[redacted]

FRYPAN CREEK PLACER PROPERTY

WHITEHORSE MINING DISTRICT, YUKON TERRITORY

for

Xiang Li

Report prepared for Assessment Credit by William LeBarge,
Geoplacer Exploration Ltd.

Geophysics by
Jim Coates, Kryotek Inc./Dark Side Drilling

Location: Between 61°19’54 “N to 61°20’19”N and 139°10’29”W to 139°11’27” W
NTS: 115G/06
Mining District: Whitehorse
Dates of Work: July 22 to July 28, 2013
Date of Filing: August 16, 2013

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EXECUTIVE SUMMARY

An exploration program consisting of 2D resistivity geophysical surveys along with basic prospecting and gravel sampling was conducted on an unnamed left limit tributary of Duke River, also locally known as Frypan Creek, between July 22 and July 28, 2013.

Frypan Creek drains into the Duke River on its left limit, and Duke River drains into the Kluane River. The current claims owned by Xiang Li on Frypan Creek were staked in October 1982, and have been held by several owners since that time.

Frypan Creek has had intermittent testing and small scale mining activity in the past, with a total amount of gold royalties reported to the Yukon Government as 356 ounces.

Placer gold values have been found in previous testing with an average grade of 0.33148 ounces per loose cubic yard (13.48 g/cubic metre). Placer gold was found in both glacial till and creek alluvium.

The 2013 Exploration program included 10 - 2D Resistivity lines for a total combined length of approximately 470 metres. Six of the profiles were successful in showing bedrock contacts while four of the profiles were not interpretable because of signal noise.

One sample of clay-rich pebbly gravel was panned by Geoplacer Exploration Ltd. Several flaky colours of gold were recovered along with abundant magnetite and some pyrite.

In general, the geophysics showed a depth to bedrock of 2 to 5 metres with one deeper channel at 8 metres. A left limit channel is apparent at the 9.0 metre station on Profile DK8 and again at 19.0 metres on Profile DK4. This is an excellent exploration target for a buried placer pay channel.

Follow-up testing by excavator is recommended for further defining placer gold values and confirming bedrock depths interpreted by the 2D resistivity surveys, in particular the target identified in Profile DK4 and Profile DK8. Bulk excavator tests should be a minimum volume of 5 cubic metres each to adequately test for the presence of coarse gold values.

Due to the washing out of the access road and the presence of the placer claim group within First Nations Category A Settlement Land, a Land Use Permit application for road reconstruction should be filed a full season prior to any planned mechanized exploration activity. This will also involve contacting the Kluane First Nation administration to ensure cooperation and compliance with their land use policies.

Introduction

This report is to support and document an exploration program conducted on an unnamed left limit tributary of Duke River, also locally known as Frypan Creek. Work was conducted between July 22 and July 28, 2013. The program consisted of 2D resistivity geophysical surveys along with basic prospecting and gravel sampling.

Location and Access

Frypan Creek drains W to E into the Duke River on its left limit, and Duke River drains north into the Kluane River. The area of the claims is located between 61°19'54 "N to 61°20'19"N and 139°10'29"W to 139°11'27" W, on NTS map sheet 115G/06.

The turnoff to the Duke River road is approximately 295 km west of Whitehorse along the Alaska Highway, approximately 10 km west of the village of Burwash Landing. Prior to the July 22 flooding event, a good quality road led 5 km along the west bank of the Duke River to the claims. After the July 22 flood event, the road was washed out and the claims are currently only accessible by helicopter, ATV or on foot.

Plate 1 - View of Frypan Creek at its confluence with the Duke River, August 9, 2010.

Figure 1 - Location of unnamed left limit tributary of Duke River (Frypan Creek), Yukon.

