GEOLOGICAL REPORT

KELLI CLAIM GROUP
Whitehorse Mining Division

NTS: 115G/12 61°33′ N Lat., 139°37′ W Long.

Report by: G. Gutrath, Geologist, P.Eng
Date: January 16, 2012

095464

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LOCATION

The Kelli-Reed Creek Claim Group (the "Kelli Claim Group") is located in the southwest Yukon Territory on the northeast facing slope of the Kluane Range. The Kelli Claim Group covers a northerly flowing tributary of Reed Creek that continues westerly along the south edge of the Kluane Range that borders the north-easterly trending Shakwak Trench. Over a distance of 7 km Reed Creek joins the Donjek River, a major 3 km wide, northerly flowing, braided glacial stream. The Kelli Claim Group is within the Kluane Game Sanctuary that is a buffer wildlife protected area between the Kluane National Park to the southeast and the Alaska Highway to the north. The Kelli Claim Group is located on NTS Map 115G/12. The centre of the Kelli Claim Group is approximately at UTM Coordinate 682400 N / 573000 E Zone 7, NAD 83.

PHYSIOGRAPHY

The Kelli Claim Group is centred on a north-northeasterly flowing tributary of Reed Creek (Kelli-Reed Creek) that starts on the south side of the Shakwak Trench at the north boundary of the Kelli Claim Group at an elevation of 2,600 feet (792 m). At the south boundary of the claims, the stream is at an elevation of 4,500 feet (1,372 m). The camp and helicopter pad are located on the stream outwash boulder-gravel fan at an elevation of 3,083 feet (940 m). From the camp going upstream it is 420 m to the start of the creek canyon. From the start of the canyon the stream gradient increases from +6° to +15° over a distance of 800 m to the upstream end of the Upper Canyon (Map 1). From the south end of the very steep walled (+20° to +45°) stream canyon the valley widens and the stream gradient drops to +5° to +7° over the next 2 km to the south boundary of the Kelli Claim Group. The stream valley is bounded by northerly trending ridges that reach an elevation of 5,500 ft. (1,675 m).

From the Lower to the Upper Canyon the stream occupies a distinct steep walled "V" shaped valley that has not been subjected to glaciation. Upstream from the Upper Canyon the valley widens and at the forks, there is thick section of outwash, poorly sorted glacial cobble boulder till on both sides of the creek. The deposits probably originated from cirque forming mountain glaciers at the headwaters of the stream. The entire area would have been covered by glacial ice during the last ice age and glacial till has been reported along the top of the canyon wall. The present shape of the Shakwak Trench has been formed by glaciation resulting in a series of north-westerly trending features such as the elongate lakes and drainage pattern in the Shakwak Trench. This period of glaciation would also have truncated the northerly trending "V" shaped valleys along the northeasterly face of the Kluane Range in the general Kelli Claim Group area.

Vegetation in the Kelli Claim Group area is controlled primarily by elevation and by permafrost. In the permafrost areas at lower elevations along the Shakwak Trench stunted black spruce predominates. As one goes up the stream valley to the camp along the outwash fan there are tall spruce reaching 2 feet in diameter that are commonly indicative of thawed ground. Both sides of the fan are bordered by muskeg with thick moss and stunted black spruce indicating permafrost. Going up the creek through the Lower to Upper Canyons, if the walls are not steep with barren outcrop and active talus, the slopes are covered by almost impenetrable alder. Alder continues to predominate on both sides of the valley to an elevation of 3,800 ft (1,158 m) to 4,000 ft (1,220 m) and is replaced by

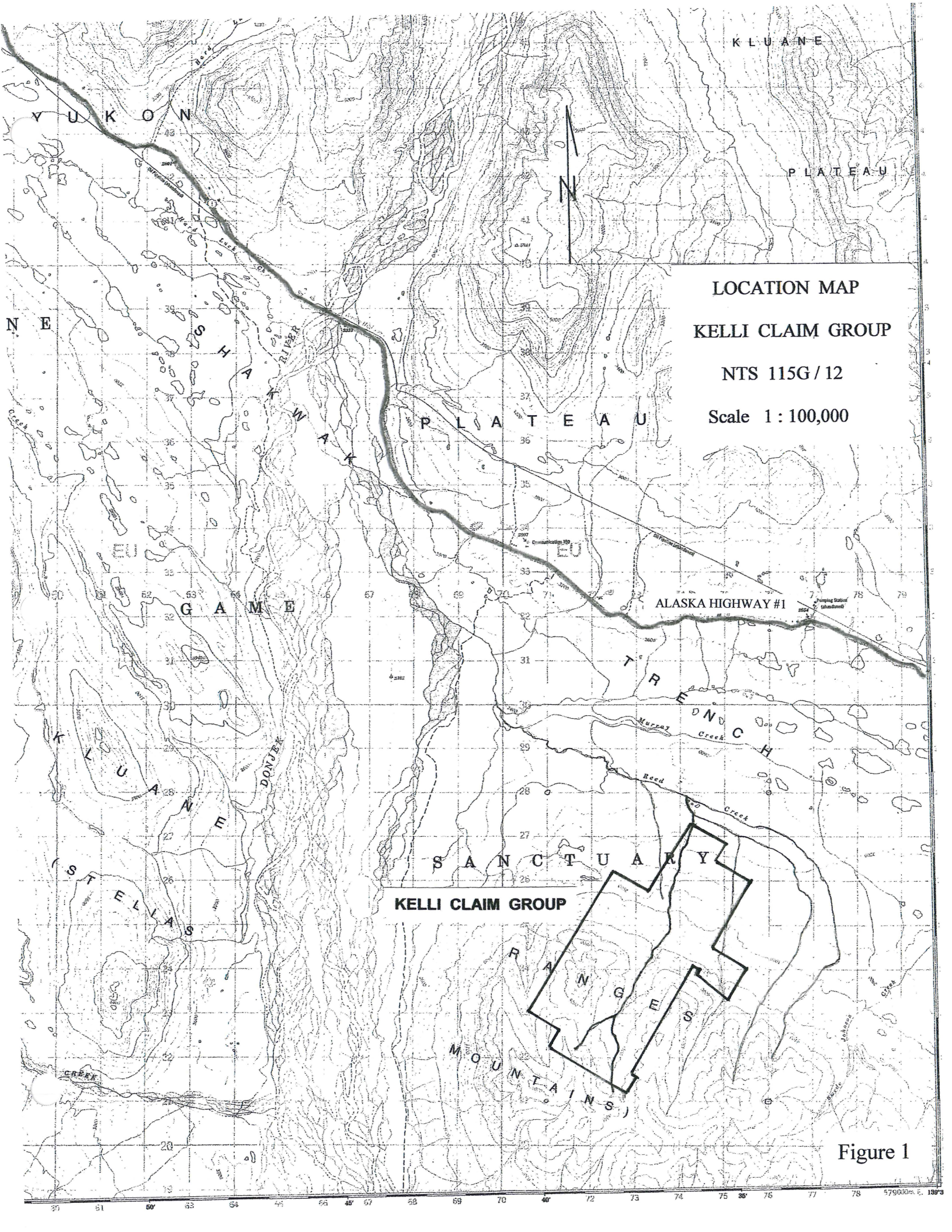

KLUANE
PLATEAU
YUKON
N
LOCATION MAP
KELLI CLAIM GROUP
NTS 115G / 12
Scale 1 : 100,000
NE
SHAKWAK RIVER
PLATEAU
EU
GAME
ALASKA HIGHWAY #1
TRENCH
Murray Creek
Reed Creek
KLUANE
DONJEK
STELLAS
SANCTUARY
KELLI CLAIM GROUP
RANGES
MOUNTAINS
CREEK

Figure 1

willow and scattered stands of stunted black spruce. At the 4,500 ft (1,370 m) elevation scattered willow and grass forms a classic alpine environment.

CLIMATE

The climate of the Kelli Claim Group area is affected by three dominant physiographic features. To the west lies the St. Elias Mountains occupied in part by the largest non-polar continental ice field in the world with elevations ranging up to (Mt. Logan) 5,959 m (19,550 ft). The Kelli Claim Group area is located on the east flank (lee side) of this mountain range and is protected from the direct effect of the coastal weather. However, coastal weather can reach the Kelli Claim Group area by the Chatham Straight in Alaska and continuing northwestward along the low lying valleys that occupy the Denali Fault/Shakwak Trench and continuing into Alaska. This is probably what was happening in the summer of 2011 when the rainfall was abnormally high. In turn this long lineament can funnel northern storms southeastward into the Reed Creek – Kluane Lake area. The narrow Shakwak Trench is bordered to the northeast in the Kluane Lake area by the Ruby Range and the Yukon Plateau highlands, a dry climatic belt with record setting low temperatures (Snag) in the winter.

The climatic data for the Kluane Lake – Reed Creek area is based on information from the Environment Canada Weather Station at Burwash Landing.

Temperature

The daily average temperature for the coldest month, December, is -19.8°C and the warmest month, July, is 12.8°C. The extreme maximum was recorded in June, 1969 at +31.7°C and the extreme minimum was at –55°C recorded in 1968.

Precipitation

The total average rainfall is 19 cm falling between May and September. The extreme daily rainfall was 3.84 cm in 1968. The maximum average snow depth for February is 18 cm. The extreme snow depth was 104 cm in 1967.

Burwash Landing is at an elevation of 807 m (2,647 ft) and the Kelli Claim Group property has an elevation ranging from 1,067 m (3,500 ft) to 1,372 m (4,500 ft). The higher elevation will result in a moderate lower average temperature and a higher average level of precipitation than Burwash Landing.

ACCESS

The general Kelli Claim Group area via the paved Alaska Highway is 340 km west from Whitehorse, or 170 km from Haines Junction, the local service centre. From the Alaska Highway looking due south the camp on the Kelli Claim Group is visible over a distance of 7 km. The start of the winter haul road and the summer ATV trail leaves the Alaska Highway at UTM coordinate 580651 E / 6830392 N and goes south-easterly for a distance of 10 km crossing the Shakwak Trench through continuous swamp, bypassing a number of small lakes and crossing 3 small streams to


Reed
Creek
Reed - Kelli Creek
N
CLAIM MAP
KELLI CLAIM GROUP
WHITEHORSE MINING DIVISION
NTS 115G / 12
Scale 1 : 10,000

Figure 2

reach the start of the trail on the gravel fan leading to the camp. Because of the high snow pack during the 2010-2011 winter and the unseasonal heavy rainfall during the 2011 summer, the Shakwak Trench/swamp had a very high, actually flowing water level making ATV travel slow and difficult. The first trip by ATVs in July from the Alaska Highway to the camp took six hours, a trip that normally should have taken less than two hours.

From the camp upstream to the mouth of the Lower Canyon the road has been washed out. The base of the road through the stream canyon is in good condition but cannot be used by an ATV because of numerous talus slides crossing the road. Upstream of the canyon the road is grown over with alder and a few sections are washed out.

Morris Bouvier bulldozed out the road from the camp downstream to the Shakwak Trench restoring stream crossings and clearing the road of alders. This greatly improved access to the camp.

A Polaris Ranger Utility Vehicle ("UTV") was used during the mapping program to access one third of the way up the First Canyon. The UTV was very useful for crossing the creek before the canyon as the high water made fording the creek on foot very treacherous.

There is a good helicopter pad in the centre of the stream outwash fan opposite the camp. Kluane Helicopters had a Bell206 Jet Ranger stationed at Burwash and/or Destruction Bay during July and August, 2011.

CLAIMS

The Kelli-Reed Creek Claim Group property is a contiguous group of Quartz Claims located on NTS Map Sheet 115G/`12, Whitehorse Mining Division.

The claim names, record numbers, ownership and expiry dates are listed in Appendix C.

HISTORY

The Kelli Claim Group covering the northerly flowing tributary of Reed Creek is reported by Trevor Bremner, Ministry of Mines, Geologist in Yukon Exploration 1990 (INAC 1991, p 60-64) to have been placer mined between 1935 and 1939. Between 1983 and 1988 Dublin Gulch Placers, headed by Darrel Duensing, placer mined the creek and reported production of 1,275 oz of gold. Darrel Duensing also estimated production of 725 oz of gold for the 1935 to 1939 period.

