

TAC Claims Assessment Work Report
Magnetic Survey and Structural Analysis

NTS 105D05 and 105D06

Latitude 60° 22' N

Longitude 135° 30' W

UTM None 8N

6692000N 472000E

By

Paul Reynolds, P. Geo.

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Summary

The TAC property consists of 182 claims and is located 45 kilometres south-southwest of Whitehorse, Yukon Territory. The registered owners of the property are Timothy Young of Calgary, Alberta and Chris Baldys of Maple Ridge, British Columbia. Central Resources Corp., has an option to earn a 100% interest in the property and was the project operator.

The TAC claims are underlain by early Eocene Skukum Group volcanics which lie unconformably on Cretaceous and Jurassic granitic intrusives and Paleozoic to Permian metamorphic rocks.

Exploration in 2012 consisted of a ground magnetic survey over a portion of the claims and structural analysis from airphotos. There are three known gold mineralized showings on the TAC property. Gold mineralized zones appear to be structurally controlled. There appears to be more than one gold mineralizing event and gold mineralization is present in both granodiorite and rhyolite. There have been multiple volcanic eruptions which have led to the emplacement of numerous volcanic rocks on the property and the relationship between the various rock types is poorly understood. There are many areas with moderate to intense hydrothermal alteration.

Outcrop exposure on the property is poor, generally restricted to stream valleys breaks in slope. Recent structural interpretation in conjunction with a magnetic survey indicates that the granodiorite body (EJgA) in the central part of the property is likely much larger than indicated. Neither survey shows any indication of the controlling structures on the known mineralization.

Location and Access

The TAC property is located 45 kilometres south-southwest of Whitehorse and 18 kilometres north of the Mt. Skukum gold-silver deposit within map sheet 105 D5.

Access to the property is by helicopter. A rough 4-wheel drive road east of Alligator Lake passes within eight kilometres and another one follows Watson River to within three kilometres of the property. A well maintained gravel road along the Wheaton River valley provides access to the Mt Skukum deposit and the mill site. The distance from the mill site to TAC claims is 16 kilometres.

The 2012 work program utilized daily helicopter access from Whitehorse for a two man crew. One way trip to the project area requires approximately 0.4 hour flight time.

Climate, Topography and Vegetation

Climate of the TAC property area is typical of uplands in southern Yukon with harsh winters and moderate summers enhanced by periods of extended daylight lasting up to 20 hours. The exploration field season extends from early June through to October.

The property is characterized by moderate to rugged alpine topography with elevations ranging from 1,130 metres in the creek valley at the northeast corner of the property to in excess of 2,100 metres on top of many of the surrounding peaks. In general, the mid slopes of the property are relatively subdued with deeply incised creek valleys. The area has been affected by alpine and continental glaciation which at the time of its maximum extent covered the area to an elevation of approximately 2,000 metres. Alpine glaciation is still active at higher elevations.

The property is mostly above tree line. Vegetation consists of alpine shrubs and grasses with dwarf birch and willow in the lower valleys. Later Creek, No Name Creek and Ibex Creek flow throughout the field season whereas many smaller creeks are dry after July.

Claim Status

The property consists of 182 contiguous quartz claims located on NTS map sheets 105D05 and 105D06. The claims are all within the Whitehorse Mining District. Claim status is as follows.

Claim Names	Grant Numbers	Recording Date	Expiry Date
TAC 1 - 182	YD12201 – YD12382	July 31, 2009	January 31, 2014

The registered owners of the property are Timothy Young of Calgary, Alberta and Chris Baldys of Maple Ridge, British Columbia.

History

Recent exploration in the area of the TAC property peaked in the 1980's with the discovery of the Mt. Skukum gold – silver deposit situated 16 kilometers south of the TAC property. Agip Canada Ltd., conducted exploration programs of geological mapping and rock geochemistry during 1982. Kerr Addison Mines explored the area encompassing the TAC claims during the mid 1980's. Work by Kerr Addison included geological mapping, soil and rock geochemistry, hand trenching and diamond drilling. Kerr Addison collected 317 rock samples from the Later Creek area. Of these, 152 samples returned anomalous gold values (Au > 30 ppb) with 18 of these exceeding 1,000 ppb gold.

In 1986, Kerr Addison drilled nine shallow holes (933 metres total). The holes were drilled from three locations. The azimuth and inclination of the holes are unknown. The author has been unable to locate copies of the drill logs however the best sample from drilling reportedly returned 850 ppb gold from rhyolite tuffs (C. Baldys, personal communication).

During 2012, Central Resources Ltd., conducted a program of prospecting and rock and soil sampling.

Regional Geology

Regionally the area of the TAC property is underlain by early Eocene volcanic rocks of the Skukum Group. The volcanic rocks are intermediate to felsic in composition and unconformably overlie Paleozoic to Proterozoic metasedimentary rocks and Cretaceous and Jurassic granitic rocks. The Skukum Group volcanic rocks lie along the northeast margin of the Coast Crystalline Complex where they are preserved as erosional remnants within down-faulted blocks in areas of higher elevation.

The Coast Crystalline Complex forms a southwesterly facing magmatic arc within the Intermontane Belt which represents an allocthonous block accreted to the North American craton during the Mesozoic. Deposition of Skukum Group volcanics was coincident with a period of widespread deformation during which large bodies of quartz monzonite were emplaced in both the Coast Crystalline Complex and the Yukon Crystalline Terrane. Magmatic intrusion was associated with widespread eruption of pyroclastic material throughout the southern Yukon and northern British Columbia.

Property Geology

The Later Creek area is underlain by a pile of felsic to intermediate volcanics belonging to the Skukum Group. This volcanic sequence was mapped in detail in 1985 at the headwaters of Later Creek (C. Baldys, et al, 1985). The Skukum volcanics exposed on the property include rhyolite to andesite tuffs, flows, sills and dykes. This volcanic sequence unconformably overlies Paleozoic metasediments and granitic intrusions of Jurassic age.

