{-3}$ SI units, ilmenite ranges from $300-3500 \times 10^{-3}$ SI units, and chromite measures from $3-1100 \times 10^{-3}$ SI units. Average magnetic susceptibilities for sedimentary, igneous (excluding ultramafic) and metamorphic rocks are: 0-10, 3-160 and 0-70 $\times 10^{-3}$ SI units respectively. Fluvial sediments register magnetic susceptibility in the range of 0-2 $\times 10^{-3}$ SI units. There is consequently a significant susceptibility contrast between gravels enriched with black sand and average gravels/ underlying bedrock.

8.0 Interpretation

The survey is comprised of a total of 190,873 geo-referenced magnetometer readings. Of these, 99,801 were taken on Carlisle Creek and the remaining 91,072 were taken on Independence Creek. Digital results of the magnetometer survey accompany this report in dBase format (.dbf). All points are projected to NAD83, UTM Zone 7N

Field Definitions:

X -	UTM Easting
Y -	UTM Northing
Elevation -	Elevation
NT -	Uncorrected Field Unit Reading (Unit: Nano-Tesla)
SQ -	Noise Reading
SAT -	Number of Satellites Available to Magnetometer GPS
TIME -	Time of Magnetometer Reading
COR_NT -	Corrected Field Unit Reading (Unit: Nano-Tesla)
COR_METH -	Correction Method

Carlisle Creek (figure 4,6,8):

Regional magnetic highs from the airborne survey in the eastern part of the survey (C01-C12) are generally coincident to the magnetic highs on the ground survey in that area. The underlying bedrock geology is dominating responses and masking any subtle placer channel signatures that may be present.

A magnetic high lineament running east-west is observable from C60-C66. This anomaly is not observed on the regional airborne magnetics.

A magnetic high lineament running east-west is also observable from C33-C46. This is most likely due to the underlying bedrock and is not likely associated to the presence of placer magnetite.

Independence Creek (figure 4.7.8):

Regional magnetic highs from the airborne survey in the survey (including I01-I013; I-05-I063; and I08-I096) are generally coincident to the magnetic highs on the ground survey in that area. The underlying bedrock geology is dominating responses and masking any subtle placer channel signatures that may be present.

A number of magnetic high anomalies are observable on the ground survey that did show up in the regional magnetics. These include the sections of I028-I032 (running north-south) and I040-I045 (running east-west).

References

Regional Geology: Gordey, S.P. and Makepeace, A.J. (comp.) 1999: Yukon bedrock geology in Yukon digital geology, S.P. Gordey and A.J. Makepeace (comp.); Geological Survey of Canada Open File D3826 and Exploration and Geological Services Division, Yukon, Indian and Northern Affairs Canada, Open File 1999-1(D)

Airborne Geophysics: Shives, R. B. K.; Carson, J. M.; Ford, K. L.; Holman, P. B.; Gordey, S.; Abbott, G., 2002: Airborne multisensor geophysical survey; Geological Survey of Canada, Open File, 4309

Mineral Titles: Yukon Mining Recorder, Mining Claims Database – www.yukonminingrecorder.ca

Topographic data: NR Canada, CanVec Topographic Database-
www.geogratis.ca

Additional review of various published scientific and reporting papers on the geology and mineral deposits of the region for indirect reference.

Appendix I: Statement of Qualifications

I, Isaac Fage, having my place of residence at 982 - 7th Avenue in Dawson City, Yukon Territory do hereby certify that:

1. I obtained an Advanced Diploma in Remote Sensing at the Graduate Level from the Centre for Geographic Sciences, in 2008 and prior to that graduated with a Bachelor of Arts from Dalhousie University in 2002.
2. I am President of Ground Truth Exploration Inc.; the contractor that conducted the exploration field program referred to in this report. I have been employed continuously in the Yukon mineral exploration industry since March 2004.
3. I have directly supervised the field work referred to in this technical report.
4. I have authored this technical report titled: "Geophysical Report on the Carlisle Creek & Independence Creek Placer Prospecting Leases"
5. This report has not been prepared for the purposes, nor in full compliance with, National Instrument 43-101.

Respectfully Submitted on this 6th day of November, 2012.