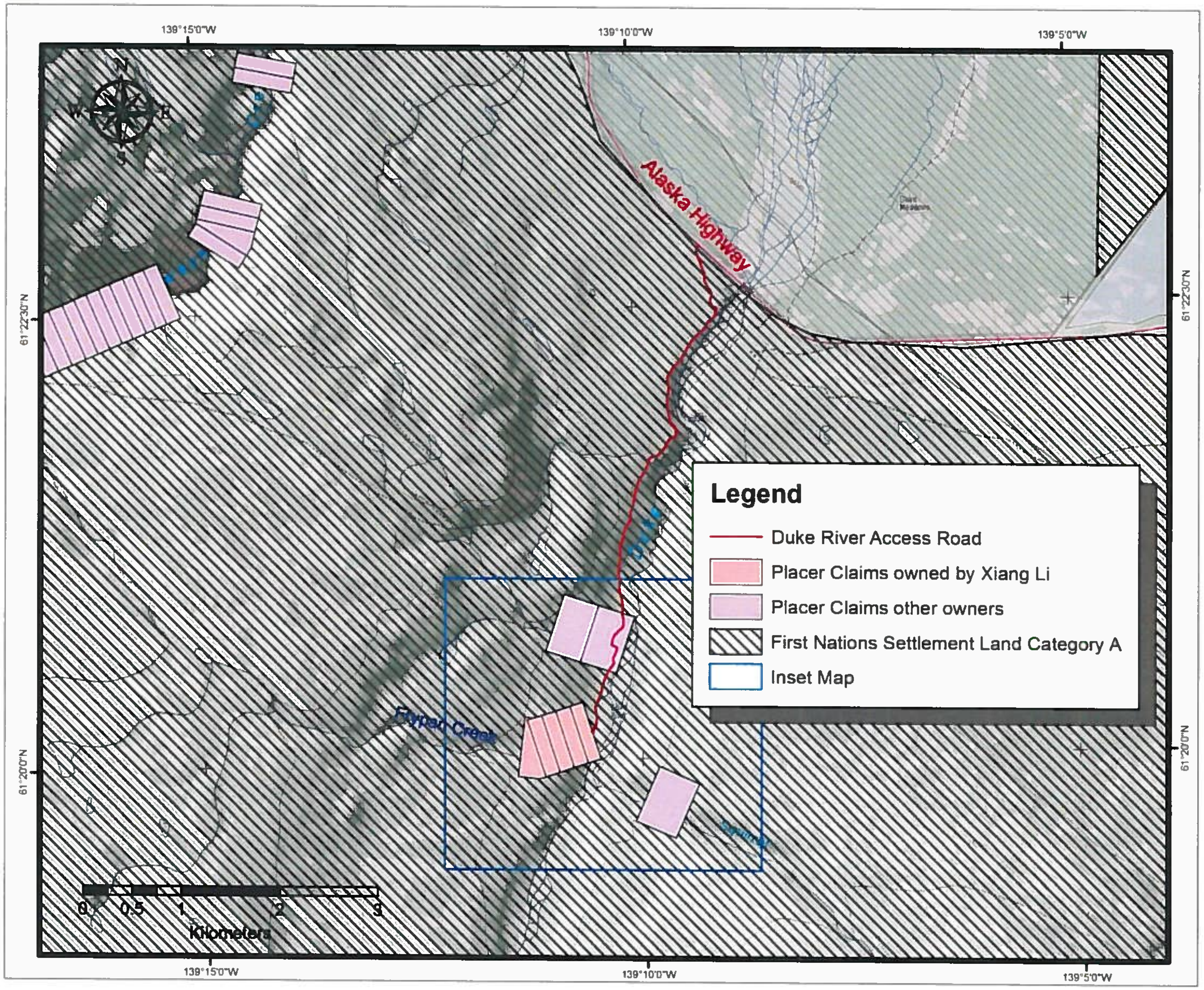

Figure 2 - Placer Claims and Leases, Duke River. Inset map on Figure 3, following.

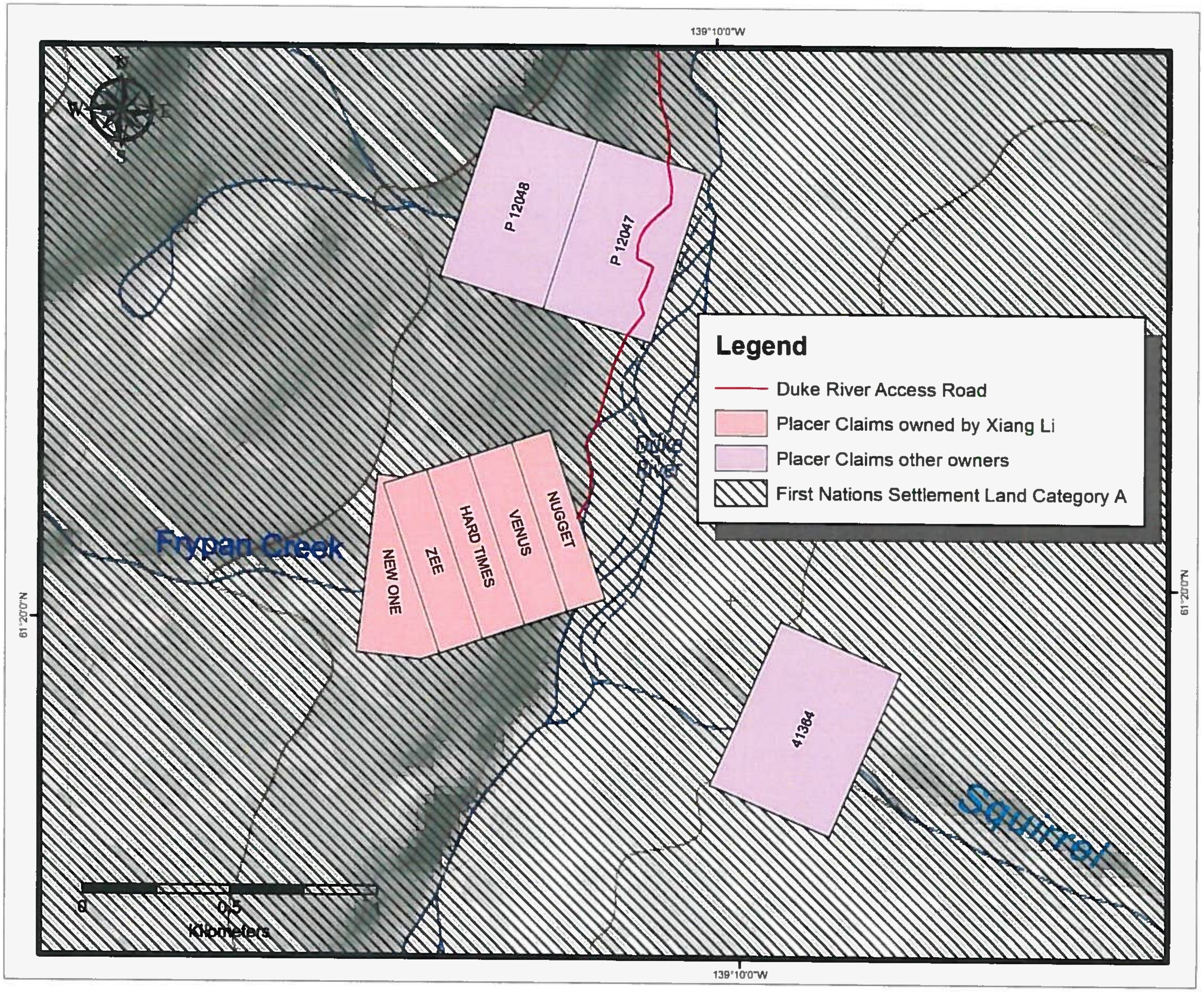

Figure 3 - Inset map showing placer claims, Frypan Creek.