Dr. Jennifer Getsinger in her report on the Kelli Property, October 1998 detailed under History, information provided by the late Larry Tremblay. Mr. Tremblay was Chief Park Warden for Parks Canada and was based at Haines Junction. During his tenure with Parks Canada he became very familiar with the Kluane National Park and the people who lived and worked in the southwest Yukon Territory. Mr. Tremblay's overview of the local history in the Kluane Range was recorded by Dr. Getsinger as follows:

> "In addition to the literature search, some information was gathered by talking to Larry Tremblay (pers. comm., August 1998), about what he knew about the history of mining on the Kelli

property. He had heard some of the history from another person who used to work the claims in the 1950's. Jack Lemoygen, from Teslin, staked this creek for placer in 1952, and said you could walk into four tunnels then. He claimed that the California man who owned the placer claim in the 1930's paid his workers bonuses of 52 oz of gold a year, so they must have been doing well. There were up to a half a dozen Swedes working there for several years, and they were quite private about what they were doing, not local, and paid well not to talk to other locals. Other local hearsay reported by Larry Tremblay includes stories from Harry Frome over at Arch Creek, from old Frank with the packhorses, or about the Jacquot brothers, who used to supply grubstakes for prospectors in the Kluane Ranges, and who lived at Burwash Landing. Mr. Tremblay himself, as an experienced biologist, did a dendrochronologic (tree-ring dating) study of the ruins of three old cabins (one of which was 40 feet long) found near his present camp site, and determined that they were built of logs from trees that were cut down in the periods 1904-1915, and 1928-1935. He said there would have been no reason to build such substantial residences in that area if the occupants were merely hunting, rather than mining. One remnant corner of an old log cabin was observed during our August 1998 field visit across the creek from the trailer camp, up in an area of birch and alder forest on an old alluvial surface; unfortunately that area has been largely covered by bulldozed gravel from more recent placer workings. Many trenches, holes, workings, and old adits have been found in the area of Reed-Kelli Creek, more easily identifiable in 1985 when Tremblay and Duensing first began working there, although some were already caved in and inaccessible. It is difficult to tell how old various trenches would have been, due to the massive rearrangement of loose materials in the canyon by bulldozing and a flood in the late 1980's. Larry Tremblay is certain that the "old timers" who worked this creek were not only placer mining but investigating bedrock occurrences of gold as well as copper, during the 1930's. He said they took out particularly the green mariposite rock, and piled up wall rock slabs at the portals of their underground workings; he said the old short-handled shovels he found supported the idea of underground workings as well. It is presumed from this type of information that there must have been enough gold to provide not only grub but profits for all of these men. It is also rumored that one of the reasons that the government reports are so uninformative about this area is that the records of the Whitehorse mining recorder's office were transferred at some time to Dawson, and subsequently were lost in a flood or some other natural disaster. It also appears to be commonplace that placer miners report less productivity to the government than they may have actually taken home in the form of gold nuggets. For instance, the 2000 oz said to have been reported by Darrel Duensing by Bremner (1991) as coming out of the Kelli claims area in the 1930's and 1980's, was re-estimated by both Larry Tremblay and Darrel Duensing in August 1998 to have been at least 3000 oz or more, only counting what came out in their own tenure of the 1980's and 90's. (This may have included some of the takings of a family from Arizona, a grandfather, father, and son team, who did placer assessment work on the property in 1982, including two nuggets of over 1 oz gold each)."

In 2004 Mr. Tremblay carried out a diamond drilling program at the start of the Lower Canyon. Five BQ holes were drilled totaling 305 m. This program is reviewed in this report and is summarized in Appendix F, 2004 Diamond Drilling Program.

In 2005 a trenching program using a Cobra Drill and dynamite was carried out in the Middle Canyon in the area of the "old timers' workings".

It was reported to the writer that limited placer mining was carried out between the camp and the start of the Lower Canyon in 2004 and possibly 2005 using a backhoe, bulldozer and a sluice plant.

The mobile equipment was also used to prepare the site for the drilling in 2004. In addition, extensive backhoe trenching was carried out in the Lower and Middle Canyon in the vicinity of the old timers' workings.

Since Mr. Tremblay passed away in 2007 there has been no work done on the property except for the filing of annual assessment work.

REGIONAL GEOLOGY

The Kluane Range forms the northeast margin of the St. Elias Mountains that border the southwestern edge of the Coast Belt. They are within the northern extension of the Insular Belt in the southwestern Yukon Territory and are largely to the southwest of the Denali Fault System. The St. Elias Mountains are predominantly underlain by Alexander Terrane consisting of a thick sequence of mainly layered Paleozoic strata. During the late Triassic there was widespread metamorphism and deformation. The property area is located within a Wrangalia segment (WZ) between Alexander Terrane and the Denali Fault. The segment (WZ) may have been moved northeast of the Alexander Terrane by large dextral displacements along the Denali Fault (Campbell and Dodds, 1983). In the Kelli Claim Group area the Denali Fault occupies the Shakwak Trench. The Wrangalia Terrane to the southwest of the Shakwak Trench in the Quill Creek – Dondjak River area has been intruded by granitic to ultramafic bodies. The best known ultramafic intrusion in this area is the Quill Creek complex of Cretaceous age that hosts a nickel-copper massive sulfide deposit with PGE values.

In the Kelli Claim Group area of the Kluane Range the predominant rocks are Permian Pennsylvanian andesites covered by shales and thin bedded limestone. These units are repeated by a complex series of faults. Oligocene dikes in the area have been sheared indicating that the faulting is Tertiary or younger (T. Bremner, 1990).

2011 FIELD MAPPING

The geological mapping program was carried out between July 17 and July 24, 2011 and between August 12 and 16, 2011. Survey control for the mapping of the outcrop geology, surficial geology and physical features was by a Garmin GPS map 76S attached to a Garmin antennae mounted in a pocket on the back of a field survey vest. The GPS is attached to the forearm and is in continuous operation to minimize the time needed to get maximum satellite reception. The outline of rock outcrops, physical features and geology are plotted directly in the field on prepared mylar grid sheets in an aluminum folder. Waypoints are recorded to establish the location of data describing geological features, sample locations, etc. and are recorded in a field notebook.

The base maps on a scale of 1:4000 and 1:2000 were prepared by Jaworski Mapping and GIS. Two sets of maps were prepared for each scale, one without waypoints and one with waypoints. The one without waypoints is the basemap for the geological maps.

The mapping program was originally planned to start at the end of June, 2011 but was delayed because of the very late runoff caused by a cool spring, heavy snow pack and unusually deep "winter glaciation" in the stream valleys. At least the "winter glaciers" were gone by July 23, 2011 but the creek level was still exceedingly high as

well as the water level in the Shakwak Trench because of unseasonably heavy rainfall. This made access from the Alaska Highway to the camp difficult. Although the writer was mostly "water proofed" and could map in heavy rainfall, crossing the creek was a challenge because of the high water. As a result, the east side of the creek and the higher cliff faces in the canyon section have not been mapped in any detail. The creek was crossed once in the Middle Canyon to get samples from the area of the "Old Timers' Workings B" and again to examine the "Old Timers, Workings C" in the Upper Canyon. Upstream of the Upper Canyon the creek channel widens, the gradient drops and water volume is less combining to make stream crossings much easier.

PROPERTY GEOLOGY

General

The mapping was confined to the outcrops found along the creek that flows north-northeasterly through the central axis of the Kelli Claim Group. Dr. Getsinger mapped the canyon area on a scale of 1:12500 in 1998 and completed a very comprehensive unpublished report on both the regional and property geology.

In 1990 Trevor Bremner, M.Sc., Geologist mapped the canyon area on behalf of the Yukon Mines Department and his report is published in Yukon Exploration 1990 (INAC 1991, p.60-64). Mr. Bremner obviously had a great deal of experience in the Kluane Range as his in-depth interpretation of the very complex geology in the canyon area is outstanding. Both Dr. Getsinger and Mr. Bremner benefited from having Mr. Tremblay as a guide. In addition, Mr. Bremner notes that from 1988 to 1990 Mr. Tremblay carried out a program of trenching using a bulldozer, backhoe, explosives and a monitor. The geology exposed by this extensive program is now covered by slide rock. Fortunately, Mr. Tremblay took numerous photographs of the geology exposed in the various cuts and trenches and these have been made available to the writer.

The writer's primary aim was to sample various mineralized rock types regardless whether in place or in float to determine the source of the placer gold. For the writer the geological mapping in 2011 on a scale of 1:4000 and 1:2000 in the canyon area is the basis for understanding the work done by Mr. Larry Tremblay, Dr. Jennifer Getsinger and Mr. Trevor Bremner and for planning a future exploration program.

Statigraphy

The layered rocks exposed from the camp area upstream to the south boundary of the Kelli Claim Group have been divided into four units designated **pc** (phyllitic carbonate), **gs** (greenstone/meta volcanic), **gs (fp)** (subvolcanic greenstone and/or an intrusive feldspar porphyry), and **bgpl** (black graphitic phyllite with interbedded limestone). Both Getsinger and Bremner agree that these units are Pennsylvanian to Permian in age and part of the Skolai Group with minor differences or additions in interpretation. The writer divided the gs unit into **gs** and **gs(fp)** to differentiate the marked contrast between the two units:

1) Weathering
   - **gs** is dark brown often oxidized
   - **gs(fp)** is grey

2)	Rock types	– **gs** is a dark andesite often foliated to a chlorite schist – **gs(fp)** is sheared into large segments starting at the downstream contact with **bgpl** and continuing upstream for 100 m. Possibly a sub-volcanic fine grained to porphyritic andesite or intrusive
3)	Structure	– **gs** is highly fractured to small irregular fragments resulting from kink jointing, and localized folding and faulting – **gs(fp)** predominant wide spaced blocky jointing resulting in a continuous course blocky talus-slide rock across the road
4)	Mineralization	– **gs** pyrite content is from 1% to 10%, pyrrhotite trace to 1%, magnetite 1%. Widely spaced flat lying pyrite mineralized quartz veins cut across the unit – **gs(fp)** pyrite content less than 1% little or no quartz veining

The writer's **gs** unit description is similar to Getsinger's greenstone unit but Getsinger made no division into the **gs(fp)** unit. Bremner designated all the Middle and Upper Canyon as green metamorphic rocks with no segregation into the most southerly **pc** unit (phyllitic carbonate) in the Upper Canyon area.

Both the writer and Getsinger interpret **bgpl** as a graphitic argillaceous phyllite interbedded with limestone and lesser greenstone bands. Bremner interprets the **bgpl** unit as a mylonite derived from Station Creek Pyroclastics. He has the unit continuing downstream 300 m into the Denali Fault zone from the outlet of the First Canyon. There is no doubt the Denali Fault had a strong influence from the Lower Canyon downstream. Mylonization will certainly be a result of the intense shearing related to this major fault.

All the layered rocks have undergone varying degrees of metamorphism to lower greenschist facies.

Intrusive Rocks

The layered rocks are intruded by dikes and sills of Oligocene to Miocene age (date of 23 Ma, ref. Bremner, 1991). Both Getsinger and Bremner agree that this intrusive is a feldspar hornblende porphyry. The writer mapped this intrusive as two separate rock types based on weathered colour, texture and sulfide mineralization. However, the composition and age could very well be the same.

dd - light orange weathering dacite dike, fine grained to aphanitic with an absence of porphyritic texture. In the fresh, fine grained dacite crystalline hornblende "blades" make up 1% to 2% of the ground mass

fp - light grey subhedral medium grained feldspar phenocrysts in an aphanitic to fine grained feldspar rich ground mass

2011 Mapping of Outcrop Geology / Map 1 – 1:4000 and Map 2 – 1:2000

Small patches of bedrock exposed by placer mining start 100 m upstream of the camp. These small outcrops, as well as outcrops exposed along the west side of the valley that form the edge of the placer mining cut, are primarily **bgpl** with **sgs**, a light tan coloured quartz sericite schist. In the valley bottom (placer mining cuts and drains) on the east side of the valley there are a number of small patches of outcrop of orange weathered dacite dikes and iron carbonate dikes.

The mapping on a scale of 1:2000 – Map 2 starts 100 m downstream of the start of the Lower Canyon. There are a number of small outcrops exposed in the placer mining cut on the west side of the creek channel. These are **bgpl** units, primarily intercalated, often limy black graphitic argillaceous schist (phyllite) and lesser bands of sericite quartz schist. Thin irregular quartz veins and carbonate veins subparallel the foliation.

At the mouth of the canyon a section of massive erosional resistant andesite (**gs**) forms the start of the canyon followed to the south by a 50 m band of black graphitic schist, strongly foliated at 100° and dipping steeply. The most visually prominent, and very erosional resistant formation, is the orange weathered dacite dike (**dd**) swarm intercalated with thin irregular bands of graphitic argillaceous schist.

Over a 60 m wide and a 30 – 50 m high outcrop face, the dikes, 5 to 10 m in width, are separated by 0.25 to 1 m wide black graphitic bands upstream to its south contact. The **bgpl** unit is cut by a number of narrow dacite dikes (**dd**) in varying attitudes that are broken into smaller segments by faulting and folding of the graphitic schist. The graphitic schist is also interbedded with limestone that has undergone intense deformation, brecciation and micro-drag folding within the overall **bgpl** unit. Intruding the **bgpl** unit is a 5 to 8 m wide dacite dike that crosses the creek east-west and terminates in the nose of an anticlinal fold 20 m up the cliff face. This sequence of black graphitic argillite (**bgpl**) intruded by a swarm of dacite dikes (**dd**) forms the Lower Canyon.

Continuing to the south up the creek and into the Middle Canyon there is a wedge of green chlorite meta-volcanics cut by a fresh grey feldspar porphyry dike (**fp**). The south contact of the dike is a sharp easterly trending gully that is interpreted as a shear/probable fault contact. On the east side of the creek the massive unmapped outcrop area is believed to be the **gs(fp)** unit.

Larry Tremblay had reported "Old Timers' Workings A" on the lower east canyon wall just upstream from this high massive outcrop area. Because of the extensive placer mining these workings were obscured at the time of Getsinger's examination.

On the west side of the Middle Canyon upstream of the "Old Timers' Workings A" for 110 m the narrow outcrop along the creek is a meta-volcanic andesite cut by very irregular narrow orange weathering discontinuous dacite dikes. These dikes may be associated with iron carbonate dikes/lenses and fracture fillings and occur all the way up the creek into the Upper Canyon. There is extensive, steep outcrop on the east side of the Middle Canyon at the "Old Timers' Workings B" and the two sample sites 18 and 19. This was an area of extensive backhoe trenching and hand trenching done by Larry Tremblay. The canyon wall is so steep that he hung screen to minimize the effect of rock falls on the trenching crew working on the lower slope. Unfortunately, all of this work, including the "Old

Timers' Workings" have been obscured by slide rock. This outcrop area is predominantly massive chlorite meta-volcanics cut by iron carbonate and dacite dikes and to a lesser extent flat lying quartz veins. Going up the creek on the east side angular blocks of white quartz increase in the talus as the site of the "Old Timers' Workings B" is approached.