The main components of the Tertiary volcanic stratigraphy are the Upper Tuff and the Lower Tuff. The latter unit hosts the gold mineralization of the Rhyolite Zone. The above volcanic sequences were mapped in detail in the past and are described as follows (Baldys, 2010):

Upper Tuff

This volcanic sequence consists of rhyolite lapilli tuffs and volcanic breccias outcropping at higher elevations and overlying the lower sequence of pyroclastic volcanics (Lower Tuff). It consists of dark grey groundmass with multicolored heterolithic clasts. The clast size is variable but generally between 0.5 and 3.0 cm comprising up to 70% of the rock volume. Towards its base this unit grades into volcanic breccia. Locally the unit is pyritic, and exhibits variable degrees of argillic, sericitic or propylitic alteration and are variably silicified fractured.

Lower Tuff

This rhyolitic pyroclastic sequence is generally light to medium grey, weathering to light grey to brown or buff and exhibiting distinct flow banding often with feldspar phenocrysts. Ash to lapilli size groundmass is quartz and K-spar rich (rhyolite) as determined from staining and thin section study in the past. These rocks contain fragments ranging from lapilli to breccia in size that are typically rhyolitic and locally metasedimentary in composition. This sequence is generally devoid of outcrop exposures away from the banks of the Later Creek. The rhyolitic tuffs are susceptible to silicification and sericitic alteration along a prominent shear and fracture zone (Rhyolite Zone) observed along the banks of Later Creek. The Lower Tuff is shallow dipping at 15° to the south-west. This unit is unconformably overlain by the Upper Tuff.

To the north the above pyroclastic sequences are believed to have been intruded by a large, possibly hypabyssal, rhyolite porphyry body. This prominent subvolcanic? intrusion has yet to be included on the current geological maps of this area. It may be representing an unrecognized dome complex upon which the pyroclastic tuffs (Upper and Lower Tuff) with the interceding bands of rhyolitic lavas have accumulated. Also exposed in the area are pendants and inclusions of Paleozoic metasediments. The overall picture is of a volcanic-subvolcanic complex emplaced at the edge of an older intrusive event (Baldys, 2010).

Alteration and Mineralization

The Rhyolite Zone is characterized by a gossan which measures 800 x 500 metres and surrounds a large hydrothermal alteration zone. The alteration zone measures on surface a minimum 500 metres in length and 60 to 180 metres in width at surface. It is situated near the headwaters of the Later Creek in the west-central part of the TAC claims and appears to be open in both strike directions. The alteration zone consists of silicified and sericitized rhyolitic tuffs carrying low-grade gold values in quartz-stringer stockworks and breccias. On surface, mineralization disappears under overburden and the capping sequence of Upper Tuffs.

The bedrock is poorly exposed; however, extensive sampling by Kerr Addison in 1985 along the banks of Later Creek has defined a zone, 160 metres wide, with gold values in a range of 420 to 1,600 ppb based on 13 chip samples. A total of 21 samples were collected from the Rhyolite Zone and the area immediately surrounding it in 2011. Of the 21 samples collected, 13 samples exceeded 50 ppb gold, 12 samples exceeded 100 ppb gold and four samples exceeded 500 ppb gold. The highest value obtained

was 1,099 ppb (1.1 grams per tonne) gold. Sample descriptions and analytical results for gold, arsenic and antimony are included in Appendix I.

The Rhyolite Zone strikes in an apparent northeasterly direction. The dip direction is unknown. The zone is entirely covered by overburden along the 350 metre distance between the outcroppings in Later Creek and the Upper Tuff contact. Further northeast the zone appears to be capped by the near-flat lying Upper Tuff sequence.

The Rhyolite Zone also traverses the western slopes of the Later Creek valley where it is almost entirely covered by the colluvial talus originating from higher elevations. Outcroppings of rhyolite tuffs show variable degrees of alteration as evidenced by silicification and sericitization. Local hydrothermal breccias and quartz stringer-stockworks of epithermal origin have been identified in boulder trains (Baldys, 2010).

The Creek Zone is located 200 metres northwest of the Rhyolite Zone. This zone is 5 metres by 10 metres in size and is exposed on the west bank of the Later Creek. Two grab outcrop samples collected from it during the course of fieldwork done in 2010 produced 0.95 and 0.51 ppm gold.

The No Name Creek Zone is characterized by moderately altered and silicified granodiorite in close proximity to quartz-feldspar porphyry. Nine grab samples were collected from an area of about 200 metres by 200 metres. Of nine samples collected, five samples exceeded 100 ppb gold, two samples exceeded 500 ppb gold and one sample exceeded 1,000 ppb gold. The highest value obtained was 3,887 ppb (3.9 grams per tonne) gold.

2012 Exploration Program

Structural Analysis

A total of 7 man days were spent on a structural analysis from airphotos and Google Earth imagery from April 1 – July 25, 2012. Airphotos were scanned and uploaded to Google Earth where they were orthorectified visually and structural analysis completed. The prominent linears from this analysis are plotted on Figure 4.

Magnetic Survey

A total of 12 man days were spent on the TAC property from August 23 – 29, 2012. A two man field crew stayed in Whitehorse and utilized daily set outs by helicopter from Whitehorse to the property.

Exploration work consisted of a 63 line kilometre ground magnetic survey on 16 lines. The geophysical survey was contracted to Meridian Mapping Ltd. A GemSystems GSM-19 Base Station and two GemSystems GSM-19W walking rovers were utilized during the survey. Final data were merged, corrected for diurnal variation and levelled utilizing Oasis Montage software. Total magnetic intensity is shown in Figure 6 and first vertical derivative is shown in Figure 7. A Geosoft database of final data is appended to this report.

Conclusions

There are three known gold mineralized showings on the TAC property. Gold mineralized zones appear to be structurally controlled. There appears to be more than one gold mineralizing event and gold mineralization is present in both granodiorite and rhyolite. There have been multiple volcanic eruptions which have led to the emplacement of numerous volcanic rocks on the property and the relationship between the various rock types is poorly understood.