Claim Status and Tenure

Table 1 and Figures 2 and 3 show the status and location of the 5 placer claims which are 100% owned by Xiang (Walter) Li. With the filing of the current program's assessment work, an additional five years credit will be gained.

Table 1 - Claim Status Frypan Creek (Unnamed Left Limit Tributary of Duke River).

Grant Number	Tenure Type	Status	Claim Name	Owner	Staking Date	Recorded Date	Expiry Date
P 23356	Placer	Active	ZEE	Xiang Li - 100%	15-Nov-82	24-Nov-82	31-Dec-13
P 23300	Placer	Active	HARD TIMES	Xiang Li - 100%	08-Oct-82	25-Oct-82	31-Dec-13
P 23276	Placer	Active	NUGGET	Xiang Li - 100%	08-Oct-82	14-Oct-82	31-Dec-13
P 23301	Placer	Active	NEW ONE	Xiang Li - 100%	08-Oct-82	25-Oct-82	31-Dec-13
P 23280	Placer	Active	VENUS	Xiang Li - 100%	08-Oct-82	15-Oct-82	31-Dec-13

History of Exploration

The current claims owned by Xiang Li on Frypan Creek were staked in October 1982, and have been held by several owners since that time.

Frypan Creek has had intermittent testing and small scale mining activity, the most significant of which was in 1993 when 2500 cubic yards of material were processed (Galambos, 2009). Although 256 ounces were said to have been recovered in 1993, this does not appear in Yukon Government Royalty Records. In 2008 however, 356 ounces were reported as royalties, although no water license or mining land use permit was active on the creek at the time.

An evaluation program by Galambos (1995) surmised that placer gold was distributed in both the creek gravels and in the glacial till on the property. The average grade of the samples collected during the program was 0.33148 ounces per loose cubic yard (13.48 g/cubic metre). Many of the samples contained a high clay content which proved problematic for the processing at the time (Galambos 1995).

Regional Bedrock Geology

Frypan Creek is part of the Duke River geological belt as described by Israel et al. (2005) and Israel et al (2006). This area is comprised of Late Paleozoic volcanic and sedimentary rocks, Triassic basalts, and carbonate and sedimentary rocks which are overlain by Tertiary sedimentary and volcanic rocks. Plutons, sills and dykes of Upper Triassic to Miocene age intrude these rocks. Paleozoic rocks are thrusted over Triassic rocks and post-Cretaceous, steeply dipping strike-slip faults dissect the sequence. One of these is the Denali Fault within the Shakwak trench which forms a major terrane boundary a few km to the northeast. The most significant mineral deposit in the area is the Wellgreen Ni-Cu-PGE deposit, which is hosted in Upper Triassic ultramafic intrusions of the Kluane Ultramafic complex.

Local Bedrock Geology and Mineralization

Figure 4 shows the bedrock geology in the Frypan Creek area, after Israel et al (2005). The legend for the rock units is shown in Figure 5. Local bedrock mapping shows that rocks of PSv (Station Creek Formation volcanic breccia, tuff, sandstone and basalt) and PHp (Hasen Creek Formation siltstone, argillite, chert and minor sandstone and tuffs) as well as UTrg (Triassic Kluane ultramafic complex gabbro), UTru (Kluane ultramafic complex peridotite, dunite), UTrKp (Triassic Tatamagouche Formation phyllite, coarse-grained sandstone and pebble conglomerate) and UTrNv (Triassic Nikolai Formation basalt and andesitic flows). The units transect the Frypan Creek drainage with fault-bounded contacts trending in a NW-SE direction. The vicinity of the claims is mapped as PSv (Station Creek Formation volcanic breccia, tuff, sandstone and basalt). The closest mineral occurrence is Minfile #115G008 Squirrel, a gabbroid Cu-Ni-PGE occurrence (Deklerk and Traynor, 2005). No additional information is available on the occurrence.