On the west side of the valley starting upstream of the Lower Canyon (Structure1, Map 2) and the fresh blocky feldspar porphyry (**fp**) dike there is continuous steep cliffs going upstream for 600 m. The first section of this outcrop area has been mapped a **gs(fp)** a possible intrusive or subvolcanic rock of dacite to andesite composition. Its north contact with the fresh feldspar porphyry dike is highly sheared (gouge) over 1 to 2 m followed upstream by strong foliation striking 280° and dipping 60° to 80° to the north forming elongated massive slabs. This unit appears to have been thrust or intruded over (into) meta-volcanic andesite that outcrops between the creek and the road. The talus on the road at the start of the Middle Canyon is predominantly a blocky grey feldspar porphyry and an orange weathering blocky dacite. A very distinct orange weathering dacite dike (**dd**) can be seen in the grey steep canyon wall and extends over at least 100 m along strike and over a width of 10 to 15 m. The dacite blocks in the talus can be very fine grained to aphanitic (chilled margin) similar to the dacite dike swarm in the Lower Canyon to a relatively fresh anhedral crystalline feldspar ground mass with 5% to 10% fine grained hornblende crystalline "blades". Dr. Getsinger reported a number of these dikes in the canyon wall along a north-south trend with a steep dip. This unit **gs(fp)** in the Middle Canyon was not mapped in detail as it was less altered, had low to nil sulfide mineralization, only minor quartz veining and did not appear to be a good target for gold mineralization.

Continuing up the creek to the south the **gs(fp)** unit ends in contact with a fresh grey blocky dike **fp** with its north contact with **gs(fp)** striking east-west and dipping 70° to the south. The dikes south contact is a sharp gully/fault(?) shear zone striking 300° with a probable steep dip. Directly across the creek to the east of this dike is the "Old Timers' Workings B".

Continuing upstream on the west side from the **fp** dike is 320 m of steep outcrop cliffs composed of the **gs** unit, a foliated, dark green to brown, meta-volcanic of andesite composition with moderate to strong chloritic foliation. There are no obvious volcanic textures but these may be masked by the intense fracturing, quartz veining and foliation. The meta-volcanic unit **gs** is cut by sub-parallel contorted widely spaced quartz veins from 10 cm to 50 cm thick. The predominant strike of the veins is ±270° and dipping 10° to 30° to the north. There are numerous subparallel narrow quartz veins in the range of 2 cm to 10 cm interspersed with the thicker veins. The veins are commonly offset by faulting and contorted by drag folding.

Pyrite is disseminated throughout this formation from 1% to 10%. Pyrite also occurs in clots and disseminations from fine to coarse grained in the white quartz veins. Minor amounts of magnetite and pyrrhotite were also noted.

The meta-volcanic unit **gs** and the massive steep outcrop area on the west side is abruptly terminated by a sharp gully assumed to be a fault-contact zone. Upstream to the south the terrain changes to a gentler slope covered by thick alder. Only one small outcrop of orange iron carbonate occurs in the road cut until a fresh feldspar porphyry (**fp**) dike crosses the road on the north side of Structure 2.

On the east side of the creek a narrow outcrop is exposed in the creek. This section is probably a transition zone between the meta-volcanics (**gs**) unit and the phyllitic carbonate (**pc**) unit that forms the southerly extent of the Upper Canyon. At the outlet of the small stream draining the "Old Timers' Workings C" there is a chlorite schist meta-volcanic **gs** unit cut by an orange weathering southerly trending dacite dike. Just upstream from the outlet is a narrow limestone band in contact to the south with pale green, often banded/bedded with narrow greenstone and related tuffaceous bands, minor orange carbonate horizons and possible phyllonite. The **pc** unit is strongly lineated, with tight overturned folding that forms a flat lying "bundled lumber like" pattern that crosses the creek forming a typical mullion structure. Up to 1% fine grained pyrite is disseminated throughout this varied unit.

On the east side of the creek is the "Old Timers' Workings C". It is a long trench paralleling the creek. It crosses a small elevated bench 3 to 4 m above the creek and is bordered to the east by a +20° slope with the entire area being covered by thick alder. The sloped walls of the trench are 3 to 4 m high and are composed of round cobbles and boulders but are not typically stacked as the writer has seen in other old placer workings. There is one small outcrop of quartz carbonate breccias in the middle of the trench. It is possible that the "Old Timers" were planning to continue the trench upstream so they could divert the main stream to mine its gravels or it may have been an exploration trench to test the gravels on the bench.

The (**pc**) unit continues upstream to the point where the road is washed out crossing the creek. The gradient of the creek is steep as it forms low falls crossing the outcrop of the **pc** unit at the end of the Upper Canyon.

The mapping on a scale of 1:2000 continues to UTM coordinate 572800 E / 6823600 N. The upstream mapping continues on Map 1, 1:4000 scale. There is very little outcrop in the creek valley upstream from the south end of the 1:2000 scale mapping. The gradient of the stream is much lower than the canyon section. A mud slide from the spring of 2011 appeared to have exposed outcrop at its most easterly origin but on examination was volcanic ash. Upstream 30 m from the slide is a small outcrop of chlorite schist meta-volcanics. At the forks of the creek there are high banks of poorly sorted outwash glacial cobble boulder till on both sides of the west fork at its confluence with the south fork.

At UTM coordinate 572490 E / 6822420 N there is a bulldozer trench exposing an outcrop area 3 m high and 10 m long. The north end is fine grained diorite intruding a dark green, fissile chlorite schist. Approximately 10 m to the south of the trench area is a small outcrop, 5 m by 6 m of light coloured fissile sericite schist. These appear to be the equivalent of the **gs** unit.

Structure and Metamorphism

Dr. Getsinger's detailed analysis of the structures, metamorphism and deformation of the Kluane Range and within the Kelli-Reed Creek Valley was very helpful in the interpretation of the geology observed and recorded by the writer.

Structure

The regional structure within the Kluane Range is northwest trending subparallel to the Denali Fault/Shakwak Trench. The deformation folds are F1 structures, often overturned subparallel to the regional northwest structure. The F1 structures are in turn modified by secondary crenulations, drag folding, fractures, veins, joints and warping.

A good example of deformation and associated regional metamorphism referred to as F1 folding is defined by subhorizontal mullion structures in phyllitic carbonate rocks located to the west of the "Old Timers' Workings C" at the sound end of the Upper Canyon. These F1 folds exposed in outcrop in the creek appear to have been uplifted along the creek axis resulting in closely spaced, narrow north-northwest fractures commonly filled by white carbonate minerals. The narrow, irregular dacite dikes in the creek have also followed this axis. In addition, the uplift along the creek axis created a zone of structural-erosional weakness that is important in the formation of the creek 'V' shaped valley. (There is no obvious fault/shear zone structure related to the creek axis.) This fracturing along this north-northeast axis may also account for the trend of the dacite dikes intruding the **gs(fp)** unit in the Middle Canyon. This north-northeast trend is almost at right angles to the northwest strike of the dacite dike swarm in the Lower Canyon that parallels the regional northwesterly trend of the Denali Fault.

Dr. Getsinger suggests that the stratigraphic package underlying the Kelli Property lies within the upper limb of a large recumbent fold. This interpretation would result in the stratigraphy being reversed from the norm with the youngest rocks (**bgpl**) in the Lower Canyon and the older rocks (**pc**) being in the Upper Canyon. However, these rocks are so interfolded and structurally complex that this interpretation can only be considered speculative until a more detailed study is undertaken.

Fault contacts are used somewhat liberally as there were no actual offsets noted. Erosional zones of weakness, such as sharp gullies in most cases, indicate shearing and a possible fault but offsets within the Kelli-Reed Creek Canyon were not noted. In units that have been intensely folded there are numerous examples of fracturing of more brittle units such as dacite dikes and quartz veins.

There are two structural features that were noted by Dr. Getsinger and are shown on Maps 1 and 2 as Structure 1 and Structure 2. Structure 1 was also reviewed in considerable detail by Larry Tremblay in his reports on the Kelli Property

Structure 1 is the northwesterly trending swarm of dacite dikes intruding graphitic argillaceous schist intercalated with limestone beds and meta-volcanics in the Lower Canyon. This structure was considered by Larry Tremblay to be very favourable geology for gold mineralization and the 2004 drilling program was carried out to test this section.

Structure 1 forms a sharp bend in the creek which is referred to as a "kink" by Tremblay. What is of particular significance is the repetition of this "kink" in creek valleys both to the northwest and southeast of Kelli-Reed Creek in approximately the same location along the north flank of the Kluane Range. In addition, placer gold has been found in these creeks in the proximity of the "kink" structure.

Structure 2 is defined by two tributary stream channels that enter Reed-Kelli Creek at the south end of the Upper Canyon. They define a prominent lineament that can be easily traced on the 1:50,000 topographic map and air photographs. The structure crosses the creek in the outcrop area of highly lineated fold noses with a classic mullion structure. There is no evidence of a fault structure crossing the creek.

Dr. Getsinger infers that the structure may be a hinge zone of large scale regional folds. Since there is no obvious fault gouge the topographic expression may result from the weathering of the erosionally weak phyllitic carbonate. This structure also marks the south end (upstream) of the Reed-Kelli Creek canyon and the continuation of a much broader and lower gradient creek valley.

Metamorphism

From the mapping program and examination of hand specimens the metamorphism extends to the development of sericite and chlorite indicating lower green schist facies.

Although there are numerous intrusive dike contacts metamorphism is very limited to hornsfels with minor epidote.

Regional metamorphism is earlier than the quartz veins cutting the **gs** meta-volcanics and is also earlier than the intrusion of the feldspar porphyry and dacite dikes.

There is a host of metamorphic rock types ranging from black graphitic phyllite, interbedded with the massive impure marble, meta-volcanic chlorite schist and limey black graphitic schist all in the Lower Canyon. Thin, discontinuous quartz veining is a common byproduct of the intense "squeezing" of the graphitic phyllite in the Lower Canyon and continuing to the north in outcrop bordering the outwash gravel fan. In the Middle Canyon the andesite has been metamorphosed to chlorite schist. In the Upper Canyon the carbonate rocks interlayered with tuffaceous bands have been metamorphosed to a phyllite carbonate.

Mineralization, Analytical Results and Comments

The Reed-Kelli Creek Canyon is best known for its placer gold production. Placer mining started in the early 1900's with the last production in 2004. Reported production is in the order of 1,275 oz with inferred production of 725 oz. However, it is very probable that the production was twice that amount in the order of 4,000 oz, or even 5,000 oz. What is remarkable is that this production came from a very small volume of gravel over a very short distance of 600 m of stream channel in the Middle and Lower Canyon and extending downstream approximately 400 m into the outwash gravel fan. Placer mining was discontinued upstream on July 31, 1986 because the grade dropped and continued mining upstream was not warranted (personal communication by Darrl Duensing, September 2011).

The writer has not seen any of the placer gold recovered except in photographs taken by Larry Tremblay. The best description of the placer gold nuggets collected by Larry Tremblay and Darrel Duensing is the following excerpt from Dr. Getsinger's report dated 1998.

"Larry Tremblay displayed several representative nuggets from different parts of the canyon, many of them with quartz and/or calcite (± altered feldspar?) still attached to the gold. Examples were also included of copper, nickel, and platinum nuggets, also said to be from this area. Some nuggets were gathered by usual placer methods, and some were washed out of clay alteration and breccias zones in the bedrock (including some with crystalline forms of gold). This is one of the reasons that the area is now being prospected for lode gold.