Outcrop exposure on the property is poor, generally restricted to stream valleys breaks in slope. Recent structural interpretation in conjunction with a magnetic survey indicates that the granodiorite body (EJgA) in the central part of the property is likely much larger than indicated on Figure 3. Neither survey shows any indication of the controlling structures on the known mineralization.

References

Baldys, C., 2010: TAC Claims Assessment Work Report. September 3, 2010.

Hart, C.J.R. et al, 1990: Geological Map of Alligator Lake (105D/6) Map Area.

McDonald, B., 1987: Geology and Genesis of the Mount Skukum Tertiary Epithermal Gold – Silver Vein Deposit, Southwestern Yukon Territory. UBC Masters Thesis. April 1987.

Reynolds, P., 2011: TAC Claims Assessment Work Report Prospecting, Rock and Soil Sampling. September 16, 2011

APPENDIX I

STATEMENT OF QUALIFICATIONS

Statement of Qualifications

I, Paul Reynolds, of Vancouver, British Columbia, do hereby certify that:

1. I am a geologist residing at 4035 West 31st Avenue, Vancouver, BC, V6S 1Y7.
2. I graduated from the University of British Columbia with a Bachelor of Science degree in geology in 1987 and I have practiced my profession continuously since 1987.
3. I am a member of the Association of Professional Engineers and Geoscientists of British Columbia (member no. 19603).
4. Since 1987, I have been involved in mineral exploration for base and precious metals. I have conducted this work in Canada, the western United States, Argentina, Bolivia, Guyana and Peru.
5. The field work described in this report was conducted under my supervision.

Dated at Vancouver, British Columbia, this 21st day of January, 2013.

Paul Reynolds, P. Geo.

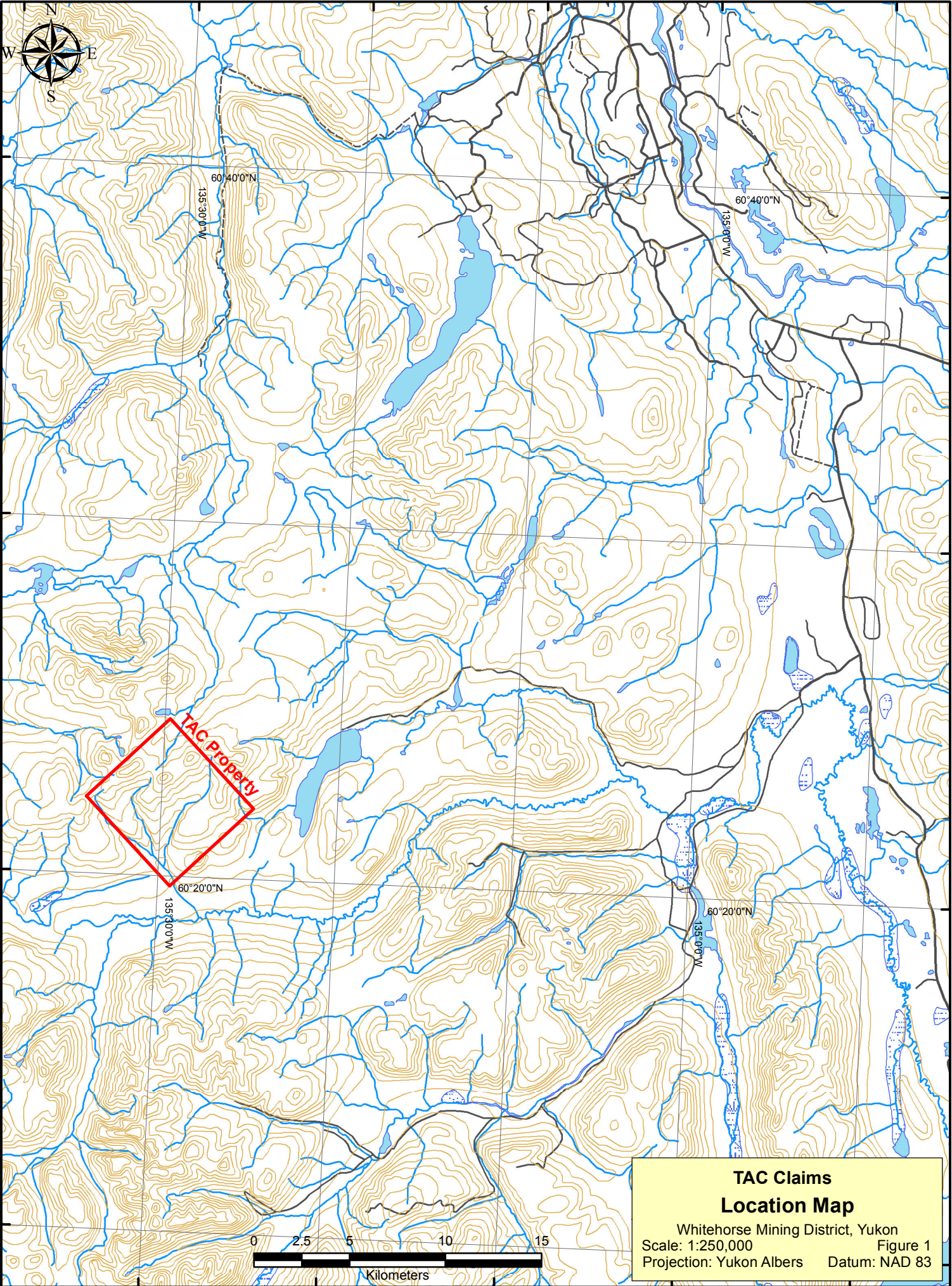
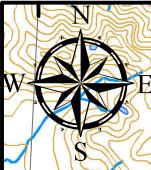
APPENDIX II
STATEMENT OF COSTS