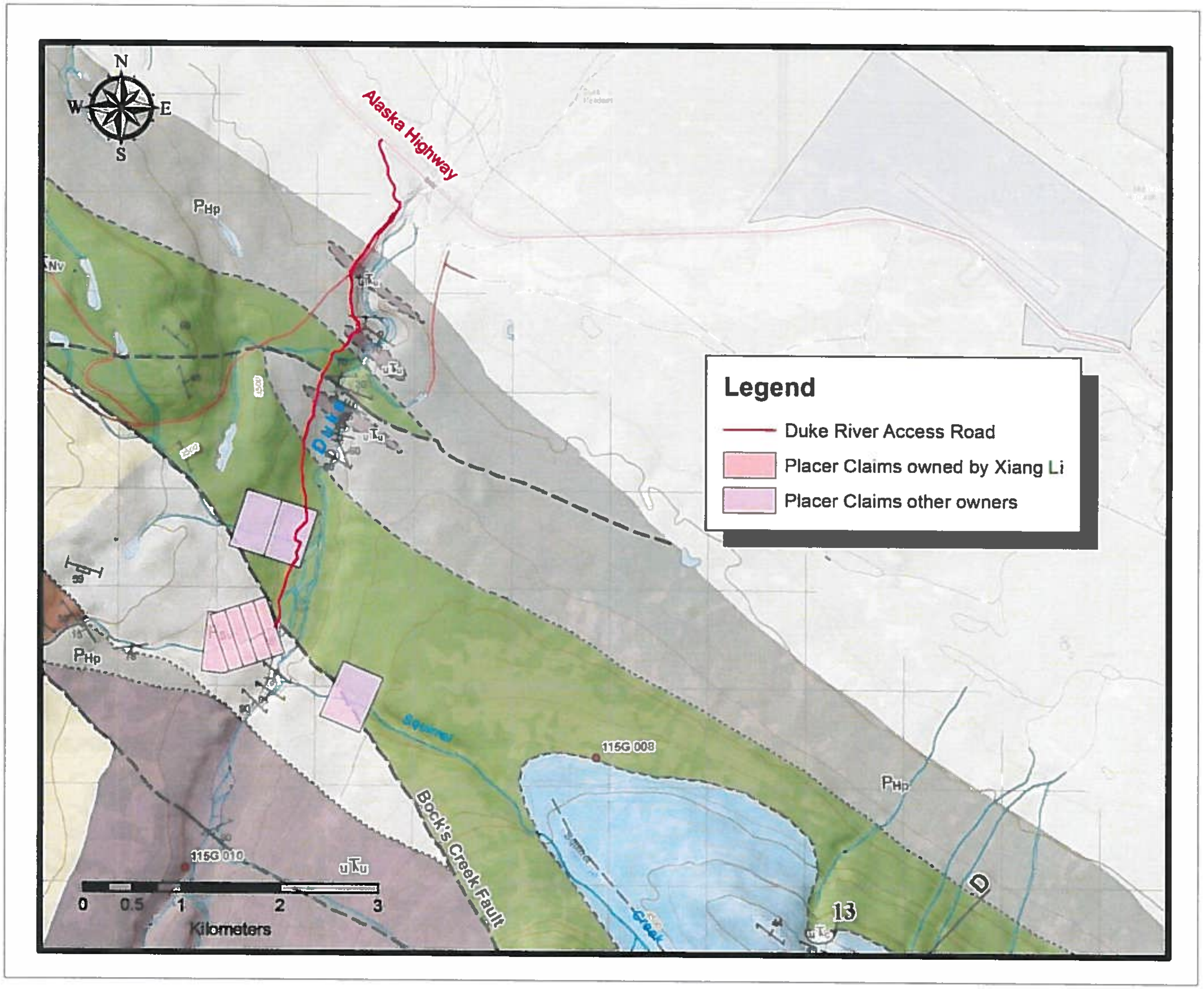

Figure 4 - Bedrock Geology, Duke River area (Geology legend on Figure 4, following). Modified after Israel et al., 2005.

LEGEND

QUATERNARY

- **Q** — unconsolidated alluvium, colluvium and glacial deposits

INTRUSIVE ROCKS

MIOCENE

Wrangell Suite

- **Mw** — fine- to- medium grained, hornblende +/- biotite granodiorite and medium-grained biotite diorite and pyroxene gabbro

OLIGOCENE

Tkope suite

- **Ofp** — fine- to medium-grained, equigranular hornblende +/- biotite quartz-feldspar porphyry

CRETACEOUS

Kluane Ranges suite

- **Kd** — fine- to medium-grained, equigranular hornblende +/- pyroxene diorite and gabbro

TRIASSIC

Maple Creek gabbro

- **uTMg** — fine- to coarse-grained diabase and gabbro sills and dykes, locally abundant epidote and chlorite alteration; locally, columnar jointed

Kluane mafic-ultramafic complex

- **uTg** — coarse-grained and pegmatitic gabbro
- **uTu** — peridotite, dunite and clinopyroxenite, layered intrusions, locally with gabbroic chilled margins

PENNSYLVANIAN to PERMIAN (?)

Mt. Hoge Pluton

- **PPg** — coarse- to medium-grained, hornblende, biotite granite and granodiorite

LAYERED ROCKS

PALEOGENE TO NEOGENE

Wrangell Lava

- **Nw** — rusty red, brown phyric and non-phyric basalt and andesite flows, interbedded with felsic tuff, volcanic sandstone and conglomerate

Amphitheatre Formation

- **OA** — yellow-buff to grey-buff sandstone, pebbly sandstone, polymictic conglomerate, siltstone and mudstone; minor brown-grey carbonaceous shale and thin lignitic coal

TRIASSIC TO CRETACEOUS

Tatamagouche succession

- **uTKp** — dark to light grey phyllite, medium- to coarse-grained sandstone minor greywacke and pebble to cobble conglomerate, may include upper parts of McCarthy Formation

UPPER TRIASSIC

Chitistone Limestone

- **uTC** — light grey to beige, massive to thickly bedded limestone, limestone breccia and rare, thinly bedded limy mudstone; includes white to pale grey gypsum

McCarthy Formation

- **uTM** — light to dark grey shale and argillite interbedded with buff-coloured limestone

Nikolai formation

- **uTNc** — thinly bedded grey limestone and minor maroon to olive green argillite
- **uTNv** — dark green to maroon amygdaloidal basalt and basaltic andesite flows, locally pyroxene and plagioclase-phyric; developed pillows; rare olivine crystals
- **uTNb** — light to dark green volcanic breccia; angular clasts of amygdaloidal and pyroxene porphyry volcanic rocks and minor argillite in a fine-grained matrix

MIDDLE (?) TRIASSIC

Hoge Creek succession

- **MTH** — dark grey phyllite, locally limy, thin grey limestone

PENNSYLVANIAN (?) AND PERMIAN

Hasen Creek Formation

- **PHc2** — light to dark grey limestone, fossiliferous and frequently pebbly, commonly graded and cross-bedded
- **PHc1** — light grey to white bioclastic limestone, local cherty interbeds
- **PHp** — dark to light grey-brown siltstone turbidites, siliceous argillite, chert and minor volcaniclastic sandstone and tuffs

Station Creek Formation

- **PSv** — dark to light green volcanic breccia, crystal tuff and tuffaceous sandstone; breccia clasts consist of augite phyric basalt within tuffaceous matrix; minor augite phyric, local amygdaloidal basalt flows

UPPER PALEOZOIC/PERMIAN (?)