The gold (and gold ± quartz ± calcite) nuggets from the canyon exhibited different colors and habits depending on the part of the canyon in which they were collected. The following observations were made looking at samples of a dozen or so gold nuggets shown to us by Larry Tremblay on his kitchen table, assuming that they were from areas in which he said he and/or Darrel Duensing collected them. Gold nuggets from the Lower Canyon area are rounded and gold-colored, and occur with graphite. Samples from the Middle Canyon area, including Darrel Duensing's large nugget (6 cm x 2 cm) of quartz (± carbonate ± feldspar ± chalcedony) with 3 oz Au in it, show reddish-golden, delicate flakes of crystalline gold sticking out of the white rock; these clearly have not travelled far from the source, and some were reportedly from outcrop high on the east side. One nugget of quartz with platinum was also supposed to be from Middle Canyon. Gold nuggets from the Old Timers/Upper Canyon area show more calcite, and the rounded blebs of gold have silvery-greenish tint. When Larry Tremblay and Darrel Duensing first started placer mining (1985) in Reed-Kelli Canyon, gold was hosted by white clay deposits that were frozen against the valley walls in shadowy parts of Lower Canyon; frozen there since the Ice Age, according to Larry Tremblay. Such clay deposits are no longer seen in the canyon"

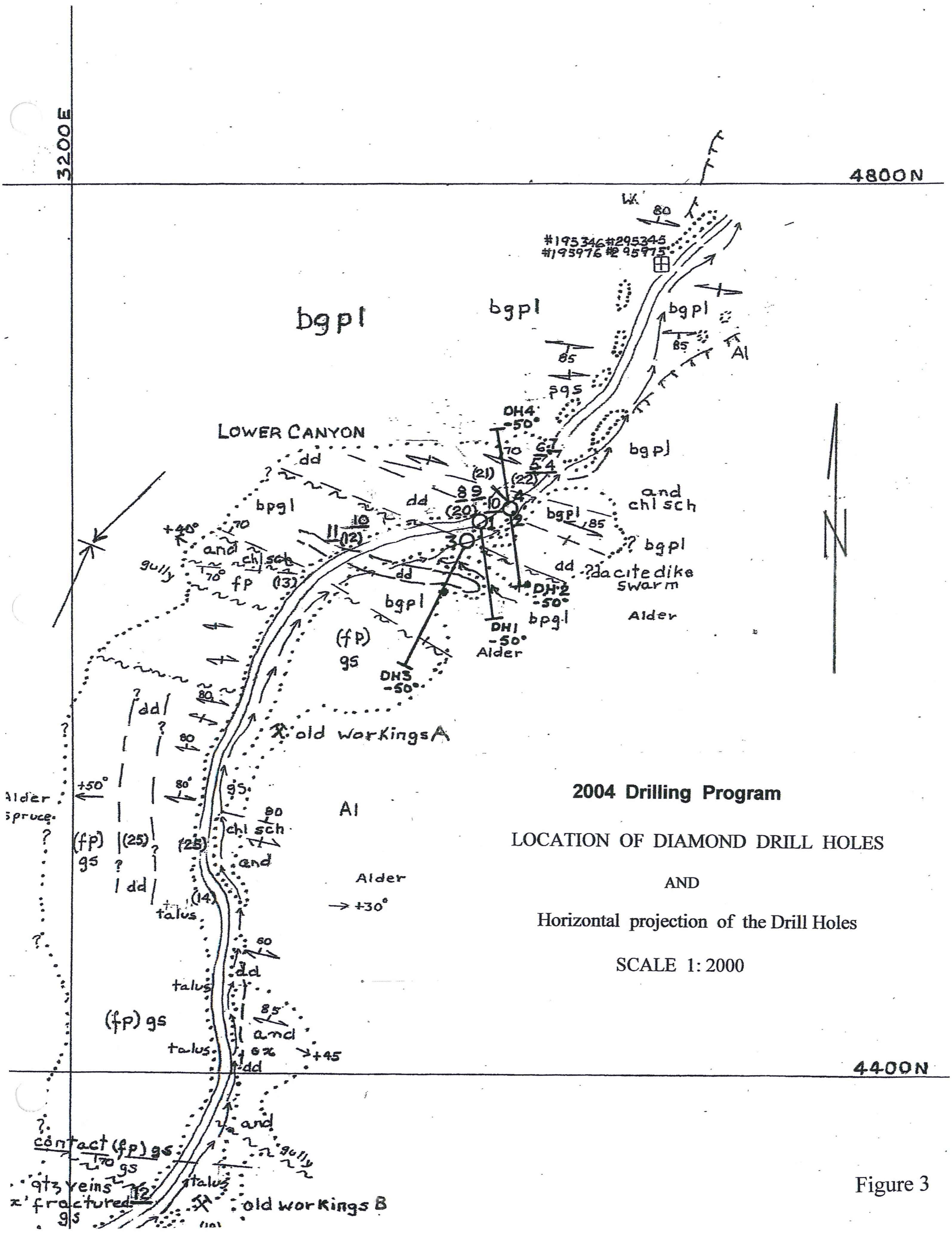
The writer is confident of the validity of the location and authenticity of the nugget gold in the Reed-Kelli Creek Canyon as described by Dr. Getsinger. Although the writer did not know Larry Tremblay the writer had worked with Darrel Duensing at Dublin Gulch over a number of summers and considered him to be a very knowledgeable and successful placer miner.

The description of the coarse gold (nuggets?) in schist taken high on the east side of the creek in the area of the "Old Timers' Workings B" was also described to the writer by Sulo Poystila, an investor in the 2004 diamond drilling program and one of the property owners.

When Dr. Getsinger examined the property the Old Timers' Workings in the Lower and Middle Canyons had been destroyed by the placer mining. Larry Tremblay stated to Dr. Getsinger the following description of "Old Timers' Workings".

" the old timers went after graphitic and clay altered zones in the Lower Canyon; they followed copper mineralization along quartz veins in the Middle Canyon; and they dug underground in unconsolidated sediments following an alteration trend near the Upper Canyon in all cases they took out most of the green mariposite rock. Larry Tremblay also pointed out a number of old trenches high on the eastern slope of the valley between the Lower and Middle Canyon, and said that he and Darrel Duensing had found quartz-chalcopyrite rock."

Thin quartz veinlet segregations in the black graphite schist are common in the Lower Canyon and in the downstream outcrops exposed in the bank of the placer mining cuts. In these rocks they are associated with oxidized fine grained pyritic mineralization from 1% to 5%. Larry Tremblay focused the 2004 diamond drilling program



2004 Drilling Program

LOCATION OF DIAMOND DRILL HOLES

AND

Horizontal projection of the Drill Holes

SCALE 1: 2000

Figure 3

(Appendix F) in the Lower Canyon because of the significant placer gold recovered from the small gravel basin that occurs just above the outlet to the gravel fan downstream.

The coordinates of the drill holes are in doubt but the overall drill site is in the right location. The drilling tested a northerly section of approximately 120 m (horizontal) across the Lower Canyon.

The drilling did not intersect any economic gold mineralization but it did indicate anomalous gold values related to geology. Background gold values are in the order of 2 ppb to 10 ppb. The inferred location of the drill holes are shown in Figure 3.

In DH 1 and 2 gold values of 20 to 46 ppb (barely anomalous) were found in a black graphitic schist and interbanded quartz sericite schist cut by quartz veinlets and possible mariposite.

In DH 3 gold values of 11 ppb to 148 ppb (average 45 ppb) occurs in interbedded black graphitic schist/quartz sericite schist and related brecciation.

In DH 4 between 35 m and 59 m over a probable true width of 24 m (78 ft) of a green chlorite to brown schist, interbedded limestone, black graphitic schist and minor tan quartz sericite schist with fine disseminated 1% pyrite averaged 108 ppb gold with an average of 164 ppb gold between 50 m to 59 m (30 ft). This is the most significant gold intercept in the drilling program.

In DH 5 between 21 m and 26 m, chlorite schist to tan quartz sericite-graphitic fault zone averaged 96 ppb gold.

2011 Sample Results

Sample description and analysis with the Certificate of Analysis is in Appendix D.

The writer collected 8 samples for analysis from the Lower Canyon, Samples RS 4 to RS 11 and the locations are on Map 2, 1:2,000 scale.

Of these samples RS 6 was gold anomalous, 0.82 g/t or 820 ppb. This was a sample of a quartz vein 16 cm wide in sericite quartz schist 5 m from a graphitic schist contact. The outcrop is exposed in a bulldozed cut-bank on the west side of the gravel outwash fan at the north end of the Lower Canyon. Samples RS 4, 5 and 7 are from the same graphitic schist formation as RS 6 and have lesser gold values of 400 ppb, 340 ppb and 40 ppb, respectively. DH 4 should have intersected this same **bgpl** unit as sampled on surface by RS 4, 5, 6 and 7. DH 4 had 24 m of 108 ppb gold and within that interval 9 m of 164 ppb gold.

Samples RS 8 and 9 are from the **bgpl** unit near its contact with the dacite dike swarm and both samples had less than 30 ppb gold.

RS 10 and 11 are from the **bgpl** unit located to the south of the dacite dike swarm and both have low gold values.

On the west side of the Middle Canyon six samples, RS 12 to RS 17, were taken from the **gs** unit composed of dark green chlorite schist (meta-volcanic) that is cut by numerous quartz veins. Pyrite content varies from 1% to 15% in the meta-volcanics and from 1% to 5% in the quartz veins. Magnetite and very minor pyrrhotite was noted in the meta-volcanics. This unit looked very prospective for gold mineralization but the only sample that was gold anomalous was RS 12 at 260 ppb gold. The rest of the samples were uniformally low, from a high of 80 ppb gold to less than 30 ppb gold. RS 12 sampled a highly fractured, flat lying quartz vein 30 cm thick. Three other quartz veins were sampled and they were not anomalous in gold. Only two samples were taken on the east side of the Middle Canyon in the area of the "Old Timers' Workings B". Sample RS 18 was a grab sample of massive **gs** unit/chlorite schist with 2% to 3% fine grained disseminated pyrite. The sample was slightly anomalous in gold at 40 ppb. RS 19 was from the same area but sampled a fractured dacite dike with iron carbonate veinlets intruding the **gs** unit further up the slope from RS 18. RS 19 returned less than 30 ppb gold. This section of the Middle Canyon requires more detailed mapping and sampling as it is in the area of well documented (Larry Tremblay) "Old Timers' Workings B" and reported coarse gold in outcrop.

The last sample from the Middle Canyon is RS 20, a sample of float found on the road and presumably from the steep cliffs on the west side of the road. It is highly oxidized dark orange, leached vuggy/open space graphitic fissile argillaceous, tuffaceous schist mineralized with a minimum 10% to 20% pyrite. This sample had the highest grade gold analysis of 2.28 g/t (2,280 ppb) and slightly anomalous 200 ppm copper plus 10% iron. The check assay of the hand specimen, RS 20A from the same float boulder, assayed 2.46 g/t gold (2,460 ppb) and 248 ppm copper.

Sample RS 21 is from a large rounded crystalline light grey limestone boulder cut by numerous irregular quartz veins. There are five of these boulders in close proximity along the creek to the south and west of the "Old Timers' Workings C". The sample was from a yellow-oxidized fracture with less than 1% pyrite. The sample had a low gold content of 40 ppb.

Upstream of the Upper Canyon there is very little outcrop and mineralization is confined to less than 1% fine disseminated pyrite. Three samples, RS 1, RS 2 and RS5A were from float along the road and are described in Appendix D, Sample Analysis, Description and Certificate of Sample Analysis.

Pathfinder elements related to gold values are limited to minor arsenic, copper and barite values. Mercury is uniformly low in all the samples.

Gold values are associated to some degree with pyrite content particularly in sample RS 20 with 10% to 20% pyrite. The chlorite rich meta-volcanic unit **gs** has uniformly high disseminated pyrite from 1% to 5% but the sampling indicates low gold values. "Old Timers' Workings B" is the area trenched by Larry Tremblay and is part of the **gs** unit near its north contact. Mr. Tremblay had recovered coarse gold associated with chlorite-sericite quartz schist and hydrothermal clay alternations. Mr. Tremblay also noted that mariposite was often associated with gold mineralization and would be an important pathfinder mineral. Dr. Getsinger identified mariposite in one sample from the Lower Canyon, a graphite, mariposite bearing phyllite. This sample yielded the highest nickel, cobalt, chromium and arsenic values of all the samples (66 ppm Cu, 300 ppm Ni, 41 ppm Co, 179 ppm As, 1.5 ppm Cd, and 347 ppm Cr) but a very low gold value of 1 ppb. The writer did not identify any mariposite.

Larry Tremblay had numerous samples analyzed over the years with very high gold values. Trevor Bremner in his 1990 report on the Reed Creek – Kelli property did not report any of his own sample analysis but he did report two samples collected in 1989 by Larry Tremblay from a black altered shear zone in the Lower Canyon. The samples assayed 174.1 g/t and 450.8 g/t gold. Many geologists, according to Mr. Tremblay, dismissed these high gold values as placer gold contamination of the hard rock sample. However, with the extensive trenching carried out by Mr. Tremblay over the years when gold was observed in outcrop and sampled across the visible gold mineralized zone high gold values would be the result. This is the classic problem of "nugget effect" in an unevenly distributed coarse gold mineralized system. It could also be a factor in the low gold values from the 2004 diamond drilling program that used relatively small diameter BQ drill rods.

CONCLUSION

The geology underlying the Kelli property is Pennsylvanian-Permian Age black graphitic phyllite often limey with thin beds of limestone and quartz sericite schist interbedded with foliated meta-volcanic chlorite schist. Tertiary dacite and feldspar porphyry dikes intrude the older rocks throughout the Reed-Kelli Creek Canyon. The entire geological sequence, except for the younger feldspar porphyry dikes have been uplifted and intensely fractured, folded and faulted and altered by ascending hydrothermal solutions during the Teriary Period.

The Reed-Kelli Creek "V" shaped valley has not been glaciated while the Shakwak Trench and the northeast flank of the Kluane Range have been formed by glaciation. The depth of glacial till in the Kelli Claim Group area is unknown and, if it is deep and widespread, how it may affect exploration to the northwest and southeast of Reed-Kelli Creek.

The price of gold in the range of $1,000 per oz to a high of $1,900 per oz in 2011 has focused attention on different geological models having the potential of forming an economic gold deposit. One of the more important exploration targets has been the hard rock source of gold in placer deposits. This geological model fits the Kelli Claim Group area with its very localized placer gold deposit.

The placer gold recovered from Reed-Kelli Creek is derived from a hard rock source in the Reed-Kelli Creek Canyon over a distance of 600 m and may extend another 200 m to the north. This is a defined gold anomalous exploration target over 800 m (north-northeast axis of Reed-Kelli Creek). The strike length and direction of this gold mineralized structure is more speculative but there is a high probability that it will subparallel Structure 1 at ±190°, which is also the regional trend of the Denali Fault. With regards to the potential strike length of the gold exploration target beyond Reed-Kelli Creek, the structural repetition of the "kink", with associated placer gold, in subparallel creek valleys to the northwest and southeast of Reed-Kelli Creek is very positive. This exploration target within the Kelli Claim Group has a strike length of 3.5 kilometres and has never been explored.