Statement of Costs

Item	Cost (\$)
April 1 – July 25, 2012	
Personnel	
Paul Reynolds, P. Geo. (7 days @ \$625/day)	4,375 .00
Photos	225.00
Total	4,600.00
August 1 – October 30, 2012	
Magnetic Survey, processing and GIS work (Contract)	16,441.72
Helicopter	6,915.06
Report writing (Paul Reynolds, P. Geo.; 3 days @ \$625/day)	1,875.00
Total	25,231.78

APPENDIX III

FIGURES



**TAC Claims
Location Map**
Whitehorse Mining District, Yukon
Scale: 1:250,000
Projection: Yukon Albers
Datum: NAD 83

Figure 1



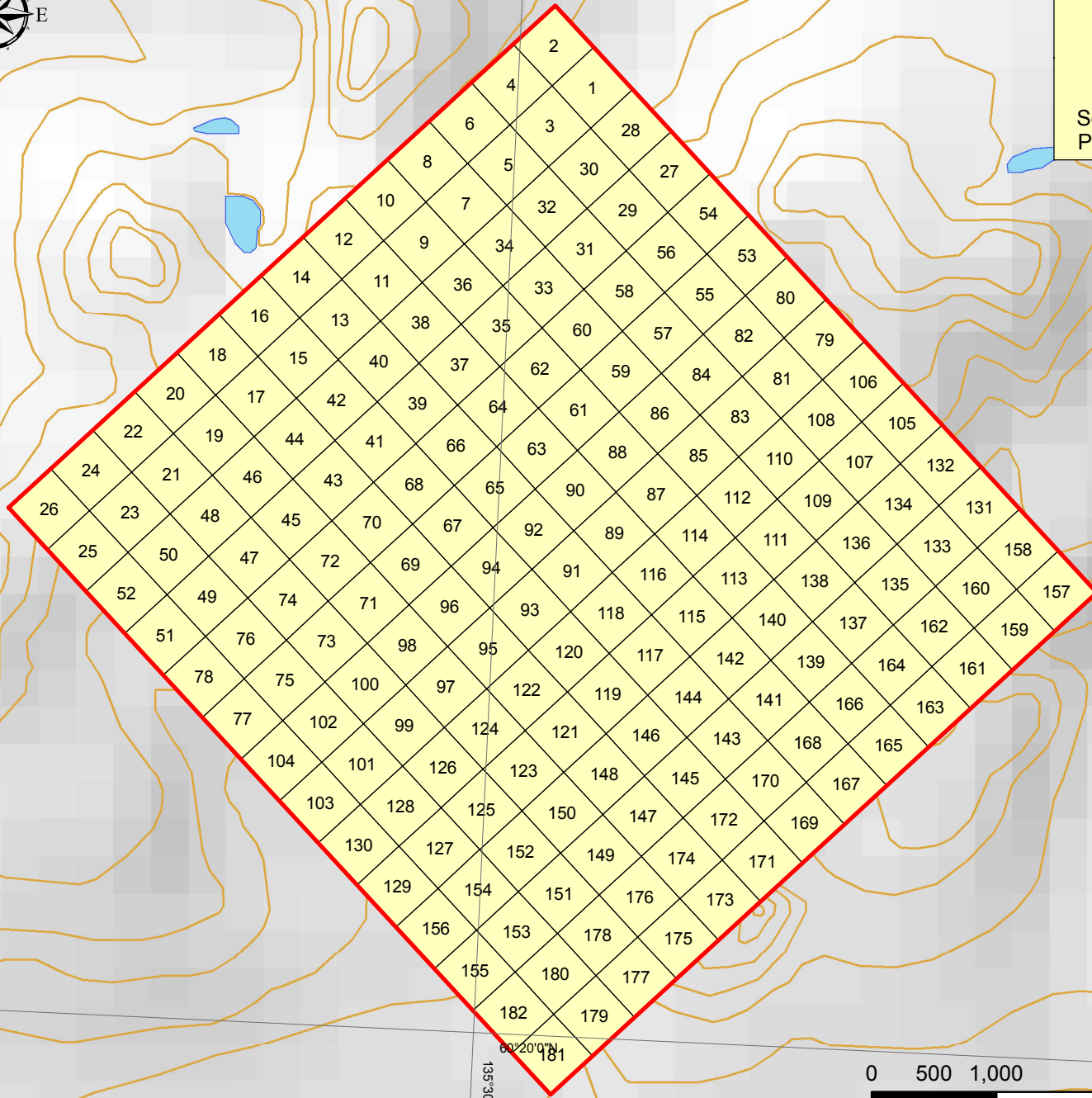


TAC Claims Claim Map

Whitehorse Mining District, Yukon

Figure 2

Scale: 1:50,000 NTS: 105D05, 105D06
Projection: Albers Datum: NAD 83



Alligator Lake

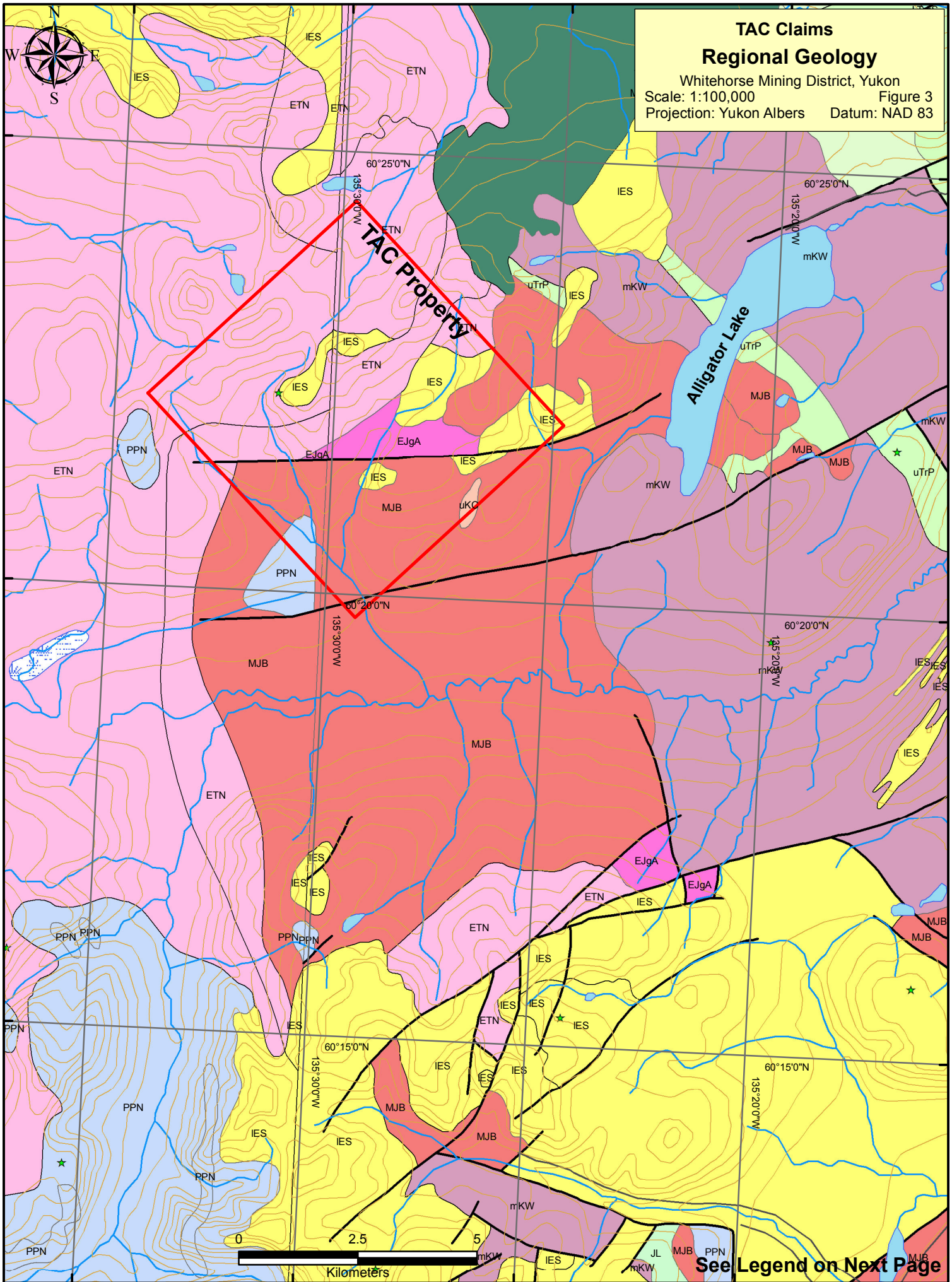
60°20'00"N
135°30'00"W



TAC Claims

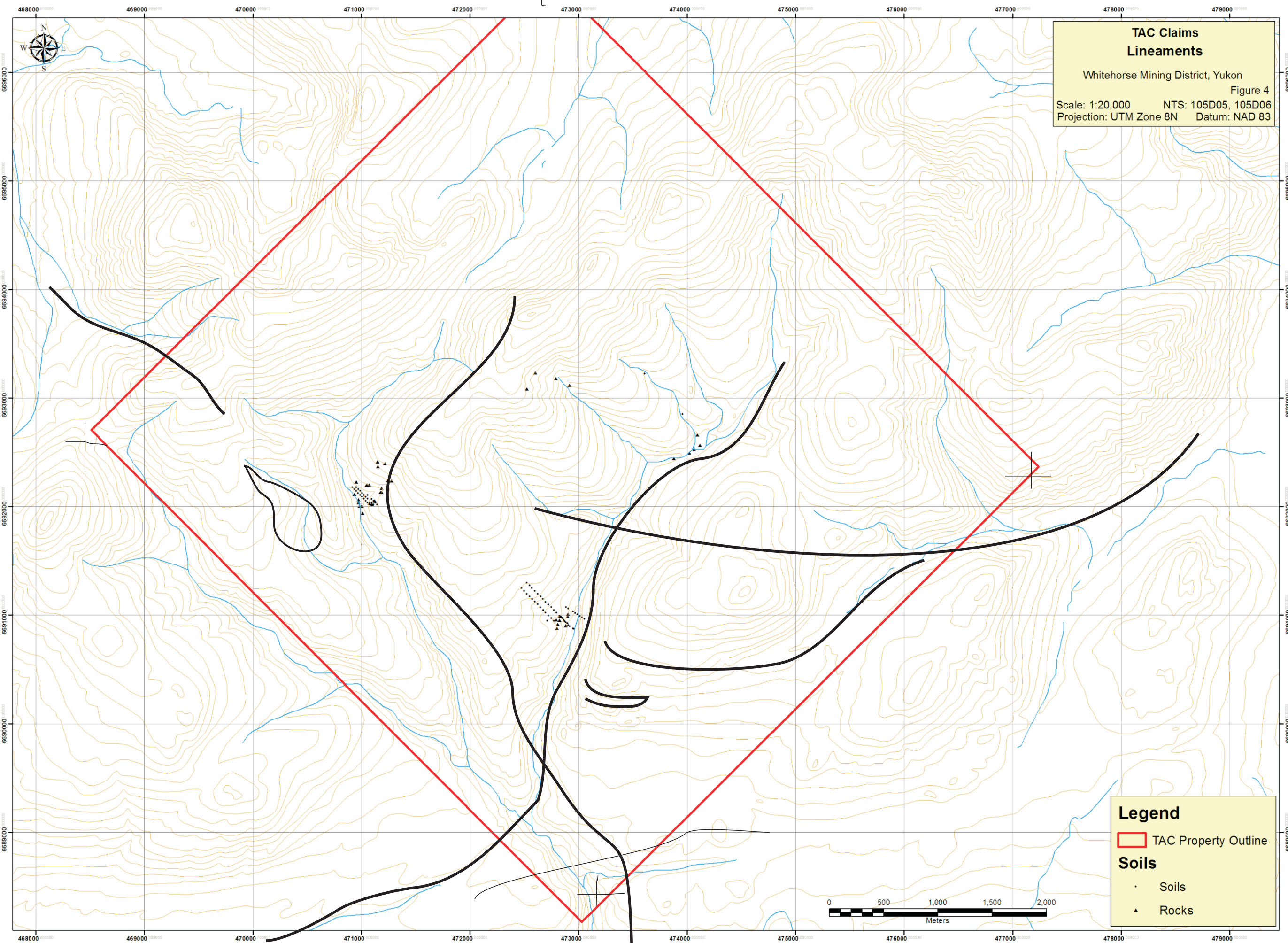
Regional Geology

Whitehorse Mining District, Yukon
Scale: 1:100,000 Figure 3
Projection: Yukon Albers Datum: NAD 83