- **uPPpc** — grey and brown phyllite, metasandstone, unfossiliferous carbonate

Figure 5 - Legend to Bedrock Geology, from Israel et al., 2005.

Physiography, Quaternary History and Surficial Geology

Frypan Ccreek lies within the Kluane Ranges physiographic region of the Yukon. The Duke River drains into the western mapped boundary of the Shakwak Trench (Mathews, 1986).

As documented by Muller (1967), several glacial episodes have occurred in the area in the last 3 million years. Each has resulted in deposition of ice-related sediment, followed by a cycle of base-level adjustments through downcutting, canyon formation and reworking of unconsolidated sediments.

The surficial geology of the Duke River and Frypan Creek area was mapped by Rampton (1980a, 1980b). Local surficial units include Mb (moraine blanket), Mp (moraine plain) and At (alluvial terrace) in the slopes above the valley to gGh (glaciofluvial hummocky gravel) on the slope near Duke River at the edge of Shawak valley. The main valley of Duke River includes both At (alluvial terrace) and Ap (alluvial plain) units while the valley of Frypan Creek itself is mapped as a stream-cut ravine dissecting a moraine plain (Mp). These features are shown in Figure 6.

Placer Setting and Potential

The Frypan Creek surficial geology as mapped offers little clue to the type of placer deposits present there. Exploration work by Galambos (1995) indicated that placer gold was found in both glacial till and creek alluvium. It is relatively rare for economic values of placer gold to be found in glacial till, although it does occur (LeBarge, 1995). This type of setting usually occurs when a paleoplacer or previously-existing gold-bearing alluvium is intersected and reworked by the glacial ice. This may have occurred in the Duke River area and points to the potential for placer gold in a buried paleochannel setting.

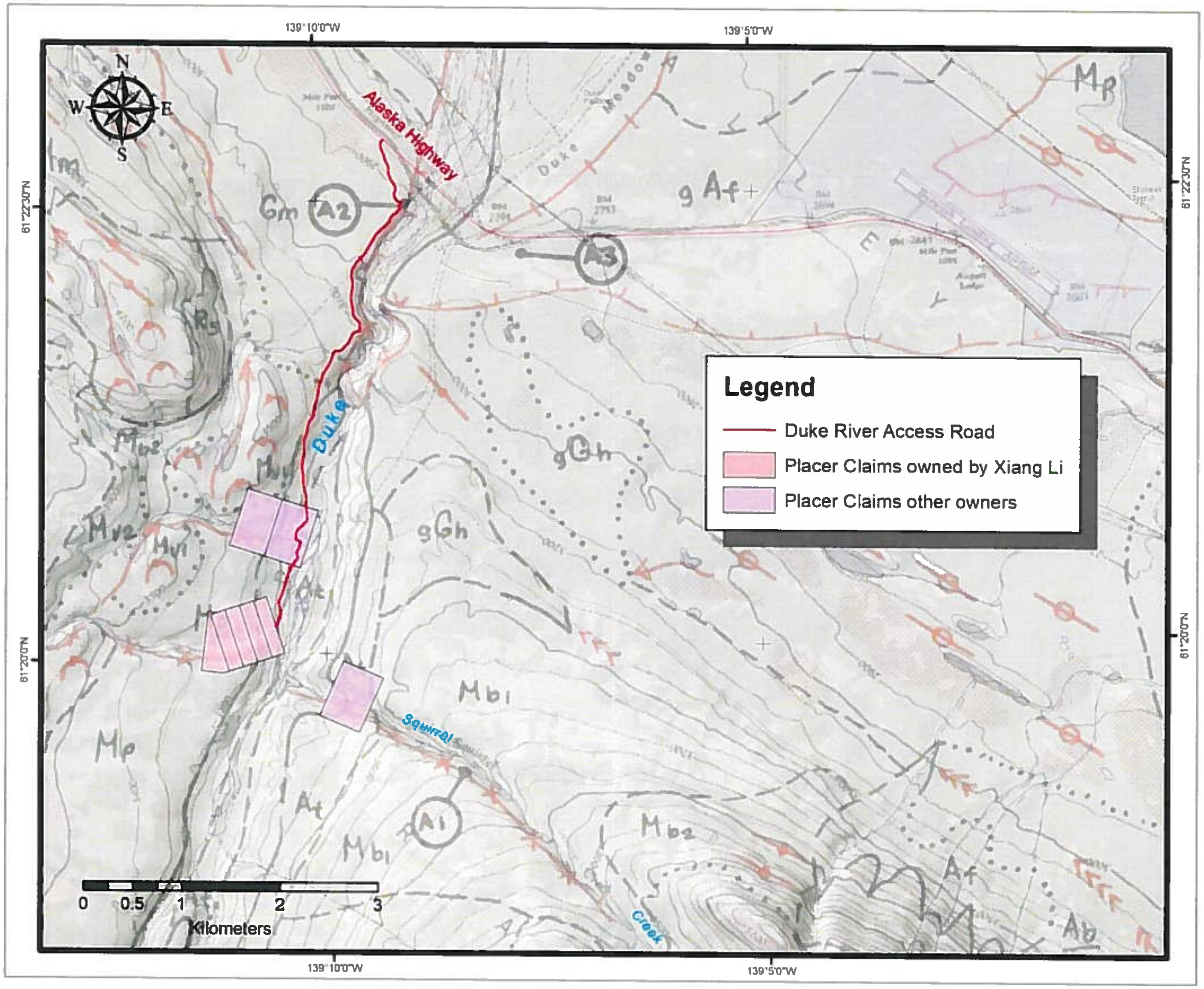

Figure 6 - Surficial Geology, Frypan Creek and Duke River area (Legend in text). After Rampton, 1980b.

Exploration Program 2013

The 2013 exploration program consisted of 2D Resistivity geophysical surveys, basic prospecting and gravel sampling. These are discussed in the sections following.