The sampling carried out by Larry Tremblay over a 20 year period produced some very high grade gold assays of multiple ounces. The writer believes these high grade results are from the selective sampling of a visible gold mineralized zones exposed in the hard rock trenching programs. Some of the samples may have been inadvertently contaminated by placer gold but this would not have been the norm. Visiting geologists, including the

writer and Dr. Getsinger, could not duplicate these high gold values but also did not have the opportunity to see these localized visible gold mineralized zones in place.

Dr. Getsinger took nine samples that were gold anomalous over 10 ppb gold with seven of these samples from the east side of Reed-Kelli Creek in the Middle Canyon. The two highest gold values of 497 ppb gold and 442 ppb gold were from quartz veins with chalcopyrite.

The 2004 Diamond Drilling Program in the Lower Canyon did not intersect economic gold values but DH 4 had anomalous gold values of 108 ppb over an impressive true width of 24 m (74 ft) and within that interval 9 m (30 ft) averaging 164 ppb gold.

In 2011 a total of 22 samples were analyzed for gold and multi-elements. In the Lower Canyon 8 samples were taken with RS 6 having the highest grade of 0.82 g/t gold (820 ppb). RS 4, 5, 6 and 7 had lesser gold values of 400 ppb, 340 ppb, and 40 ppb, respectively. These samples demonstrate that the graphitic phyllite (**bgpl**) /quartz sericite unit is gold anomalous.

In the Middle Canyon six samples, RS 12 to RS 17, were analyzed and only one sample, RS 12 from a pyritic quartz was gold anomalous at 260 ppm gold. The rest of the samples from the chlorite meta-volcanic unit **gs** and other quartz veins were only slightly anomalous to nil. The **gs** unit and quartz veins looked very prospective for gold mineralization but the results were not encouraging. However, these samples were taken from the surface of a highly fractured, oxidized outcrop where gold values could be leached out or depleted by gravity segregation from the weathered surface.

RS 20, a sample of highly oxidized pyritic (10% to 20%) float found on the road at the base of the cliffs on the west side of the Middle Canyon had the highest gold value of 2.28 g/t (2,280 ppb). To put this gold grade into an economic context, at $1,000 per oz gold 2.28 g/t has a gross value of $73/t.

Both Dr. Getsinger and Trevor Bremner concur that the Kelli Property has exploration potential for gold mineralization. Dr.Getsinger focuses on the Lower Canyon for ongoing exploration both in the Canyon and along the strike of Structure 1. This exploration rational is based on the anomalous gold values in favourable structural features altered by ascending hydrothermal solutions and the possible concentration of gold values by remobilization. Mr. Bremner concludes that shear zones cutting low grade metavolcanic rocks and associated placer gold in gangue in the Canyon "...raise the possibility that a significant shear zone hosted gold deposit may exist in the area".

It is concluded that ongoing exploration of the Kelli Claim Group is warranted.

RECOMMENDATIONS

Phase 1

1. Plot all sample results that are on various map scales on the 1:2,000 base map prepared in 2011. This includes geochemical sampling done by Placer Dome, Dr. Getsinger and Larry Tremblay.

2. Larry Tremblay's mapping of structures, mineralized zones and general observations should be plotted on appropriate scale maps of the Kelli Claim Group and the extensive written data summarized.

3. Re-open the road using the D8 bulldozer on site from the camp through the canyon and as far upstream as the forks. This will greatly facilitate ongoing property exploration.

4. Complete the outcrop geological mapping on a scale of 1:2,000 from the camp upstream through the Lower to Upper Canyon.

5. The D8 bulldozer can be used to expose outcrop along both the east and west side of the placer mined area from the mouth of the canyon to the camp. Fresh sample sites can be exposed in both the Lower and Middle Canyons.

6. Carry out a 1:4,000 scale mapping program following Structure 1 both northwest and southeast to evaluate the "kink" structure related to placer gold in nearby streams that subparallel Reed-Kelli Creek. The area mapped would be approximately 1 to 1.5 k wide by 4 k along the north slope of the Kluane Range in the Kelli Claim Group area. Surficial geology, outcrop geology and historical workings would be mapped with careful note to the distribution of alder, etc., that will affect ongoing programs such as geochemical sampling and geophysical surveys. Erosional features such as stream channels and slides may give some idea as to the distribution and depth of glacial till and volcanic ash.

5. A geophysicist should review the data and recommend a program, if advisable, to trace Structure 1, as the graphitic schist may produce a conductor that could be traced along the front range.

Respectfully submitted,

Gordon G. Gutrath, P.Eng.

REFERENCES

Bremner, T. 1991, *Reed Creek, INAC, 1991, Yukon Exploration 1990,* p. 60-64

Dodds, C.I. and Campbell, R.B. 1992, Overview, legend and mineral deposit tabulations for *Geological Survey of Canada* Open files 2188, 2189, 2190 and 2191

Getsinger, J.S. 1998, *Preliminary Field Evaluation of the Kelli Property Area, Reed Creek, Y.T.* (unpublished)

McFaul, J. 2004, *Kelli Creek Group, diamond Drilling Program* filed Yukon Mining Incentives Program

Tremblay, L. 1983 to 2007, Extensive reports, memos, maps, sampling data and photographs of geology related to mineralized zones (private collection)

APPENDIX A

STATEMENT OF QUALIFICATIONS

ENGINEER'S CERTIFICATE

I, GORDON GUTRATH, of 4482 Quesnel Drive in the city of Vancouver in the Province of British Columbia, DO HEREBY CERTIFY:-

1. That I am a geologist with a business address of 4482 Quesnel Drive, Vancouver BC V6L 2X6
2. That I am a graduate of the University of British Columbia where I obtained by B.Sc., in geological science in 1960.
3. That I am a Registered Professional Engineer in the Geological Section of the Association of Professional Engineers in the Province of British Columbia
4. That I have practiced my profession as a geologist for the past fifty-one years.

Gordon G. Gutrath, B.Sc., P.Eng.

DATED at the city of Vancouver, Province of British Columbia, this 16th day of January, 2012.

APPENDIX B

STATEMENT OF COSTS

COSTS – GEOLOGICAL- MAPPING PROGRAM, SAMPLE ANALYSIS AND REPORT

Field Work July / August, 2011		
Transportation		
Ford 250 and Trailer (Jasper Equipment, Whitehorse)		
Charge for exploration period	$ 750.00	
2 ATV vehicles (access to Reed Creek)		
6 days @ $20/day	120.00	
1 Polaris Utility Vehicle (access plus on-site transportation)		
Charge for exploration period	600.00	
Kluane Helicopters		
#20195	2,212.22	
#2753	2,346.35	
		$ 6,028.57
Camp Costs		
Trailer (70' x 14') on site		
M. Bouvier trailer rental	500.00	
Food		
18 man days at $30/day	540.00	
		1,040.00
Sample Analysis		
EcoTec		
#11105407	734.81	
#11104793	112.92	
ALS		
#2448499	202.60	
		1,050.33
Field Mapping , Mobilization and Demobilization		
G. Gutrath, Geologist and Professional Engineer		
July 15 - 24: 10 days		
August 11 - 15: 5 days		
15 days @ $600/day	9,000.00	
		9,000.00
Data Compilation and Report		
Jaworsk: mapping and GIS		
Map layout 1:2000 and 1:4000 scale map sheets, waypoints plot ArcGIS	268.80	
Dominion Blue Print		
Printing, reduction and enlargements	156.44	
G. Gutrath Geological Report 2011	3,000.00	
		3,425.24
Total Costs		**$ 20,544.14**

APPENDIX C

LIST OF CLAIMS AND OWNERS

Yukon
Energy, Mines and Resources

Claim Status Report

16 January 2012

	Claim Name and Nbr.	Grant No.	Expiry Date	Registered Owner	% Owned	NTS #'s
R	ANN 1 - 4	YB35476 - YB35479	2013/10/19	Fred Erler	50.00	115G12
				Terry Pfleghaar	50.00	
R	BUY 1 - 12	YA96221 - YA96232	2013/09/12	Terry Pfleghaar	33.33	115G12
				Sandra Erler	33.33	
				Kristy Roberts	33.34	
R	GRACE 1 - 7	YA97463 - YA97469	2013/09/26	Kluane Martin	50.00	115G12
				Louise Bouvier	50.00	
R	JO 1	YB24070	2013/08/20	Terry Pfleghaar	37.00	115G12
				Sulo Poystila	25.00	
				Louise Bouvier	19.00	
				Kluane Martin	19.00	
R	JOSIE 1 - 2	YA96350 - YA96351	2013/09/26	Terry Pfleghaar	37.00	115G12
				Sulo Poystila	25.00	
				Louise Bouvier	19.00	
				Kluane Martin	19.00	
R	KELLI 1	YA93845	2013/10/23	Terry Pfleghaar	37.00	115G12
				Sulo Poystila	25.00	
				Louise Bouvier	19.00	
				Kluane Martin	19.00	
R	KELLI 3 - 8	YA93847 - YA93852	2013/10/23	Terry Pfleghaar	37.00	115G12
				Sulo Poystila	25.00	
				Louise Bouvier	19.00	
				Kluane Martin	19.00	
R	KELLI 9 - 18	YA95337 - YA95346	2014/01/28	Terry Pfleghaar	37.00	115G12
				Sulo Poystila	25.00	
				Louise Bouvier	19.00	
				Kluane Martin	19.00	
R	KELLI 19 - 26	YA96352 - YA96359	2013/09/26	Terry Pfleghaar	37.00	115G12
				Sulo Poystila	25.00	
				Louise Bouvier	19.00	
				Kluane Martin	19.00	
R	KRISTY 1 - 2	YB26868 - YB26869	2013/10/23	Terry Pfleghaar	37.00	115G12
				Sulo Poystila	25.00	
				Louise Bouvier	19.00	
				Kluane Martin	19.00	
R	KRISTY 3	YB35800	2013/10/23	Terry Pfleghaar	37.00	115G12
				Sulo Poystila	25.00	
				Louise Bouvier	19.00	
				Kluane Martin	19.00	
R	KRISTY 5 - 14	YB35801 - YB35810	2013/10/23	Terry Pfleghaar	37.00	115G12
				Sulo Poystila	25.00	
				Louise Bouvier	19.00	
				Kluane Martin	19.00	

Total claims selected : 72

Left column indicator legend:

R - Indicates the claim is on one or more pending renewal(s).
P - Indicates the claim is pending.

Right column indicator legend:

L - Indicates the Quartz Lease.
F - Indicates Full Quartz fraction (25+ acres)
P - Indicates Partial Quartz fraction (<25 acres)
D - Indicates Placer Discovery
C - Indicates Placer Codiscovery
B - Indicates Placer Fraction

Yukon
Energy, Mines and Resources

Claim Status Report

16 January 2012

	Claim Name and Nbr.	Grant No.	Expiry Date	Registered Owner	% Owned	NTS #'s
R	RENO 1 - 2	YA97470 - YA97471	2013/09/26	Terry Pfleghaar	37.00	115G12
				Sulo Poystila	25.00	
				Louise Bouvier	19.00	
				Kluane Martin	19.00	
R	ROSE 1 - 6	YA95976 - YA95981	2013/08/20	Terry Pfleghaar	37.00	115G12
				Sulo Poystila	25.00	
				Louise Bouvier	19.00	
				Kluane Martin	19.00	

Criteria(s) used for search:

CLAIM DISTRICT: 1000004 CLAIM STATUS: ACTIVE & PENDING DOCUMENT NUMBER: HW07194 REGULATION TYPE: QUARTZ

Total claims selected : 72

Left column indicator legend:

R - Indicates the claim is on one or more pending renewal(s).
P - Indicates the claim is pending.

Right column indicator legend:

L - Indicates the Quartz Lease.
F - Indicates Full Quartz fraction (25+ acres)
P - Indicates Partial Quartz fraction (<25 acres)
D - Indicates Placer Discovery
C - Indicates Placer Codiscovery
B - Indicates Placer Fraction

APPENDIX D

SAMPLE ANALYSIS, DESCRIPTION AND CERTIFICATE OF SAMLE ANALYSIS

SAMPLE ANALYSIS

The majority of the samples are located on the 1:2,000 scale Map 2. Samples upstream of the Upper Canyon are located on the 1:4,000 scale Map 1.

The samples were analyzed by Ecotec using a 30 g FA-AA analysis for gold and 35 element ICP.

RS1 WP 246 572404 E 6821985 N (RH3)

White fractured quartz with orange-yellow stained fractures, less than 1% fine pyrite (float)

Result: less than 0.03 g/t Au

RS2 WP 249 572438 E 6822496 N (RH4)

Dark orange oxidized weathered surface, pyritic clots and veinlets cutting a black andecite. Open space of grilling along thin (1 – 2 mm) quartz veinlet (float)

Result: less than 0.03 g/t Au

RS5A WP 250 572435 E 6823014 N (RH5)

Coarse grey calcite with contorted dark grey bands. Cut by very fine orange carbonate veinlets.

Result: 0.03 g/t Au

Ca+++ / no Mag

RS4 WP 253 573407 E 6824669 N

5 m channel sample access. Graphitic phyllite, sericite schist bands, 2 – 3 cm quartz veinlets, oxidized layers. Contorted / drag folds.