Isaac Fage

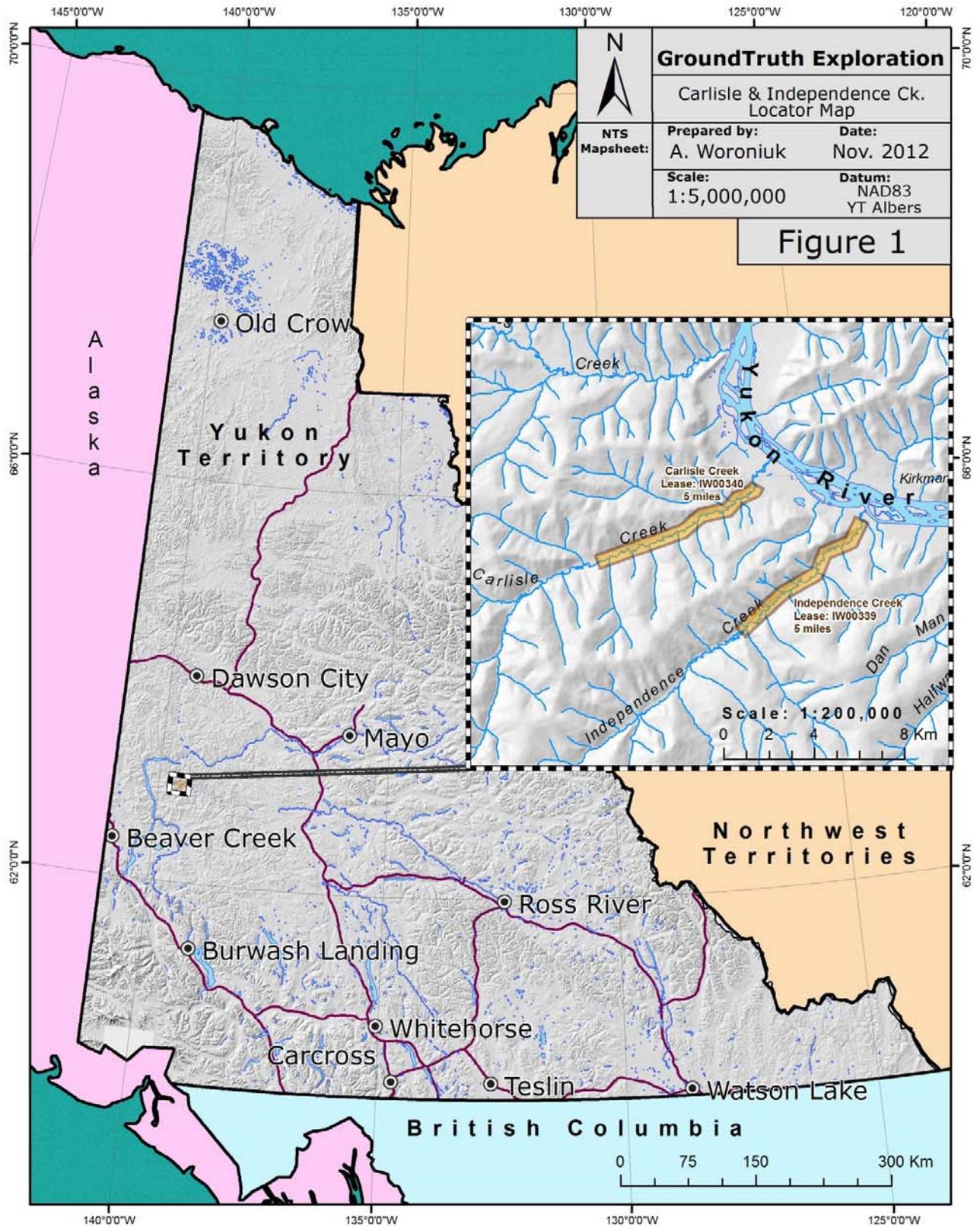
Appendix II: Statement of Expenditures

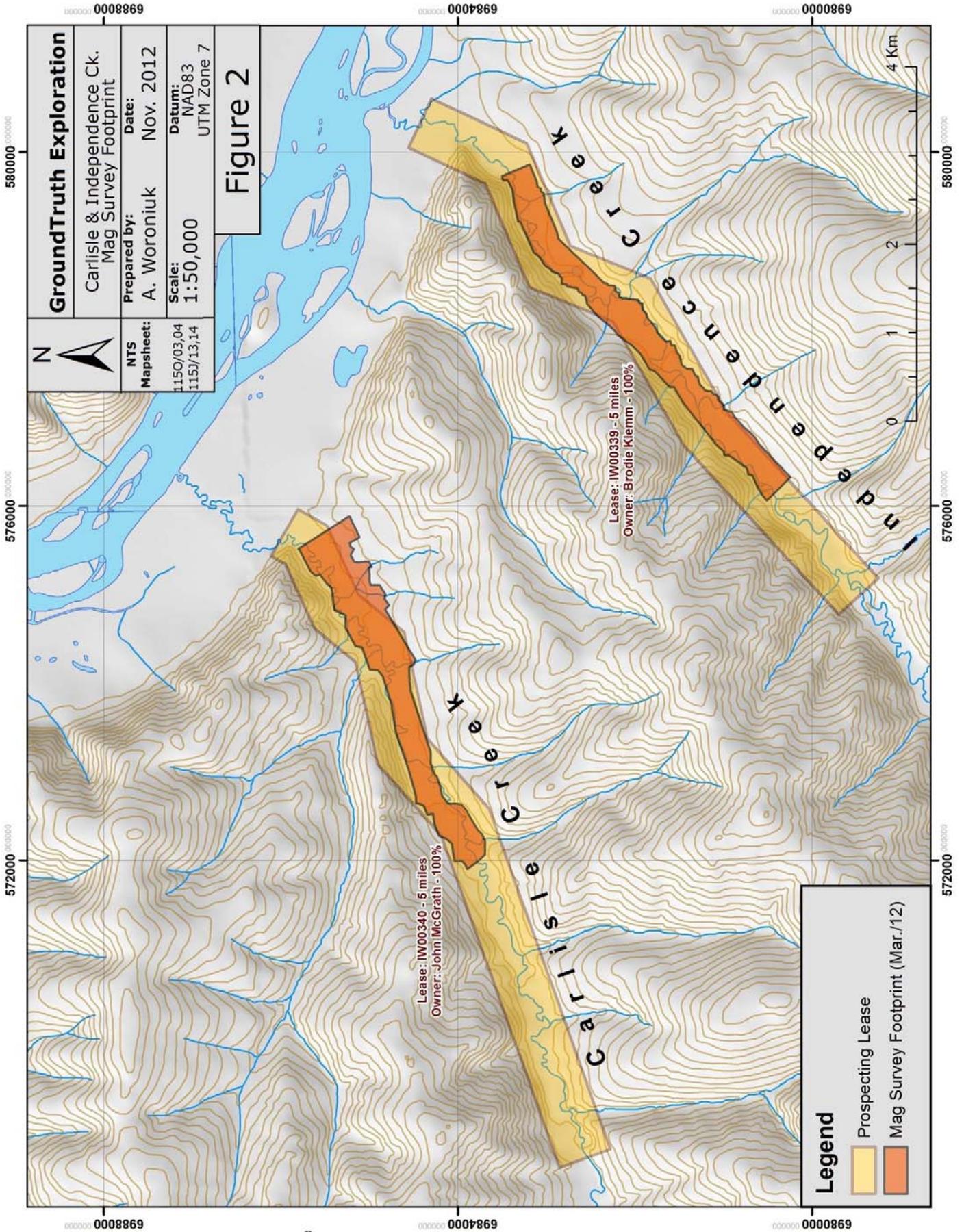
Carlisle Creek Mag				
Task/Rental	Cost/Day or km	Days	Kms	Totals
Line km:	\$250		34	\$8,500
Grid km:	\$150		34	\$5,100
Skidoo (2):	\$250	6		\$1,500
Skimmer(3):	\$75	6		\$450
Chainsaw:	\$35	6		\$210
Sat Phone	\$35	6		\$210
Camp (4 workers):	\$140	6		\$840
Food (4 workers)	\$200	6		\$1,200
Report				\$1,000
Total:				\$19,010