2D Resistivity Geophysical Surveys

Methodology

The geophysical contractor was Kryotek Inc. of Whitehorse. The start and end points of each survey line were measured in the field using a Garmin 60CSx GPS.

A Lippmann 4-point Resistivity System was used. This system allowed up to 20 m of depth penetration. Data was collected and inverted using AGI Earth Imager 2D software. Noisy data points and electrodes with poor contact resistance were removed and data was filtered for spikes or depressions in resistivity. The software produced two-dimensional tomograms using a smoothed, least squares damped and robust inversion parameters. Preliminary interpretations were conducted.

DC Electrical Resistivity Tomography

This technique injects a direct electrical current into the ground surface, and then measures the voltage that remains at a number of distances from the injection point. As different soils have different resistances to electrical current, a tomogram (subsurface diagram) of resistivities can be produced. This technique is useful for displaying the high-resistance regions of bedrock and ground-ice.

Earth Imager 2D Software

Earth Imager 2D software by Advanced Geosciences Inc. was used to invert and process the geophysics data. This software produced two-dimensional tomograms of resistivity data. The images were processed using both smoothed and robust inversion parameters in order to clarify transitions between material types as well as resistivity properties of those materials. The images were interpreted by James Coates and features such as thawed regions, ice-rich permafrost, competent bedrock, degraded bedrock and top of bedrock contours were identified.

Geophysical Disclaimer (Kryotek Inc.)

Subsurface information shown on these drawings was obtained solely for use in establishing design controls for the project. The accuracy of this information is not guaranteed and it is not to be construed as part of the plans governing construction of the project. It is the bidder's responsibility to inquire of the owner if additional information is available, to make arrangements to review the same prior to bidding, to conduct whatever site investigation or testing may be required, and to make his own determinations as to all subsurface conditions. James Coates and Kryotek Arctic Innovation Inc. accept no liability whatsoever for any use or application of this information by any and all authorized or unauthorized parties.

Results

A total of 10, 2D Resistivity Lines were measured on the property for a total combined length of approximately 470 metres. The start and endpoints of the lines are compiled in Table 2 and the geophysical lines are plotted on Figure7. Six of the profiles are shown and summarized in the section following. Four of the profiles were not interpretable because of signal noise due to the presence of large boulders, metal debris, permafrost and groundwater.

Table 2 - Start and end points of Geophysical Survey lines, Frypan Creek.

Name of waypoint	Latitude	Longitude	Elevation (m)
DK Line 1 End	61° 20' 2.92" N	139° 11' 15.43" W	982
DK Line 1 Start	61° 20' 3.52" N	139° 11' 16.07" W	973
DK Line 2 End	61° 20' 2.91" N	139° 11' 21.89" W	970
DK Line 2 Start	61° 20' 3.52" N	139° 11' 16.07" W	973
DK Line 3 End	61° 20' 9.15" N	139° 10' 40.48" W	931
DK Line 3 Start	61° 20' 9.59" N	139° 10' 34.81" W	926
DK Line 4 End	61° 20' 8.41" N	139° 10' 38.31" W	937
DK Line 4 Start	61° 20' 9.68" N	139° 10' 39.17" W	929
DK Line 5 End	61° 20' 7.83" N	139° 10' 43.66" W	932
DK Line 5 Start	61° 20' 9.69" N	139° 10' 39.78" W	930
DK Line 6 End	61° 20' 8.74" N	139° 10' 43.67" W	934
DK Line 6 Start	61° 20' 8.48" N	139° 10' 43.48" W	935
DK Line 7 End	61° 20' 7.59" N	139° 10' 49.26" W	952
DK Line 7 Start	61° 20' 8.03" N	139° 10' 45.93" W	947
DK Line 8 End	61° 20' 6.64" N	139° 10' 50.72" W	958
DK Line 8 Start	61° 20' 5.85" N	139° 10' 50.36" W	955
DK Line 9 End	61° 20' 5.11" N	139° 10' 57.34" W	960
DK Line 9 Start	61° 20' 4.90" N	139° 10' 54.05" W	959
DK Line 10 End	61° 20' 5.33" N	139° 10' 54.30" W	959
DK Line 10 Start	61° 20' 4.90" N	139° 10' 54.05" W	959