Result: 0.40 g/t Au; 105 ppm As; 346 ppm Ba; 56 ppm Cu

Pyrite 1 – 2%; Ca+; no Mag.

RS5B WP 253 573407 E 6824669 N

Quartz veinlet swarm over 10 cm to 20 cm cutting across channel sample RS 4. Highly oxidized.

Result: 0.34 g/t Au; 110 ppm As; 340 ppm Ba; 44 ppm Cu

RS6 WP 254 573411E 6824678 N

Quartz vein 15 cm thick, 1% fine disseminated pyrite cutting quartz sericite schist approximately 5 m from black graphitic schist contact.

Result: 0.82 g/t Au; 30 ppm As; 120 ppm Ba; 14 ppm Cu

RS7 WP 255 573413 E 6824678 N

Bedrock exposed along west edge on placer mined area at start of Lower Canyon. Black graphitic phyllite, 50% highly contoured quartz veinlets. 3 m channel sample.

Result: 0.04 g/t Au; 30 ppm As; 172 ppm Ba; 70 ppm Cu

RS8	WP 257 573379 E 6824658 N (R49) Black graphite/carbon rich. Irregular quartz veining. Some breciation (talus) Result: less than 0.3 g/t Au; 15 ppm As; 252 ppm Ba; less than 2 ppm Cu
RS9	WP 257 573379 E 6824658 N Oxidized carbonate quartz breccias in outcrop 0.5 m to 1 m wide. 2 m channel sample between fault/shear zones. 0.2 m wide highly contorted, drag folded. Limey argillite, graphite/quartz, breccia similar to RS8. Result: less than 0.3 g/t Au; 30 ppm AS; 150 ppm Ba; 10 ppm Cu
RS10	WP 257 573379 E 6824658 N Graphitic banded limey quartz brecciated zone at base of anticlimal fold. Irregular quartz 'blebs'. In contact to south with dacite dikes. 5 m channel sample (Ca+++). Result: less than 0.3 g/t Au; 30 ppm As; 150 ppm Ba; 10 ppm Cu
RS11	WP 258 573314 E 6824639 N (RH12) Pyritic 1 – 2% orange weathering greenish grey sill? Channel sample across 1 m at base of cliff (graphitic argillite 1.5 m overlain by dacite sill 0.5 m then back into graphitic argillite for the next 10 m of cliff face. Result: 0.03 g/t Au; less than 5 ppm As; 288 ppm Ba; 72 ppm Cu
RS12	WP 261 573271 E 6824476 N (RH13) Highly fractured flat lying quartz vein 0.3 m thick cutting fractured dark metavolcanic (andesite) Result: 0.26 g/t Au; less than 5 ppm As; 12 ppm Ba; 8 ppm Cu
RS13	WP 262 573176 E 6824290 N (RH15) White quartz vein with 5% disseminated fine to coarse grained pyrite (float at base of cliff) Result: 0.08 g/t Au; less than 5 ppm As; 8 ppm Ba; less than 2 ppm Cu
RS14	WP 263 573158 E 6824281 N (RH16) Dark brown weathered surface chlorite schist / meta-andesite (possibly a mafic sill). Disseminated fine grained pyrite 5% to 10% (Ca+ / Mag+) Result: 0.03 g/t Au; less than 5 ppm As; 22 pm Ba; 138 ppm Cu
RS15	WP 264 573271 E 682461_ N Flat lying quartz vein cutting dark green highly fractured metavolcanics. Quartz vein 0.2 m to 0.4 m thick with 5% pyrite Result: 0.03 g/t Au; less than 5 ppm As; 6 ppm Ba; less than 2 ppm Cu
RS16	WP 265 573035 E 6824153 N (RH17) Light grey quartz vein with sericite. Fine grained disseminated pyrite 1%. Sample is from oxidized-gossan area (no Ca / no Mag). Result: less than 0.3 g/t Au; less than 5 ppm As; 64 ppm Ba; 30 ppm Cu

RS17	WP 266 573021 E 6824146 N Angular float sample of quartz vein in talus 0.2 m in diameter. Fine to coarse grained pyrite 5%. Result: 0.3 g/t Au; 15 ppm As; 166 ppm Ba; 222 ppm Cu
RS18	WP 270 573256 E 6824324 N Sample from steep +30° outcrop below screens on east side of valley. Dark green chlorite schist (meta-volcanic). Orange carbonate veining. Minor thin (1 mm) quart veining. Fine disseminated pyrite 2 – 3%. Result: 0.04 g/t Au; less than 5 ppm As; 66 ppm Ba; 26 ppm Cu
RS19	WP 270 573256 E 6824324 N This sample was collected by Glen Smith from +30° cliff face approximately 20 m south of RS18. Orange weathering dacite dike with orange carbonate on fractures that is Ca+. No pyrite. No Mag. Result: less than 0.3 g/t Au; less than 5 ppm As; 54 ppm Ba; No Cu
RS20	WP 284 573113 E 6824247 N Highly oxidized dark orange leached vuggy graphitic argillite. Pyrite 10 to 20%. float. Result: 2.28 g/t Au; 15 ppm As; 20 ppm Ba; 220 ppm Cu; +10% Fe
RS21	WP 289 573369 E 6824651 N Round large white boulder 1.5 x 1 m. Fine crystalline limestone cut by irregular quartz veins. Sample of orange stained fractured quartz veining. Little or no pyrite. Ca+++ Result: 0.4 g/t Au; less than 5 ppm As; 4 ppm Ba; 88 ppm Cu
RS22	WP 277 573636 E 6824907 N (RH24) Massive banded limestone, brecciated irregular quartz veining with fine black lenses of magnetite along one side of an angular float boulder (0.5 m by 0.5 m) Ca+++ Mag+++ Result: 0.06 g/t Au; less than 5 ppm As; 56 ppm Ba; 78 ppm Cu

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StewartGroup
Geochemical & Assay

CERTIFICATE OF ASSAY AW 2011-8209

Atled Exploration Management
4482 Quesnel Drive
Vancouver, BC
V6L 2X6

29-Sep-11

No. of samples received: 19
Sample Type: Rock
Project: Reed Creek
Submitted by: G. Gutrath

ET #.	Tag #	Au (g/t)	Au (oz/t)
1	RS1	<0.03	<0.001
2	RS2	<0.03	<0.001
3	RS5 A	0.03	0.001
4	RS4	0.42	0.012
5	RS5 B	0.34	0.010
6	RS6	0.82	0.024
7	RS7	0.04	0.001
8	RS8	<0.03	<0.001
9	RS9	<0.03	<0.001
10	RS10	<0.03	<0.001
11	RS11	0.03	0.001
12	RS12	0.26	0.008
13	RS13	0.08	0.002
14	RS14	0.03	0.001
15	RS15	0.03	0.001
16	RS16	<0.03	<0.001
17	RS17	0.03	0.001
18	RS18	0.04	0.001
19	RS19	<0.03	<0.001

QC DATA:

Repeat:

1	RS1	0.03	0.001
4	RS4	0.43	0.013
6	RS6	0.85	0.025
10	RS10	<0.03	<0.001

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Norman Monteith
B.C. Certified Assayer

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StewartGroup
Geochemical & Assay

Atled Exploration Management AW11-8209 29-Sep-11

ET #.	Tag #	Au (g/t)	Au (oz/t)
19	RS19	<0.03	<0.001
Resplit:			
1	RS1	0.03	0.001
Standard:			
OXi81		1.82	0.053

FA/AA Finish

NM/EL
XLS/11

ECO TECH LABORATORY LTD.
Norman Monteith
B.C. Certified Assayer

28-Sep-1

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:O TECH LABORATORY LTD.
041 Dallas Drive
AMLOOPS, B.C.
:C 6T4
ww.stewartgroupglobal.com

ıone: 250-573-5700
ax : 250-573-4557

ICP CERTIFICATE OF ANALYSIS AW 2011-8209

Atled Exploration Management
4482 Quesnel Drive
Vancouver, BC
V6L 2X6

No. of samples received: 19
Sample Type: Rock
Project: Reed Creek
Submitted by: G. Gutrath

alues in ppm unless otherwise reported

Et #.	Tag #	Ag	Al%	As	Ba	Be	Bi	Ca%	Cd	Co	Cr	Cu	Fe%	Hg	K%	La	Li	Mg%	Mn	Mo	Na%	Ni	P	Pb	S%	Sb	Sc	Se	Sn	Sr	Ti%	U	V	W	Y	Zn
1	RS1	<0.2	0.14	5	14	<1	<5	1.86	<1	3	310	<2	1.21	<5	0.06	<2	<2	0.50	320	1	0.02	10	60	<3	0.02	<5	1	<10	<5	28	<0.01	<5	10	<5	2	88
2	RS2	<0.2	2.38	15	48	<1	<5	0.31	<1	12	94	18	5.53	<5	0.18	2	32	1.44	605	3	0.06	24	420	<3	0.67	<5	8	<10	<5	12	0.21	<5	152	<5	5	14
3	RS5 A	<0.2	0.37	15	14	<1	<5	>10	<1	9	82	4	1.24	<5	0.03	4	4	0.88	1125	<1	0.03	14	250	<3	0.05	<5	6	<10	<5	158	<0.01	<5	20	<5	5	<2
4	RS4	0.4	0.75	105	346	<1	<5	0.52	<1	15	346	56	3.52	<5	0.30	8	4	0.31	745	5	0.04	34	740	6	0.40	<5	3	<10	<5	28	<0.01	<5	28	<5	4	106
5	RS5 B	0.4	0.41	110	340	<1	<5	0.23	1	12	238	44	3.51	<5	0.24	8	<2	0.13	545	6	0.03	32	760	3	0.57	<5	3	10	<5	26	<0.01	<5	22	<5	5	134
6	RS6	<0.2	0.16	30	120	<1	<5	2.18	<1	3	176	14	1.54	<5	0.03	10	<2	0.32	385	1	0.09	6	90	<3	0.78	<5	2	<10	<5	140	<0.01	<5	4	<5	5	<2
7	RS7	<0.2	0.94	30	172	<1	<5	2.93	<1	15	102	70	3.51	<5	0.17	4	8	1.44	1100	1	0.05	29	760	<3	0.58	<5	4	<10	<5	96	<0.01	<5	32	<5	4	30
8	RS8	<0.2	0.12	15	252	<1	<5	>10	<1	3	28	<2	0.63	<5	0.04	4	<2	1.06	300	2	0.01	17	340	<3	0.24	<5	2	<10	<5	1636	<0.01	<5	10	<5	8	<2
9	RS9	<0.2	0.18	25	416	<1	<5	>10	<1	5	34	2	0.91	<5	0.05	2	<2	1.52	310	2	0.01	23	390	<3	0.35	<5	3	<10	<5	1702	<0.01	<5	18	<5	8	6
10	RS10	<0.2	0.18	30	150	<1	<5	>10	<1	6	48	10	1.06	<5	0.10	4	<2	1.98	410	2	0.02	24	460	<3	0.48	<5	3	<10	<5	1070	<0.01	<5	12	<5	8	4
11	RS11	<0.2	1.85	<5	288	<1	<5	4.27	<1	33	114	72	5.96	<5	0.07	4	12	3.11	950	<1	0.07	68	600	<3	0.42	<5	17	<10	<5	196	<0.01	<5	182	<5	7	34
12	RS12	<0.2	0.24	<5	12	<1	<5	1.22	<1	6	308	8	1.19	<5	0.06	<2	<2	0.43	275	3	0.02	16	80	<3	0.12	<5	1	<10	<5	32	<0.01	<5	14	<5	2	<2
13	RS13	<0.2	0.08	<5	8	<1	<5	0.24	<1	6	434	<2	0.88	<5	0.06	<2	<2	0.02	95	4	0.01	10	60	<3	0.39	<5	<1	<10	<5	12	<0.01	<5	4	<5	<1	<2
14	RS14	<0.2	2.51	<5	22	<1	<5	3.69	<1	41	86	138	7.93	<5	0.13	4	12	2.12	1175	2	0.05	19	950	<3	2.86	<5	14	<10	<5	124	0.02	<5	184	<5	8	58
15	RS15	<0.2	2.37	<5	6	<1	<5	2.96	<1	42	120	<2	3.90	<5	0.04	4	8	2.06	910	2	0.05	32	870	<3	1.23	<5	5	<10	<5	110	0.07	<5	62	<5	5	4
16	RS16	<0.2	0.57	<5	64	<1	<5	2.93	<1	15	78	30	3.03	<5	0.22	6	<2	1.30	720	<1	0.06	25	800	<3	0.85	<5	7	<10	<5	76	<0.01	<5	44	<5	5	24
17	RS17	<0.2	2.21	15	166	<1	<5	6.08	<1	40	144	222	4.61	<5	0.07	2	10	2.56	1290	1	0.05	45	2530	<3	1.76	<5	12	<10	<5	130	<0.01	<5	110	<5	9	58
18	RS18	<0.2	2.44	<5	66	<1	<5	6.70	<1	35	98	26	4.80	<5	0.33	4	12	1.87	980	1	0.03	36	1060	<3	1.14	<5	9	<10	<5	206	0.05	<5	126	<5	8	16
19	RS19	<0.2	0.57	<5	54	<1	<5	1.75	<1	4	150	<2	1.34	<5	0.23	4	<2	0.50	285	3	0.11	6	440	<3	0.02	<5	1	<10	<5	36	<0.01	<5	8	<5	1	6
QC DATA:																																				
Repeat:																																				
1	RS1	<0.2	0.13	5	14	<1	<5	1.87	<1	3	320	<2	1.21	<5	0.06	<2	<2	0.51	320	1	0.01	10	60	<3	0.02	<5	1	<10	<5	28	<0.01	<5	10	<5	2	86
10	RS10	<0.2	0.17	30	148	<1	<5	>10	<1	6	46	10	1.01	<5	0.09	4	<2	2.02	395	1	0.02	24	460	<3	0.48	<5	3	<10	<5	1054	<0.01	<5	10	<5	7	2
Resplit:																																				
1	RS1	<0.2	0.12	<5	12	<1	<5	1.91	<1	3	290	<2	1.13	<5	0.05	<2	<2	0.51	310	1	0.01	9	50	<3	0.01	<5	1	<10	<5	26	<0.01	<5	10	<5	2	80

CO TECH LABORA Y LTD. **ICP CERTIFICATE OF ANALYSIS AW 2(209** **Atled Exploration Management**

Et #.	Tag #	Ag	Al%	As	Ba	Be	Bi	Ca%	Cd	Co	Cr	Cu	Fe%	Hg	K%	La	Li	Mg%	Mn	Mo	Na%	Ni	P	Pb	S%	Sb	Sc	Se	Sn	Sr	Ti%	U	V	W	Y	Zn
tandard:																																				
ɔ129a		11.4	0.86	<5	66	<1	<5	0.47	60	6	12	1432	1.54	<5	0.11	4	<2	0.68	370	2	0.03	5	430	6192	0.80	15	<1	<10	<5	30	0.05	<5	20	<5	2	9930

CP: Aqua Regia Digest / ICP- AES Finish.