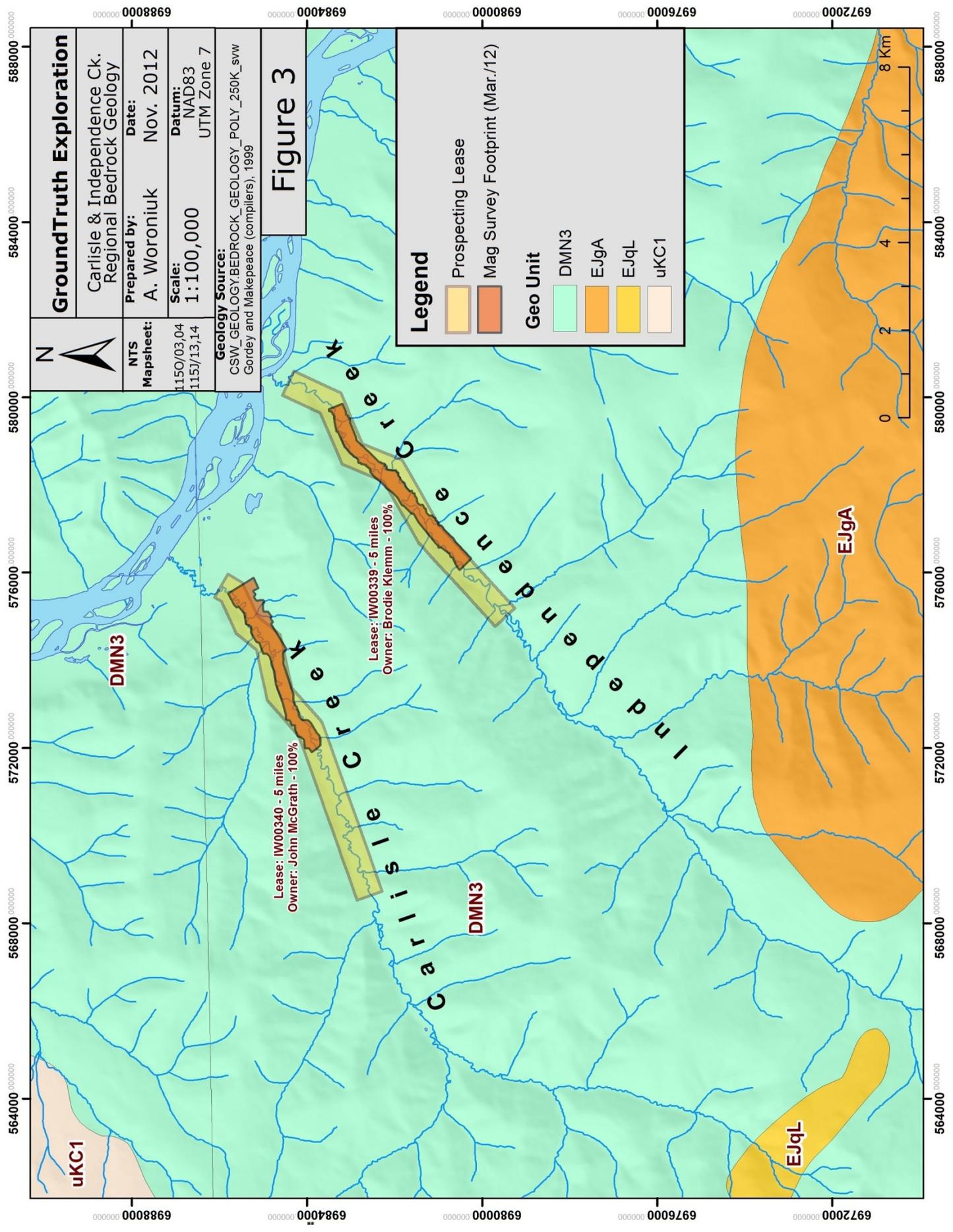
Independence Creek Mag				
Task/Rental	Cost/Day or km	Days	Kms	totals
Line km:	\$250		33	\$8,250
Grid km:	\$150		33	\$4,950
Skidoo (2):	\$250	5		\$1,250
Skimmer(3):	\$75	5		\$375
Chainsaw:	\$35	5		\$175
Sat Phone	\$35	5		\$175
Camp (4 workers):	\$140	5		\$700
Food (4 workers)	\$200	5		\$1,000
Report				\$1,000
Total:				\$17,875