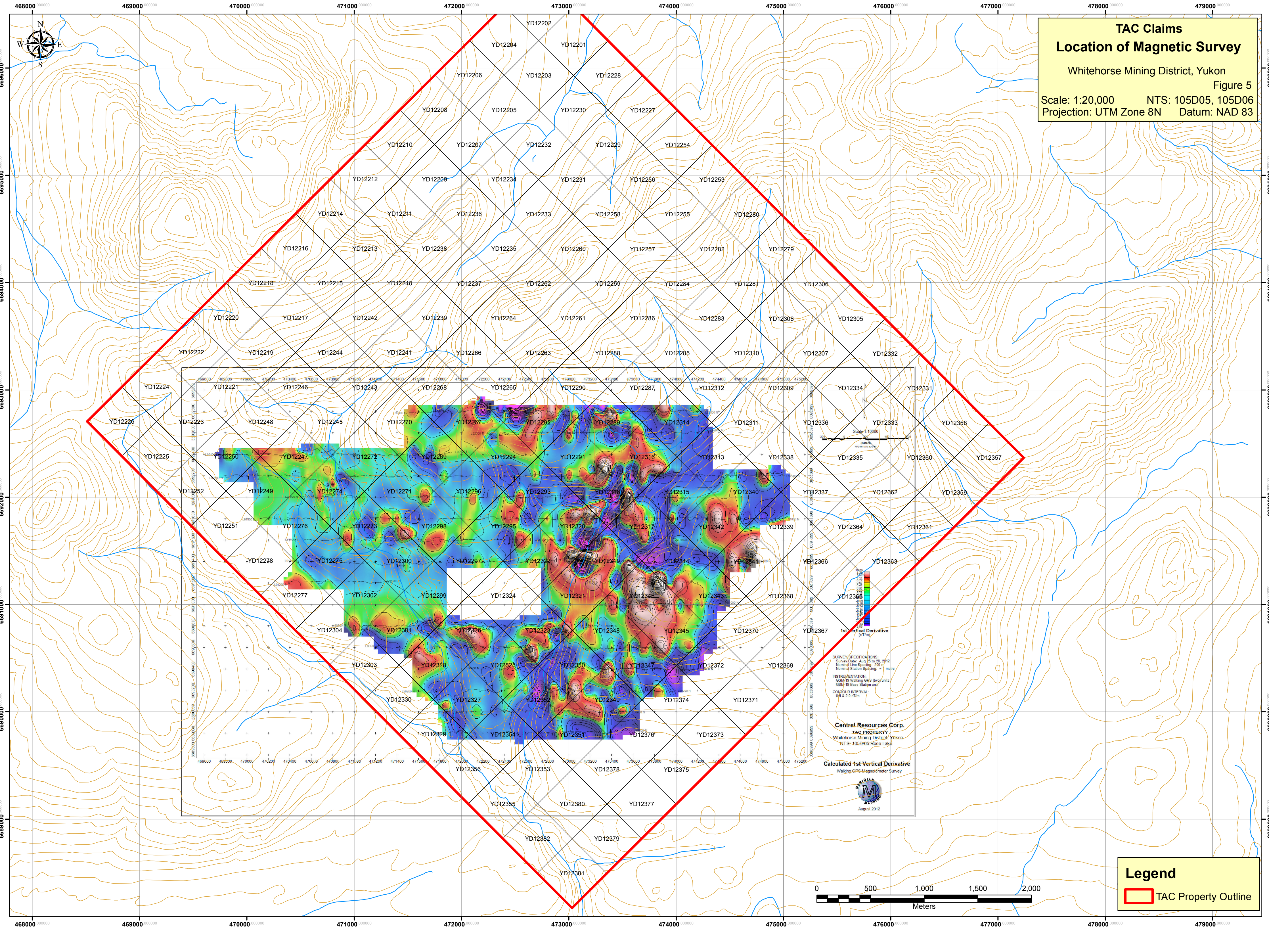
Geology Legend for Figure 3

Period	Epoch, Age	Group, Plutonic or Volcanic Suite	Map Symbol (Figure 3)	Lithology
Tertiary	Miocene - Pliocene		MPMC	Basalt flows
	Lower Eocene	Skukum Group	IES	Rhyolite and andesite flows, tuffs, breccia, domes, dykes
	Paleocene - Eocene	Nisling Range Plutonic Suite	ETN	Granodiorite, quartz monzonite, quartz diorite
Cretaceous	mid	Whitehorse Pluton	mKW	Granodiorite, quartz diorite
Jurassic	mid	Alligator Quartz Monzonite	MJB	Foliated hornblende quartz monzonite
	early	Long Lake Plutonic Suite	EJgA	Grey weathering, coarse grained hornblende-biotite granite and granodiorite with pink K-feldspar megacrysts
Triassic	upper	Povoas Fm	UTrP	Dark green to black, augite phyric basalt, andesite, agglomerate and breccia
Proterozoic - Paleozoic		Nisling Assemblage	PPN	Biotite-muscovite-quartz – feldspar schist, quartzite, micaceous quartzite, chlorite-biotite orthogneiss and crystalline limestone