M/EL
/2_7113S
LS/11

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StewartGroup
Geochemical & Assay

CERTIFICATE OF ASSAY AK 2011-1346

Atled Exploration Management 24-Sep-11
RR#2, Site 5B, Comp 4
Chase, BC
V0E 1M0

No. of samples received: 3
Sample Type: Rock
Project: Red Creek
Submitted by: Gordon Gutrath

ET #.	Tag #	Au (g/t)	Au (oz/t)
1	RS20	2.28	0.066
2	RS21	0.04	0.001
3	RS22	0.06	0.002
QC DATA:			
Repeat:			
1	RS20	2.36	0.069
Resplit:			
1	RS20	2.37	0.069
Standard:			
OXi81		1.82	0.053

FA/AA Finish

NM/cr
XLS/11

ECO TECH LABORATORY LTD.
Norman Monteith
B.C. Certified Assayer

24-Sep-1

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none: 250-573-5700
ax : 250-573-4557

ICP CERTIFICATE OF ANALYSIS AK 2011- 1346

Atled Exploration Management
RR#2, Site 5B, Comp 4
Chase, BC
V0E 1M0

No. of samples received: 3
Sample Type: Rock
Project: Red Creek
Submitted by: Gordon Gutrath

alues in ppm unless otherwise reported

Et #.	Tag #	Ag	Al%	As	Ba	Be	Bi	Ca%	Cd	Co	Cr	Cu	Fe%	Hg	K%	La	Li	Mg%	Mn	Mo	Na%	Ni	P	Pb	S%	Sb	Sc	Se	Sn	Sr	Ti%	U	V	W	Y	Zn
1	RS20	2.0	2.63	15	20	<1	40	2.27	<1	153	70	220	>10	<5	0.14	4	12	1.77	1495	8	0.14	33	810	30	3.46	5	4	10	<5	36	0.07	<5	78	<5	5	80
2	RS21	0.4	0.09	<5	4	<1	<5	0.08	<1	5	282	88	0.95	<5	0.01	<2	<2	0.04	85	<1	0.02	5	20	<3	0.08	<5	<1	<10	<5	2	<0.01	<5	4	<5	<1	38
3	RS22	<0.2	1.81	<5	56	<1	10	8.05	<1	30	84	78	4.80	<5	0.32	4	4	2.18	1370	1	0.11	42	210	12	0.65	<5	14	<10	<5	148	0.04	<5	100	<5	7	160
IC DATA:																																				
lepeat:																																				
1	RS20	2.0	2.57	15	20	<1	40	2.34	<1	151	72	218	>10	<5	0.14	4	12	1.73	1495	8	0.14	31	810	30	3.45	<5	4	10	<5	38	0.07	<5	76	<5	5	80
lesplit:																																				
1	RS20	1.8	2.53	10	20	<1	40	2.23	<1	146	70	200	>10	<5	0.13	4	12	1.70	1455	9	0.13	31	810	30	3.51	<5	3	10	<5	34	0.07	<5	74	<5	5	78
Standard:																																				
Pb129a		11.8	0.85	<5	68	<1	<5	0.47	58	6	12	1428	1.60	<5	0.10	4	<2	0.66	370	2	0.04	5	410	6063	0.81	15	<1	<10	<5	32	0.05	<5	20	<5	3	9920

CP: Aqua Regia Digest / ICP- AES Finish.
Ag : Aqua Regia Digest / AA Finish.

NM/cr
f/2_8214CS
KLS/11

ECO TECH LABORATORY LTD.
Norman Monteith
B.C. Certified Assayer

VA11229406 - Finalized
CLIENT : "ATLEXP - Atled Exploration Management Ltd"
# of SAMPLES : 3
DATE RECEIVED : 2011-11-01 DATE FINALIZED : 2011-11-29
PROJECT : " "
CERTIFICATE COMMENTS : "ME-MS61:REE's may not be totally soluble in this method. "
PO NUMBER : " "

	Au-AA23	ME-MS61	ME-MS61	ME-MS61	ME-MS61	ME-MS61	ME-MS61	ME-MS61
SAMPLE	Au	Ag	Al	As	Ba	Be	Bi	Ca
DESCRIPT	ppm	ppm	%	ppm	ppm	ppm	ppm	%
RS20A	2.46	2.19	4.28	13.6	120	0.21	11.6	0.25
RS22A	0.013	0.12	8.66	<0.2	360	1.27	0.12	9.53
KETCH 1	0.005	0.03	2.58	9.6	170	0.19	0.02	6.29

ME-MS61 Cd ppm	ME-MS61 Ce ppm	ME-MS61 Co ppm	ME-MS61 Cr ppm	ME-MS61 Cs ppm	ME-MS61 Cu ppm	ME-MS61 Fe %	ME-MS61 Ga ppm	ME-MS61 Ge ppm
0.05	20.2	150.5	26	0.18	248	25.9	9.91	0.5
0.27	27.6	23.3	55	0.58	36.2	5.96	14.6	0.11
0.1	24	10.9	47	0.93	28	4.21	7.18	0.09

ME-MS61 Hf ppm	ME-MS61 In ppm	ME-MS61 K %	ME-MS61 La ppm	ME-MS61 Li ppm	ME-MS61 Mg %	ME-MS61 Mn ppm	ME-MS61 Mo ppm	ME-MS61 Na %
0.2	0.034	0.54	9.6	15.1	2.05	1510	7.52	0.02
0.3	0.049	1.68	13.2	21.4	3.3	1740	0.58	1.2
0.6	0.054	0.44	6.9	62.2	0.98	998	0.34	0.32

ME-MS61 Nb ppm	ME-MS61 Ni ppm	ME-MS61 P ppm	ME-MS61 Pb ppm	ME-MS61 Rb ppm	ME-MS61 Re ppm	ME-MS61 S %	ME-MS61 Sb ppm	ME-MS61 Sc ppm
3.4	24.4	830	5.2	11.9	<0.002	0.25	0.13	8.9
6.8	42.7	60	7.9	39.8	<0.002	0.64	0.16	27.4
0.9	19.6	250	2.3	14.9	<0.002	0.09	0.93	21.8

ME-MS61 Se ppm	ME-MS61 Sn ppm	ME-MS61 Sr ppm	ME-MS61 Ta ppm	ME-MS61 Te ppm	ME-MS61 Th ppm	ME-MS61 Ti %	ME-MS61 Tl ppm	ME-MS61 U ppm
7	0.4	20.4	0.17	12.45	0.9	0.258	0.1	0.5
1	0.6	416	0.39	0.18	1.8	0.576	0.18	0.7
1	0.4	80.7	0.06	<0.05	<0.2	0.277	0.09	<0.1

ME-MS61 V ppm	ME-MS61 W ppm	ME-MS61 Y ppm	ME-MS61 Zn ppm	ME-MS61 Zr ppm
152	0.6	11	105	7.2
197	2.3	10.2	232	7.3
104	0.8	15.5	33	17.4

APPENDIX E

DESCRIPTION OF HAND SPECIMENS

Description of Hand Specimens located on Map 1 and 2

(1), (2a) and 2(b)	WP 240 1287 m 2476 E / 2439 N Bulldozer trench on east side of creek. Face of outcrop is 3 m high and 10 m long. (1) dark grey, fine grained equicrystalline intrusive dike / diorite (2a) dark green; fissile chlorite schist (2b) light tan, fissile sericite schist
(3)	WP 246 572404 E 6821958 N (Sample RS1) Angular white quartz boulder (float) on east side of road 0.3 m x 0.5 m. Orange stain on fractures of minor leached out vugs, pyrite 1%
(4)	WP 249 572438 E 6822496 N (Sample RS2) Dark orange oxide stained subrounded float boulder. Graphitic argillaceous schist with +2% disseminated pyrite cut by pritic (+20%) quartz veinlets.
(5)	WP 250 572435 E 6823014 N (Sample RS3) Light grey to white, in part brecciated limestone with thin discontinuous black banding/bedding. Cut by orange irregular veinlets of siderite (Ca+++ / No Mag), pyrite 1%
(6)	No specimen
(7)	WP 254 573411 E 6824678 N (Sample RS6) Light orange weathered tan sericite schist with fine interbanded quartz, pyrite fine grained 1%, cross cutting white irregular quartz veinlets
(8)	WP 256 573396 E 6824663 N Green chlorite schist (meta-volcanic) pyrite +1% finely disseminated. No Ca, No Mag
(9)	WP 257 573379 E 6824658 N 'Sooty' black limey graphitic breccia (Ca+++ / No Mag)
(10)	WP 257 573379 E 6824658 N Within same formation as (9) in a 0.5 m bed of strongly dragfolded light to dark thin bedded limestone
(11)	WP 257 573379 E 6824658 N Tan subrounded feldspar in a weakly layered fine grained tuffaceous (?) ground mass
(12)	WP 258 573314 E 6824639 N Light orange weathered greenish-grey dacite sill
(13)	WP 259 573309 E 6824626 N Light tan to orange weathered dacite dike. Medium grained orange and white subhedral plagioclase with 10% intercrystalline blades of fine to medium grained hornblende. No Mag.
(14)	WP 261 573271 E 6824476 N Green chlorite schist. Fine pyritic veinlets sub-paralleling schistosity. Pyrite 3%, No Mag

(15)	WP 264 573127 E 6824261 N White quartz vein, yellow stained on fractures, 5% fine to coarse grained pyrite (RS13)
(16)	WP 263 573158 E 6824281 N (RS14) Dark grey, weakly sheared andesite fine feldspar/mafic minerals in an early stage fine grained gneissic fabric. Fine disseminated pyrite +5%, Mag++, quite a strong reaction to dilute HCl along fractures and in the matrix.
(17)	WP 265 573035 E 6824281 N (Sample 16) Orange oxide weathered light grey quartz +90% sericite foliation, weak fabric, 10% fine disseminated pyrite 1% (float).
(18)	WP 270 573256 E 6824324 N (Sample 18) Fine grained green-grey chlorite schist, meta-volcanic. Pyrite 2 to 3% fine disseminations and in clots. Orange carbonate fracture filling. Ca+++ / Ca+ on fresh, fine grain feldspar/chlorite face (no Mag)
(19)	WP 270 573256 E 6824324 N (Sample 19) Light orange weakly sheared feldspar rich dacite dike? or siliceous iron carbonate. No Mag, Ca+ on fractures and fine veinlets.
(20)	WP 279 573369 E 6824651 N Dacite dike, light orange on weathered surface, light grey on fresh surface. Massive outcrop, aphanitic, dense plagioclase ground mass. Pyrite less than 1%. No Mag
(21)	WP 281 573392 E 6824670 N Dark green chlorite schist, fine grained crystal faces, pyrite less than 1%. Ca+ on fractures, no Mag
(22)	WP 282 573399 E 6824667 N White to light cream bed of finely light to dark banded massive limestone with no texture. Ca+++, no Mag. Bedded within a 8 m wide light yellow fissile sericite schist.
(23)	WP 287 572999 E 6824010 N Light grey massive limestone in outcrop, strong fracturing.
(24)	WP 284 573113 E 6824247 N Angular float boulder of dark orange, lightly oxidized and leached graphitic schist. Original pyrite content in the order of 20 – 30%.
(25)	WP 183 573265 E 6824509 N Specimen of numerous angular float boulders on road, light orange weathering in outcrop. Stands out on +50° outcrop face as a north/south trending dike cutting grey feldspar porphyry, sub-volcanic andesite. Fine grained probably equivalent of dacite dikes but fine grained crystalline feldspar with 2 – 3% fine black horneblende 'blades'.

APPENDIX F

2004 DIAMOND DRILLING PROGRAM

2004 Diamond Drilling Program

Five BQ diameter holes totally 305 m were drilled in July, 2004. The program was financed in part by the Yukon Mining Incentives Program. The drill core logging and sample preparation was carried out by Jim McFaull, Geologist. The core is stored in the Yukon Core Library.