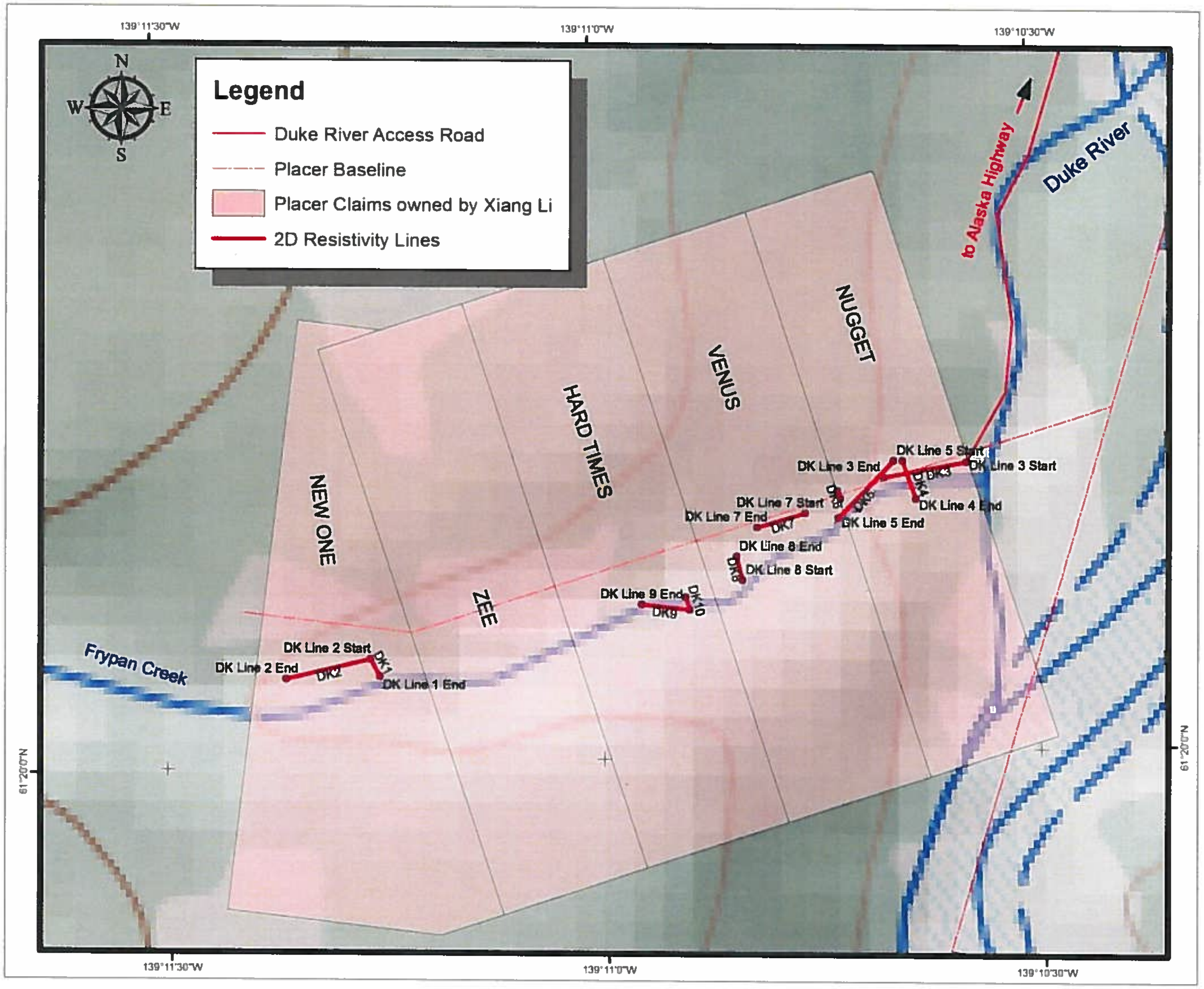

Figure 7 - Location of 2D resistivity lines, Frypan Creek.

Profiles and Interpretations

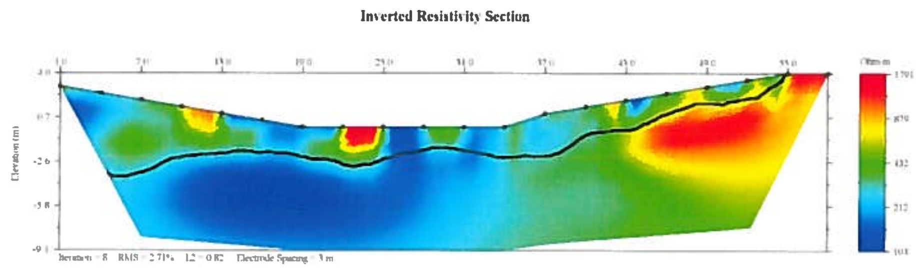

Figure 8 - Profile DK1 – This line runs perpendicular to the creek and shows undulating bedrock dipping to the north, and some channelization.

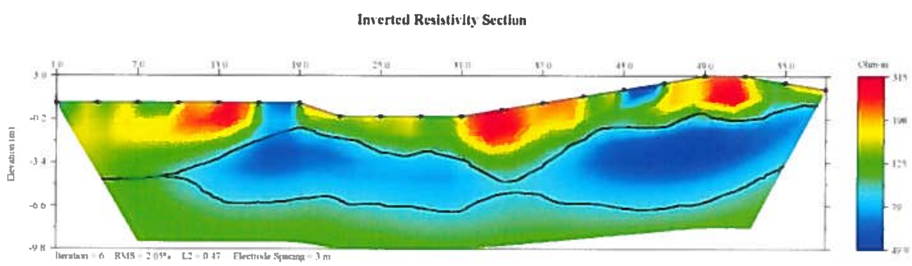

Figure 9 - Profile DK2 - This line runs parallel to the creek and it shows anomalous breaks in the bedrock profile although bedrock is generally climbing in the upstream direction, varying from 2 to 4.5 metres. A zone appears at depth which may be an alternative bedrock depth interpretation at up to 6.5 metres.

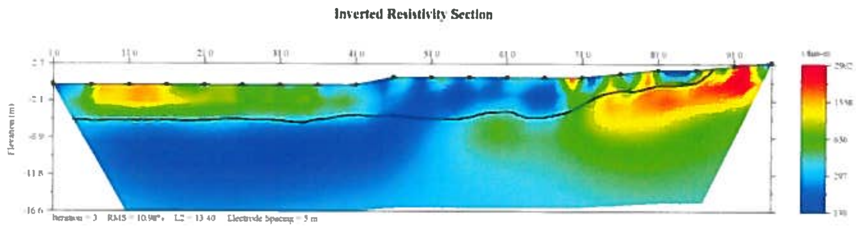

Figure 10 - Profile DK3 - This line runs parallel to the creek and shows bedrock climbing upstream at a depth of 0 to 5 metres.