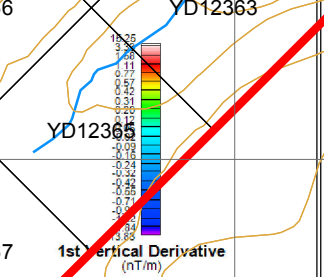
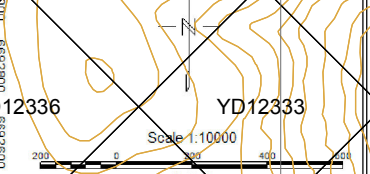


**TAC Claims
Lineaments**
Whitehorse Mining District, Yukon
Figure 4
Scale: 1:20,000 NTS: 105D05, 105D06
Projection: UTM Zone 8N Datum: NAD 83

Legend
[Red Outline] TAC Property Outline
Soils
· Soils
▲ Rocks



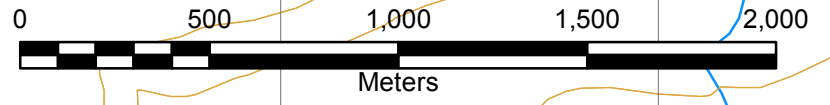
TAC Claims
Location of Magnetic Survey
Whitehorse Mining District, Yukon
Figure 5
Scale: 1:20,000 NTS: 105D05, 105D06
Projection: UTM Zone 8N Datum: NAD 83

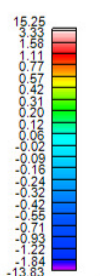
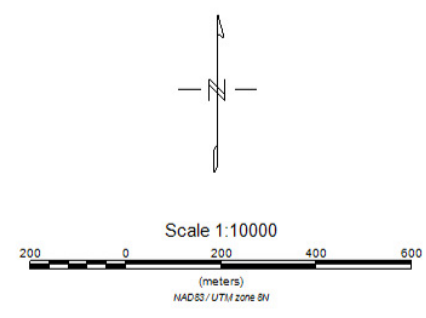
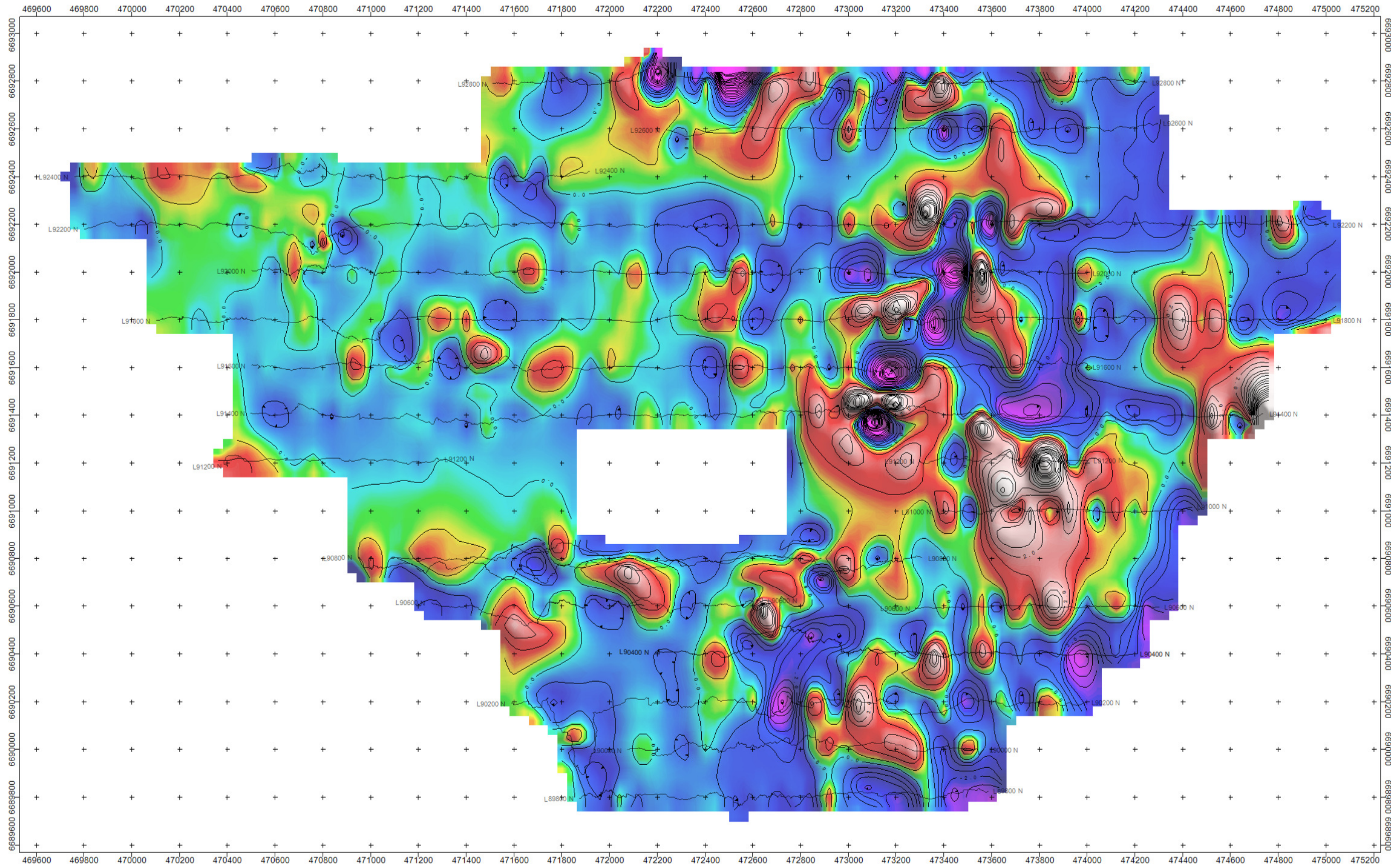


SURVEY SPECIFICATIONS:
Survey Date: Aug 25 to 28, 2012
Nominal Line Spacing: 200 m
Nominal Station Spacing: ~1 m
INSTRUMENTATION:
GSM-19 Walking GPS (two units)
GSM-19 Base Station unit
CONTOUR INTERVAL:
2.5 & 2.0 m