The writer has the Final Submission to the Yukon Mines Department as required under the Yukon Mining Incentives Program. There is a claim map showing the general location of the drilling. The drill logs provide the UTM coordinates for the drill holes but do not match the described location on the ground. Possibly satellite reception was poor or the satellite data was still 'scrambled' by the US military. There is no detailed map of the drill hole locations and there is no interpretive information regarding geology relative to core analysis. Acme Labs analyzed the sample by Fire Geochem Au – 30 gm sample fusion, dore dissolved in agua regia, ICP analysis for gold only. The core logging is recorded per hole per core box and appears to be well done. Diluted HCl was used to identify the lime rich sections but there is no recording of magnetic mineral content.

The general location of the drilling on the 1:2,000 map (Figure 3) was the owners description of the location, confirmation by Glen Smith who was on site during the drilling, photographs and, as noted by the writer in 2011, the described site with broken core boxes, etc. In addition, the holes were located relative to surface geology and drill hole geology.

The drilling did not intersect any potential economic gold mineralization but the core analysis does provide a correlation between anomalous gold values related to geology.

Drill Hole	Description	Analysis Au
DH 1 and 2	DH1 170° @ –50° dip and DH2 170° at –50° dip DH1 is reported to be 10 m from DH2. This results in a separation approximately 10 m vertically and tests in part a similar geological section.	
DH 1 and 2	Dacite dike / sill with black graphitic layering	4 ppb
DH 1 and 2	Black graphite schist, banded quartz sericite schist, quartz veinlets and reported masaposite (?)	20 to 46 ppb
DH 1	Green chlorite schist (meta-volcanic) fault gouge. No pyrite to trace.	3 ppb
DH 2	Dacite dike swarm with black interbanded graphitic schist (No Ca)	12 ppb
DH 3	210° @ –50° dip	
1 – 14 m	Quartz sericite schist interbanded black graphitic schist, 1% pyrite strongly fractured (Ca+++)	6 ppb
14 m to 47 m	Interbedded black graphite schist / quartz sericite schist, faulting shearing and brecciation	11 to 148 ppb (average 45 ppb)

47 m to 92 m	Interbanded quartz sericite schist with black graphitic schist (Ca –0), trace to fine pyrite.	4 to 6 ppb uniform low gold ppb
DH 4	350° @ –50° dip	
35 – 59 m	Chlorite schist to brown schist, interbedded limestone, black graphitic schist (no Ca) with highest results of 164 ppb in black graphitic schist, minor tan quartz sericite schist with fine 1% pyrite (no Ca). Last 3 samples 50 to 59 m averaged	21 ppb to 172 ppb (average 108 ppb) 164 ppb
DH 5	210° @ –65° dip	
5.5 – 11 m	Grey/white quartz sericite schist cut by quartz/carbonate veinlets. Trace fine pyrite. Minor interbedded black graphitic schist (Ca+++)	4 ppb
11 – 17 m	Black graphitic schist (Ca+++) fine disseminated 1% pyrite cut by thin quartz/carbonate veinlets	8 ppb
17 – 26 m	Green chlorite schist (meta-volcanics) fine disseminated 1% pyrite (21 m to 26 m) chlorite schist to tan quartz sericite graphitic fault zone	33 ppb 96 ppb
26 – 30.5 m	Black limey graphitic schist (Ca+++)	25 ppb

572000 572500 573000 573500 574000 574500

6825000 6824500 6824000 6823500 6823000 6822500 6822000

3000 3500 4000 4500 5000 5500

N

OUTLINE OF MAP 2 (1 : 2000)

LOWER CANYON

MIDDLE CANYON

UPPER CANYON

Reed Kelli Creek

Old Timers Workings A

Old Timers Workings B

Old Timers Workings C

Structure 1

Structure 2

CAMP

1980s Bulldozer dam

1930s ditch

End of placer mining July 31, 1986

2011 mud slide

Open Alpine Valley-grass and scattered willow

LEGEND

Geology

Quaternary

Qa — Glacial deposits

Tertiary to Miocene

Oligocene

dd — Light orange weathering dacite dikes, fine grained to aphanitic, plagioclase and lesser quartz

fp — Light grey weathering with a blocky joint pattern. White, fine to medium grained euhedral plagioclase in a fine grained plagioclase groundmass with 2% to 5% fine grained bladed hornblende. The northern section of the Middle Canyon has a large outcrop area fp and dd intruding or overlying green schist meta-volcanics of Mesozoic age.

Mesozoic

Pennsylvanian - Permian

Skolai Group: Station Creek Formation

bgpl — Black graphitic phyllite, often limey with interbedded limestone and quartz sericite schist. Lesser foliated greenstone. In Lower Canyon bgpl is intruded by numerous dacite dikes and subsequent intense shearing, faulting and folding has broken the dikes into irregular segments within bgpl. Disseminated fine pyrite 1% to 2% (Lower Canyon area)

sqs — Light cream to tan coloured sericite quartz schist

qs(fp) — Dark to pale green foliated greenstone (chlorite schist). In the downstream section of the Middle Canyon the creek runs through qs below the road and above the road is intruded by fp that trend generally east-west across the canyon and irregular dikes of dd that trend north-south sub paralleling the creek canyon.

(qs(fp) and qs are primarily in the Middle Canyon area)

qs — Dark green to brown weathering, moderately to strong foliated greenstone (meta-volcanics primarily of andesite composition). Highly fractured, coditized to dark brown and cut by flat lying widely spaced, highly fractured and folded -- crumpled quartz veins from a few cm to 0.4 m in thickness and with 1% to 5% fine to course grained pyrite. The meta-volcanics have from 1% to 15% fine grained disseminated pyrite.

pc — Light grey-green weathering phyllitic carbonate. Banded/bedded, strongly lineated, tight folding, less than 1% fine grained disseminated pyrite. (Upper Canyon area)

Symbols/Abbreviations

an	andesite
chl sch	chlorite schist
ser	sericite schist
arg	argillite
ox	oxidized / pyritic
carb	carbonate
q v	quartz veinlets
lmst	limestone
py	pyrite
mag	magnetite + low% to +++high%
ca	calcium (limy) + low% to +++high%

- outline of rock outcrop
- inferred outline of outcrop
- geological contact
- inferred geological contact
- fault / intense shearing
- bedding attitude
- schisttosity / foliation attitude
- attitude of fold axis and plunge
- joint attitude
- slope
- (12) hand specimen
- 12 sample for analysis
- old workings ± 1930s-40s
- placer claim posts
- quartz claim posts
- road
- edge of creek gravels
- bulldozer stripped overburden
- bld tr — bulldozer trench
- M — muskeg (permafrost)
- sbsp — stunted black spruce
- Sp — tall spruce (thawed?)
- W — willow
- Al — alder

0 100 200 300 400

metres

SCALE: 1:4000

KELLI CLAIM GROUP

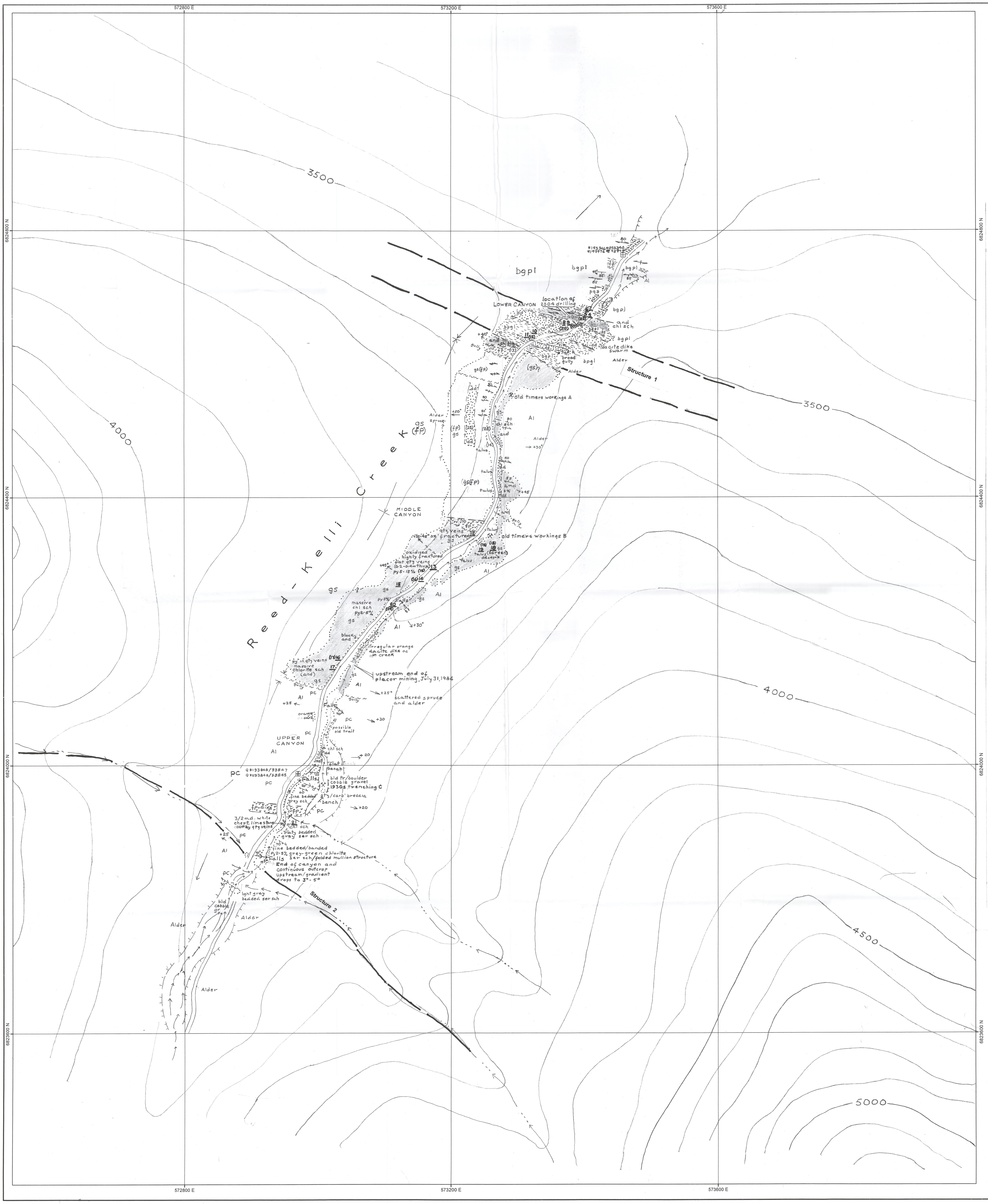
KELLI CLAIM GROUP
Whitehorse Mining Division
Donjek River – Reed Creek Area
YUKON

Geology Map 1

SURFICIAL AND OUTCROP GEOLOGY

Map Projection: UTM Zone 7
Datum: NAD 83

N.T.S. Mapsheet: 115 G/12	BY: Gordon Gutrath geologist, P. Eng.
DATE: OCT. 15, 2011	File: Reed_Cr_Kelli_Claims_2011_4k_Waypoints_v1.mxd
FIGURE: 1	BASE MAP DRAFTED BY: Jaworski Mapping & GIS



LEGEND

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(gs(fp) and gs are primarily in the Middle Canyon area)

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pe	Light grey-green weathering phyllitic carbonate. Banded/bedded, strongly lineated, tight folding, less than 1% fine grain disseminated pyrite. (Upper Canyon area)

Symbols/Abbreviations

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q v	quartz veinlets
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	geological contact
	inferred geological contact
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	bedding attitude
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	edge of creek gravels
	bulldozer stripped overburden
bld tr	bulldozer trench
M	muskeg (permafrost)
sbsp	stunted black spruce
Sp	tall spruce (thawed?)
W	willow
Al	alder

0 50 100 150 200

metres

SCALE: 1:2000

KELLI CLAIM GROUP

Whitehorse Mining Division
Donjek River – Reed Creek Area
YUKON

Geology Map 2

Map Projection: UTM Zone 7
Datum: NAD 83

N.T.S. Mapsheet: 115 G/12	**BY: Gordon Gutrath geologist, P. Eng.**
DATE: OCT. 15, 2011	File: Reed_Cr_Kelli_Claims_2011_2k_Waypoints_v2.mxd
FIGURE: 2	*BASE MAP DRAFTED BY: Jaworski Mapping & GIS*

6828000 N
1000 E
2000 E
3000 E
4000 E
5000 E
6828000 N
576000 E
7000 N
6000 N
5000N
4000 N
3000 N
2000 N
6821000 N

REED CREEK

OUTLINE OF CLAIM GROUP

Camp

REED-KELLI CREEK

OUTLINE OF MAP 2 (1 : 2000)

OUTLINE OF MAP 1 (1: 4000)

3000
3500
4000
4500
5000
5500
6000

OUTLINE OF THE KELLI CLAIM GROUP

AND THE

OUTLINE OF MAP 1 (1: 4000)

AND THE

OUTLINE OF MAP 2 (1 : 2000)

MAP 3

REED CREEK PROJECT

KLUANE RANGE

SOUTHWEST YUKON

MAP SHEET NTS 115 / G 12

ZONE 7 NAD 83

GCG Drafted NOVEMBER , 2011

SCALE 1 : 10,000

0 0.5 1 1.5

Kilometers