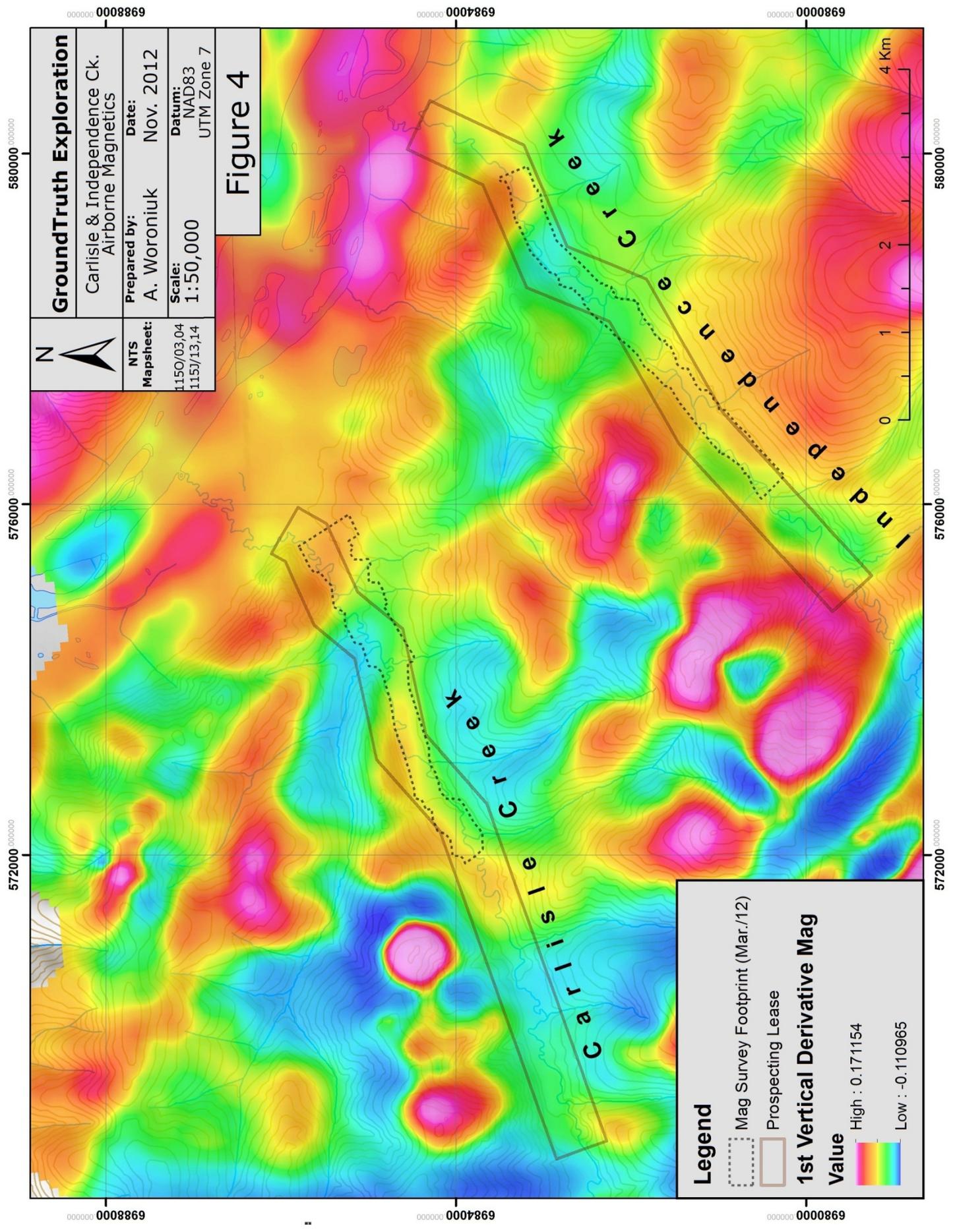
Combined Total (both creeks):	\$36,885
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Appendix III: Maps









	GroundTruth Exploration Carlisle & Independence Ck. Airborne Magnetics	
	Prepared by: A. Woroniuk	Date: Nov. 2012
NTS Mapsheet: 1150/03,04 1153/13,14	Scale: 1:50,000	Datum: NAD83 UTM Zone 7