Central Resources Corp.
TAC PROPERTY
Whitehorse Mining District, Yukon
NTS-105D05 Rose Lake
Calculated 1st Vertical Derivative
Walking GPS Magnetometer Survey
August 2012

Legend
TAC Property Outline





1st Vertical Derivative
(nT/m)

SURVEY SPECIFICATIONS:
 Survey Date: Aug 25 to 28, 2012
 Nominal Line Spacing: 200 m
 Nominal Station Spacing: ~ 1 metre

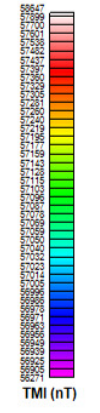
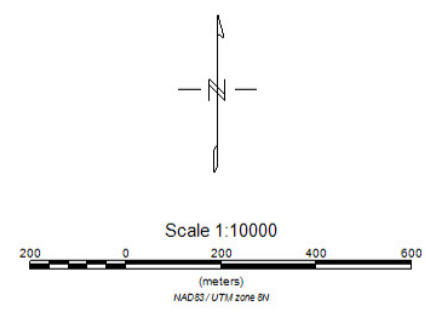
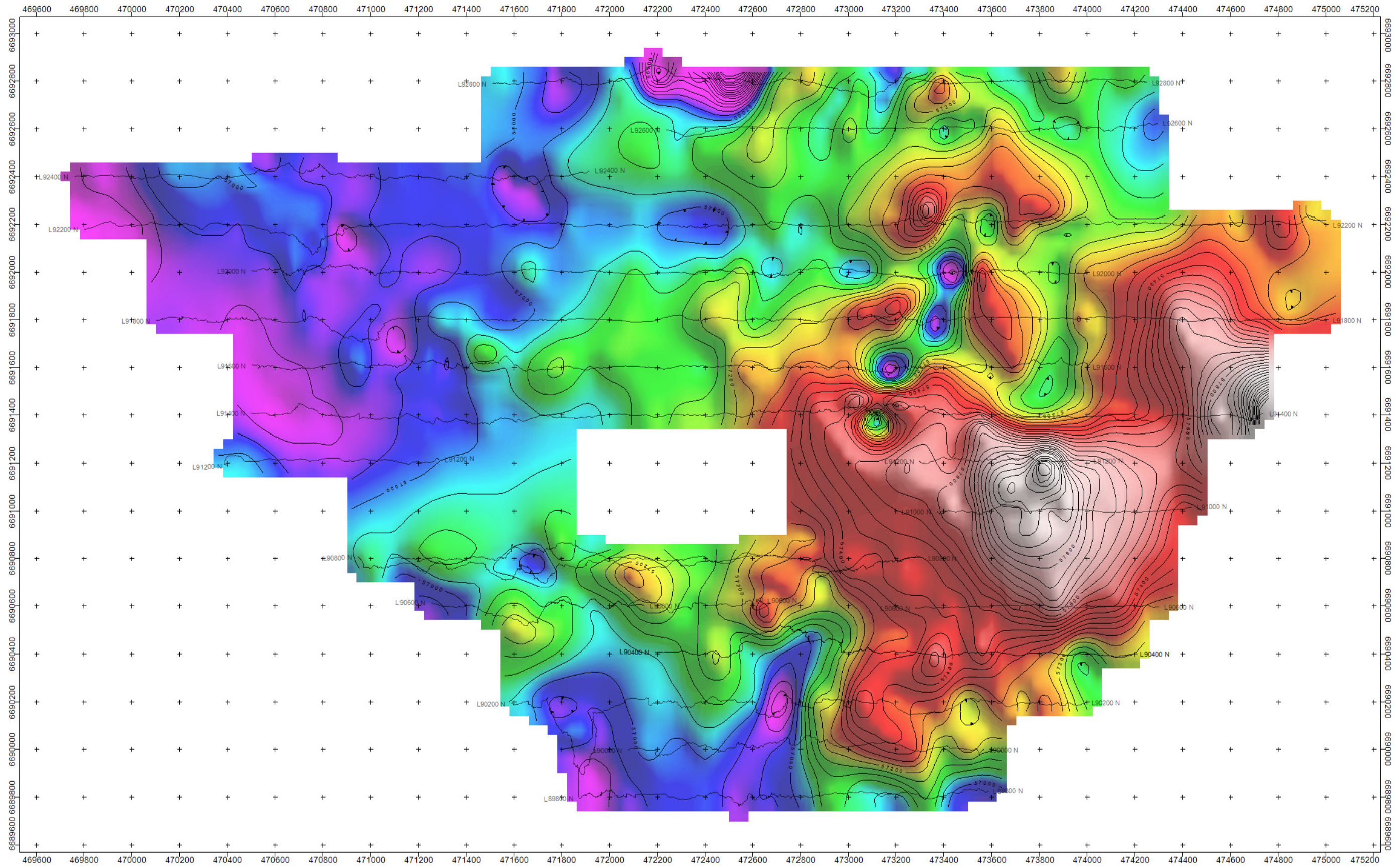
INSTRUMENTATION:
 GSM-19 Walking GPS (two) units
 GSM-19 Base Station unit

CONTOUR INTERVAL:
 0.5 & 2.0 nT/m

Central Resources Corp.
TAC PROPERTY
 Whitehorse Mining District, Yukon
 NTS: 105D/05 Rose Lake

Calculated 1st Vertical Derivative
 Walking GPS Magnetometer Survey





SURVEY SPECIFICATIONS:
 Survey Date: August 25 to 28, 2012
 Nominal Line Spacing: 200 m
 Nominal Station Spacing: ~ 1 metre

INSTRUMENTATION:
 GSM-19 Walking GPS (two) units
 GSM-19 Base Station unit

CONTOUR INTERVAL:
 40 & 200 nT

Central Resources Corp.
TAC PROPERTY
 Whitehorse Mining District, Yukon
 NTS: 105D/05 Rose Lake

Total Magnetic Intensity
 Walking GPS Magnetometer Survey