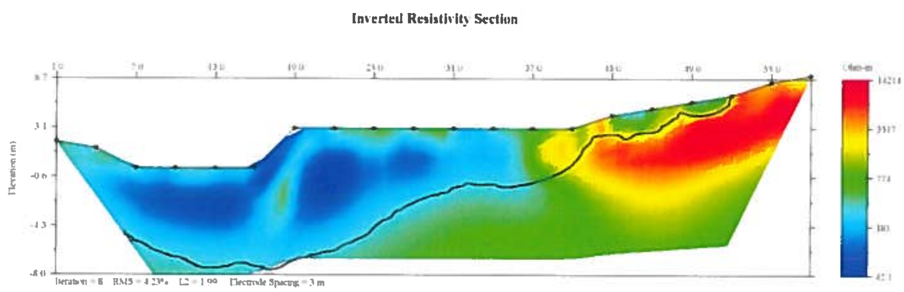

Figure 11 - Profile DK4 - This line runs perpendicular to the creek and shows a relatively deep channel on the left limit and beneath the current stream at a depth of 8 metres.

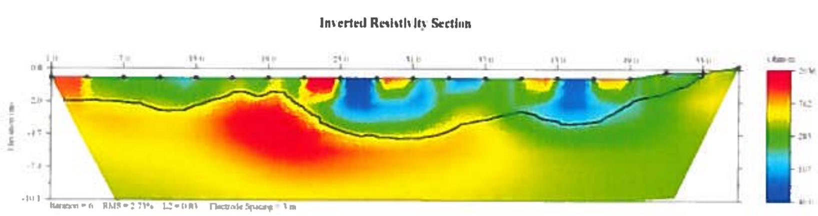

Figure 12 - Profile DK5 - This line runs parallel to the creek and shows undulating bedrock at depths of 2 to 5 metres.

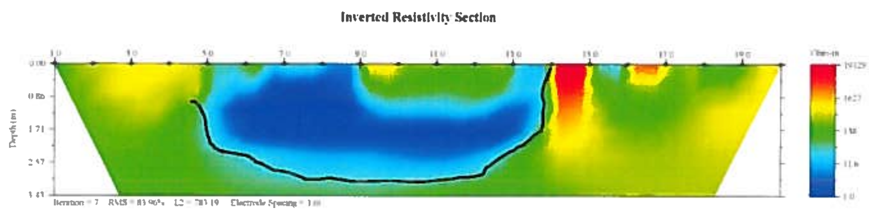

Figure 13 - Profile DK8 - This line runs perpendicular to the creek and shows a very pronounced channel on the left limit at a depth of 3 metres.

Prospecting and Sampling

One sample of clay-rich pebbly gravel with a volume of approximately 40 litres was gathered by the geophysical contractor during the survey. This was brought back to base camp and panned by Geoplacer Exploration Ltd. Several flaky colours of gold were recovered along with abundant magnetite and some pyrite.

Discussion

Overall, the geophysics showed a depth to bedrock of 2 to 5 metres with one deeper channel at 8 metres. A left limit channel is apparent at the 9.0 metre station on DK8 and again at 19.0 metres on DK4. This is an excellent exploration target for a buried placer pay channel.

Sampling during past exploration activities has indicated significant placer gold values, averaging over 13 g/cubic metre. The gravel sample collected during the present program had several gold colours and is a good indication of placer gold near the surface. Usually the values could be expected to increase with depth and at the contact with bedrock.

Conclusions and Recommendations

Ground geophysical exploration using 2D Resistivity techniques has allowed the definition of bedrock depths in a much more economic and timely manner than previous methods. In the Frypan Creek area, these techniques have defined areas of relatively shallow bedrock which are suitable for placer testing. The most prospective target for testing is the left limit channel defined by the geophysical surveys and visible in profiles DK8 and DK4.

Follow-up testing by excavator is recommended for further defining placer gold values and confirming bedrock depths interpreted by the 2D resistivity surveys. Bulk excavator tests should be a minimum volume of 5 cubic metres each to adequately test for the presence of coarse gold values.

Due to the washing out of the access road and the presence of the placer claim group within First Nations Category A Settlement Land, a Land Use Permit application for road reconstruction should be filed a full season prior to any planned mechanized exploration activity. This will also involve contacting the Kluane First Nation administration to ensure cooperation and compliance with their land use policies.

Statement of Expenditures

Frypan Creek				
Statement of Expenditures				
Company	**Item**	**Details**	**Amount and Unit Cost**	**Total**
Kryotek Inc	2D Resistivity Geophysics	Includes basic interpretation	375 electrodes@$14 per electrode	$5,250.00
Geoplacer Exploration Ltd.	Sample logging and processing	Field logging and processing of bulk gravel sample for gold	One @$250/sample	$250.00
All costs non-inclusive of GST			Total for assessment credit	$5,500.00

Statement of Qualifications – William LeBarge

I, William LeBarge, M.Sc., of the City of Whitehorse, Yukon, Canada, DO HEREBY CERTIFY THAT:

1. I am the President and Principal Geologist of Geoplacer Exploration Ltd., a consulting company registered at 13 Tigereye Crescent, Whitehorse, Yukon, Y1A 6G6.

2. I am a graduate of the University of Alberta (B.Sc., 1985, Geology) and the University of Calgary (M.Sc., 1993, Geology – Sedimentology)

3. I am a Practicing Member of the Association of Professional Engineers and Geoscientists of Alberta (APEGA) and the Association of Professional Engineers and Geoscientists of British Columbia.

4. I have practiced my Profession as a Geologist for 28 years, specializing for 23 years in Placer Geology.

5. I am the author of the report entitled: "FRYPAN CREEK PLACER PROPERTY, WHITEHORSE MINING DISTRICT, YUKON TERRITORY for Xiang Li, by William LeBarge, Geoplacer Exploration Ltd." dated August 16, 2013.

6. The geophysical surveys contained herein are interpreted by Jim Coates of Kryotek Inc.

7. I have no financial interest in the property described in the report.

Signed, this 16th day of August, 2013.

William LeBarge, P. Geol., P. Geo.

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