Figure 4

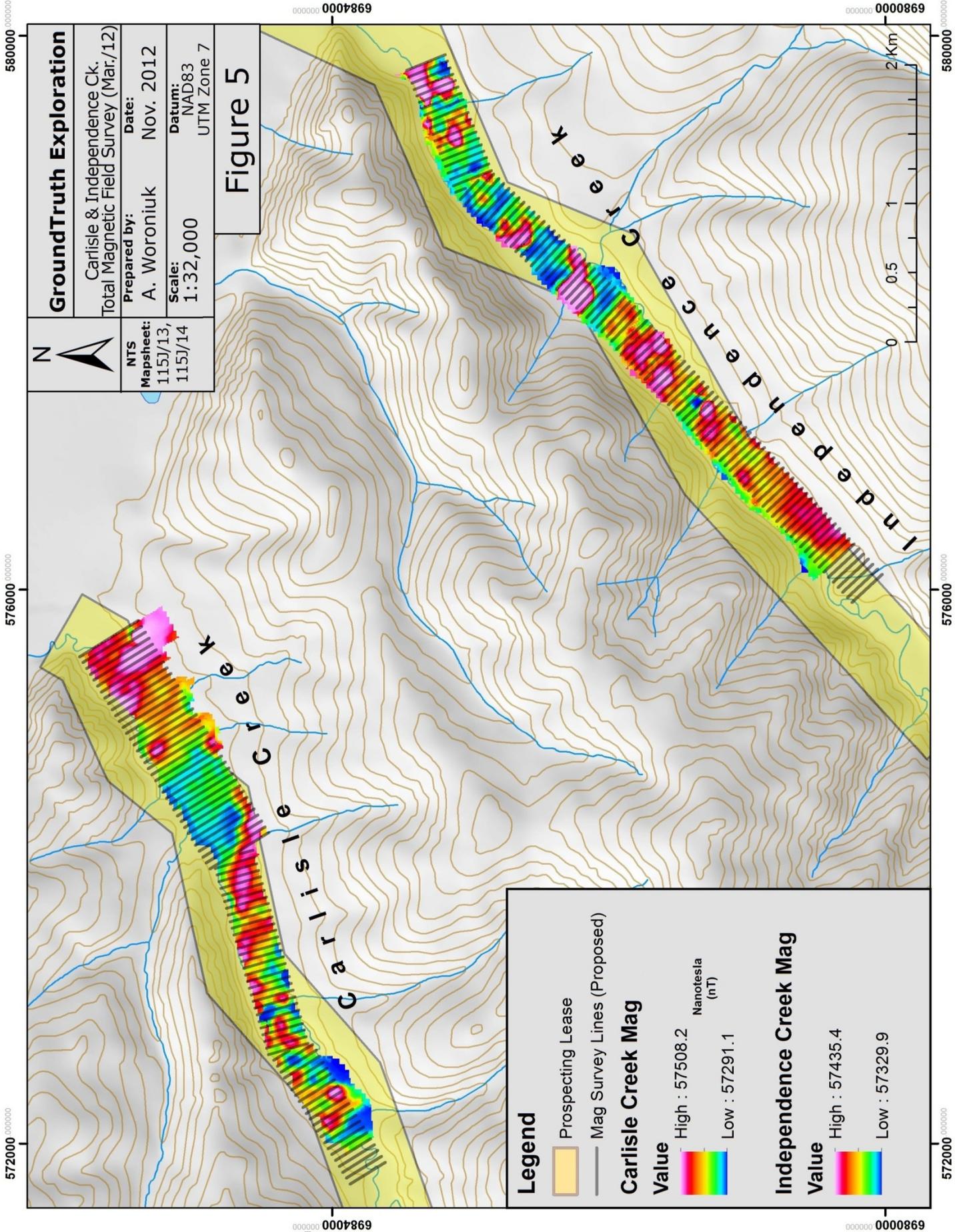
Legend

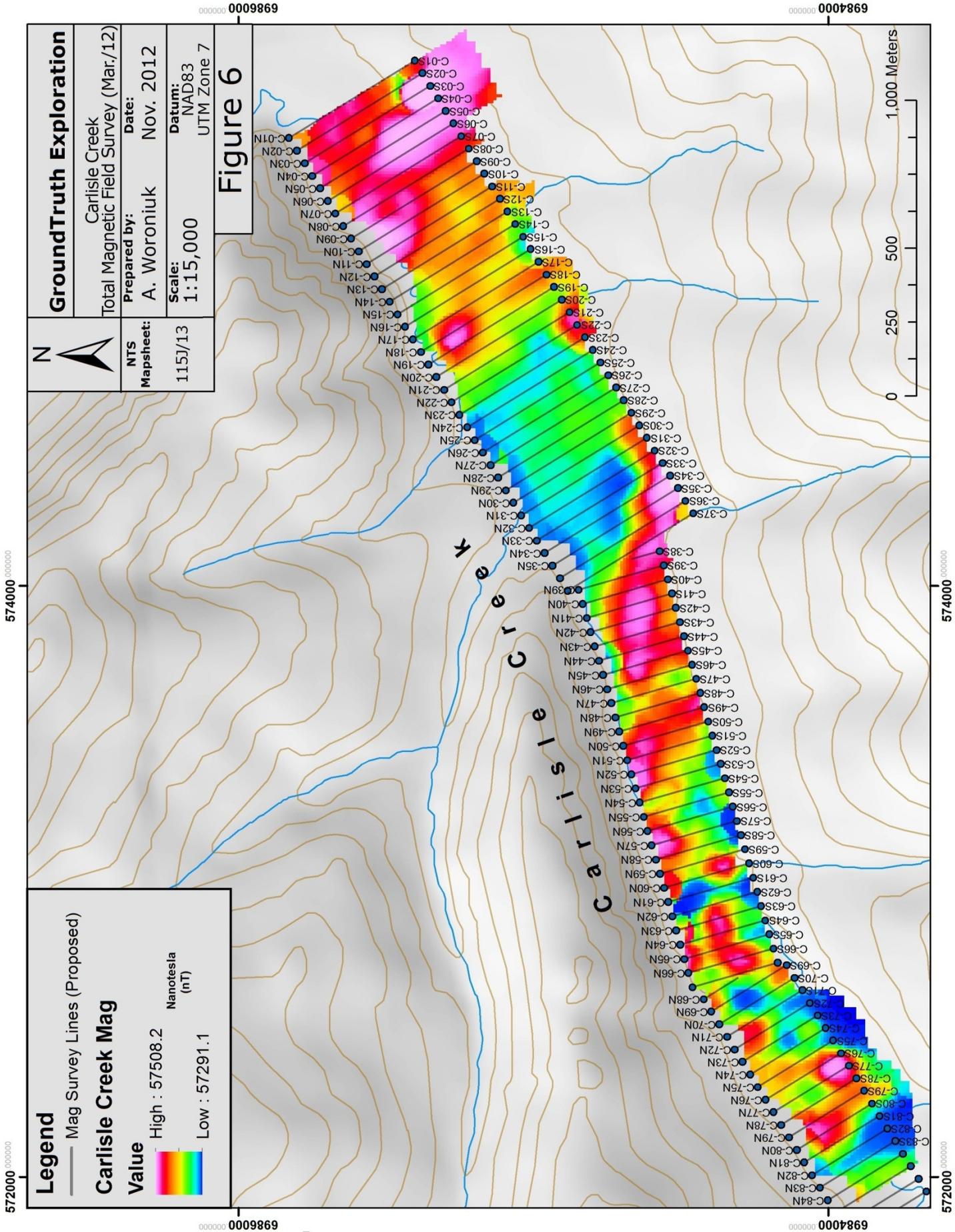
- Mag Survey Footprint (Mar./12)
- Prospecting Lease

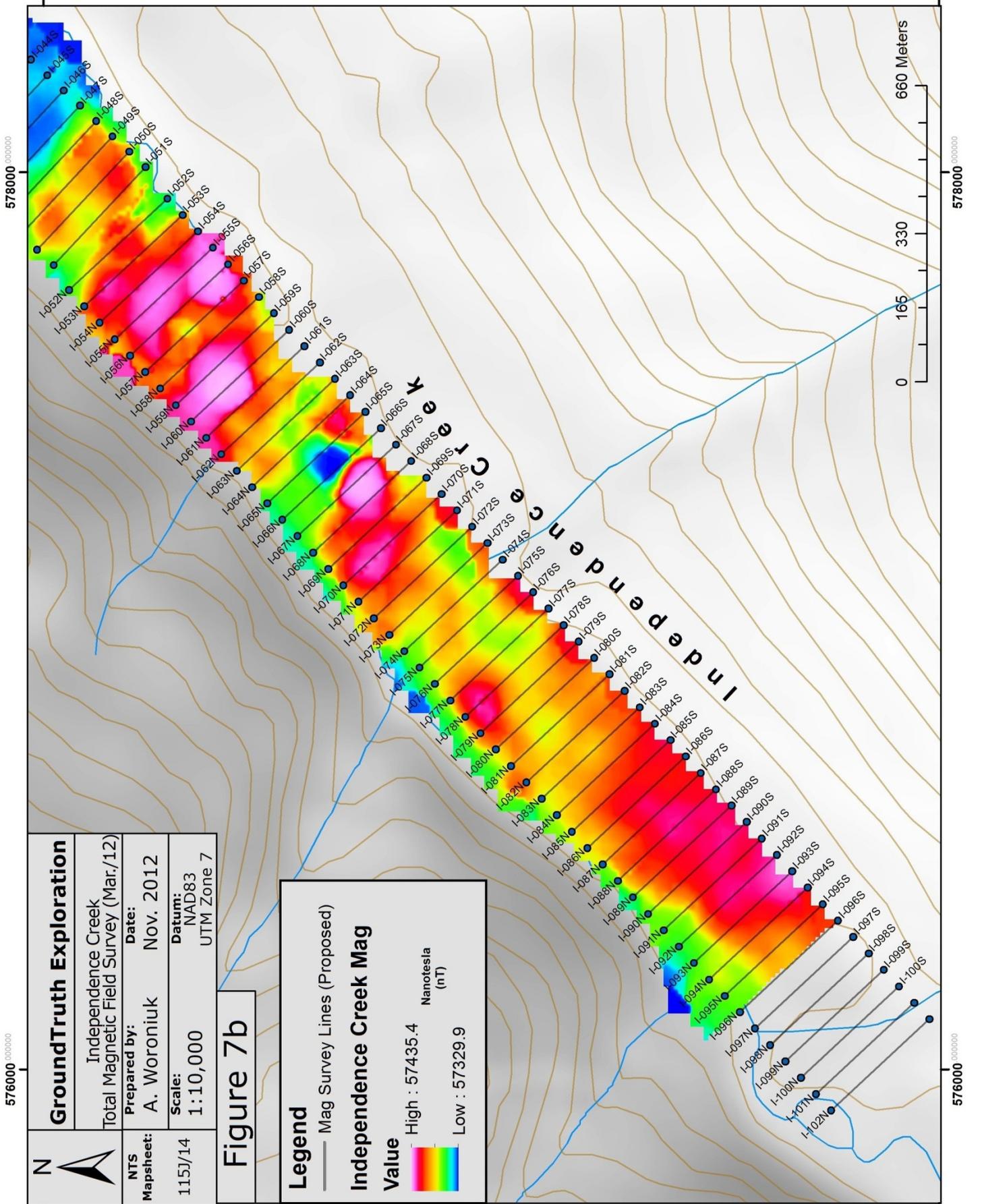
1st Vertical Derivative Mag

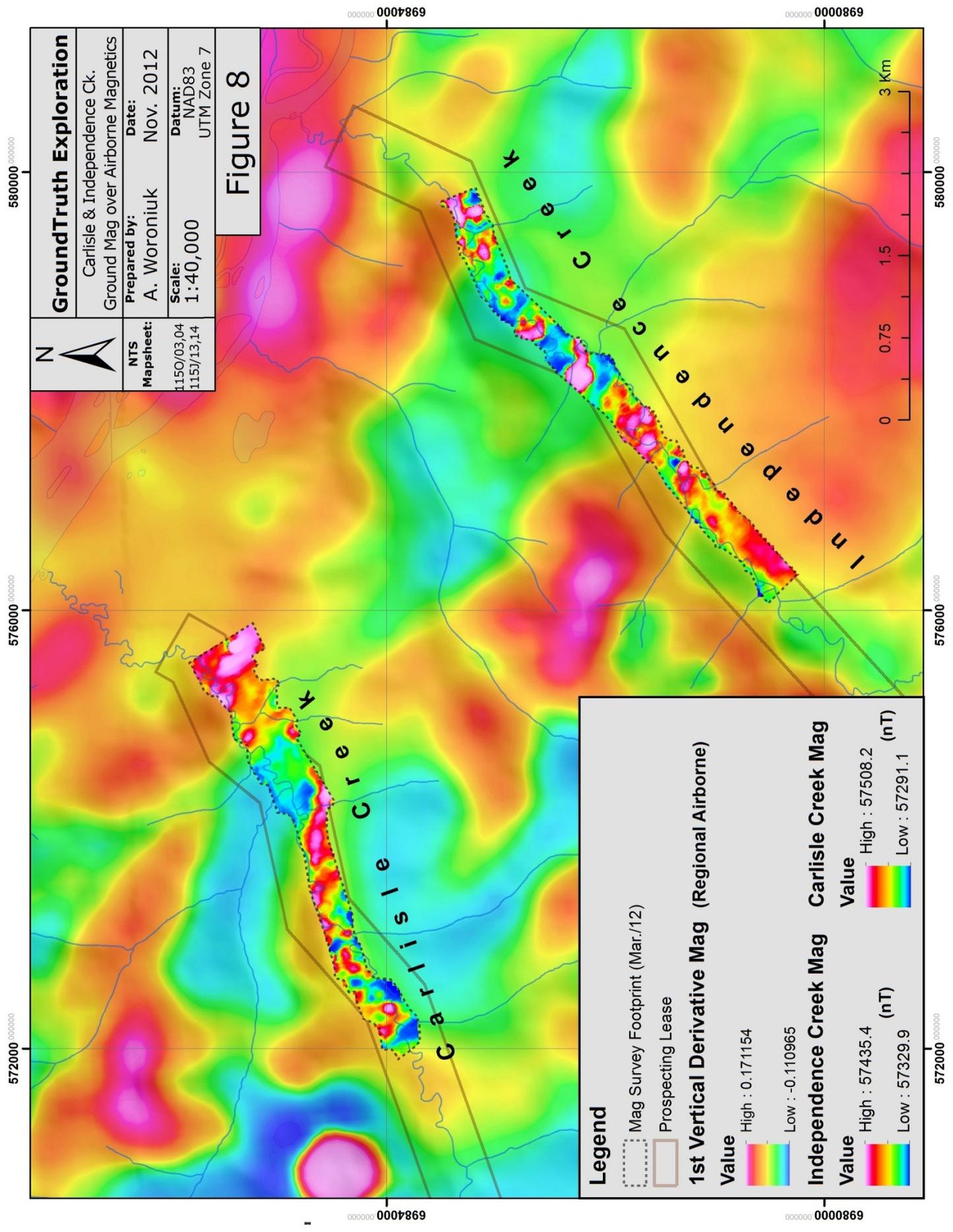
Value

High : 0.171154
 Low : -0.110965









	GroundTruth Exploration Carlisle & Independence Ck. Ground Mag over Airborne Magnetics	
	Prepared by: A. Woroniuk	Date: Nov. 2012
NTS Mapsheet: 1150/03,04 1153/13,14	Scale: 1:40,000	Datum: NAD83 UTM Zone 7

Figure 8

Legend

- Mag Survey Footprint (Mar./12)
- Prospecting Lease

1st Vertical Derivative Mag (Regional Airborne) Value High : 0.171154 Low : -0.110965	Independence Creek Mag Value High : 57435.4 (nT) Low : 57329.9 (nT)	Carlisle Creek Mag Value High : 57508.2 (nT) Low : 57291.1 (nT)
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