Report on Diamond Drilling, Prospecting and Sampling on the Lone Star Property, Dawson Mining District, Yukon Territory, Canada

On the following claims groups:
AC, BAD, Bar, BR, Cal, Chi, CIM, Cul, DE, DN, Gap, Giga, IF, Joe, KG, KG F, KH, Klondike, LB, LLIB, ND, Nug, Nugget, On, Oyro, Rado, Red, Reef, Rex, RJ, Ron, Stam, Syndicate, UELD, VI, Win
See detailed list in Appendix II

NTS MAP-SHEETS 115O/14

62°52'N 139°15'W

588500mE / 7084500mN NAD83, Zone 7N

DAWSON MINING DISTRICT

Work completed: May 30 – September 18, 2017

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1.0 Introduction

Exploration conducted in 2017 was on the Lone Star property, which includes the Lone Star, Quartz, Dominion and Gold Run groupings. 70 NTW diamond drill holes were completed by Kluane Drilling Ltd. and 120 man days of soil sampling, prospecting, sampling, trenching and reclamation work were also undertaken, totaling $1,127,171.90 (Appendix I). Additional work not claimed for credit includes: additional soils; prospecting; mapping; trenching; 4.37 square kilometers of IP geophysical survey data completed by Dias Geophysical; 223.7 line kilometers of ground magnetics surveying completed by Aurora Geosciences Ltd.; and significant remediation of past disturbances. Exploration drilling focused on two main zones, the Nugget Fault zone, comprising the Glacier Gulch zone, the Nugget Zone, Buckland and Gay Gulch, and the Lone Star zone.

2.0 Property Description and Location

The Lone Star property is centered on 63°52'N, 139°15'W, covers the western portion of the Klondike goldfields, located approximately 500 km NNW of the territorial capital of Whitehorse, YT (Figure 1). The Lone Star property is comprises 707 contiguous quartz claims and 14 Crown Grants covering a 135 square kilometer area. The Lone Star property quartz claims are divided for purposes of administration into the Lone Star grouping, Quartz grouping, Dominion grouping and Gold Run grouping (Figure 2). The Lone Star property extends northward along Adams Gulch and the entirety of Bonanza Creek, north to the Klondike River at Bear Creek, east across Chance Creek and Independence Creek, south to Blanche Creek and covering the entirety of Eldorado Creek.

The claims lie on NTS map sheet 115O/14 within the Dawson mining district. Property and claim locations are shown in Figure 1 and Figure 2, and a detailed claim list is located in Appendix II. As of the date of this report all quartz claims are listed and owned 100% by Klondike Gold Corp. without encumbrance or underlying royalty. Klondike Gold also owns 14 crown grants within the Lone Star property. Ownership in one of these crown grants, "Argyle", situated at Adams Gulch has recently (January 2016) been reduced by the Yukon government to 25% from 100%; Klondike Gold has paid 100% of taxes to the Yukon government since c.1980. The remaining 13 crown grants are owned 100% by Klondike Gold without encumbrance or underlying royalty.

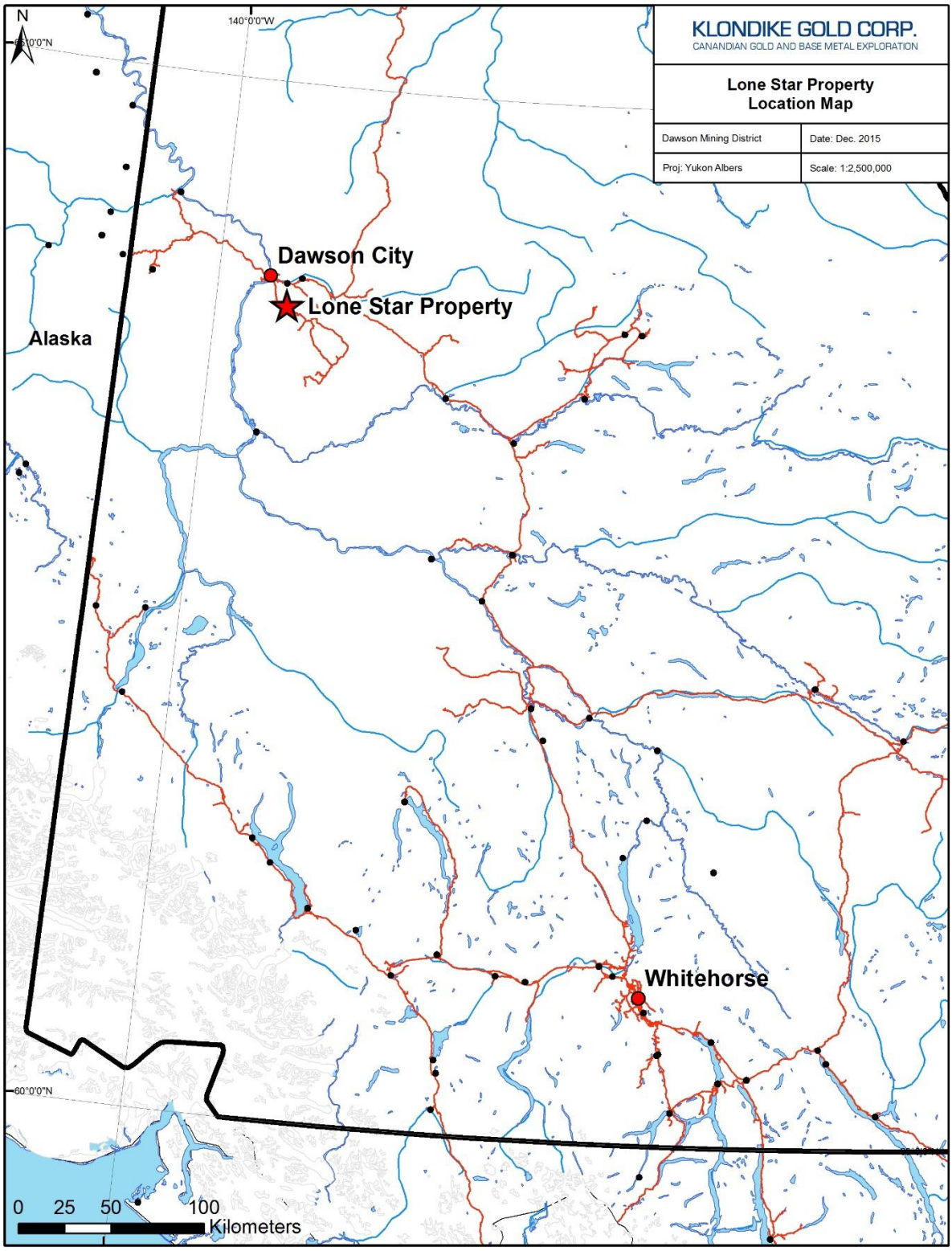


Figure 1: Lone Star Property Location Map

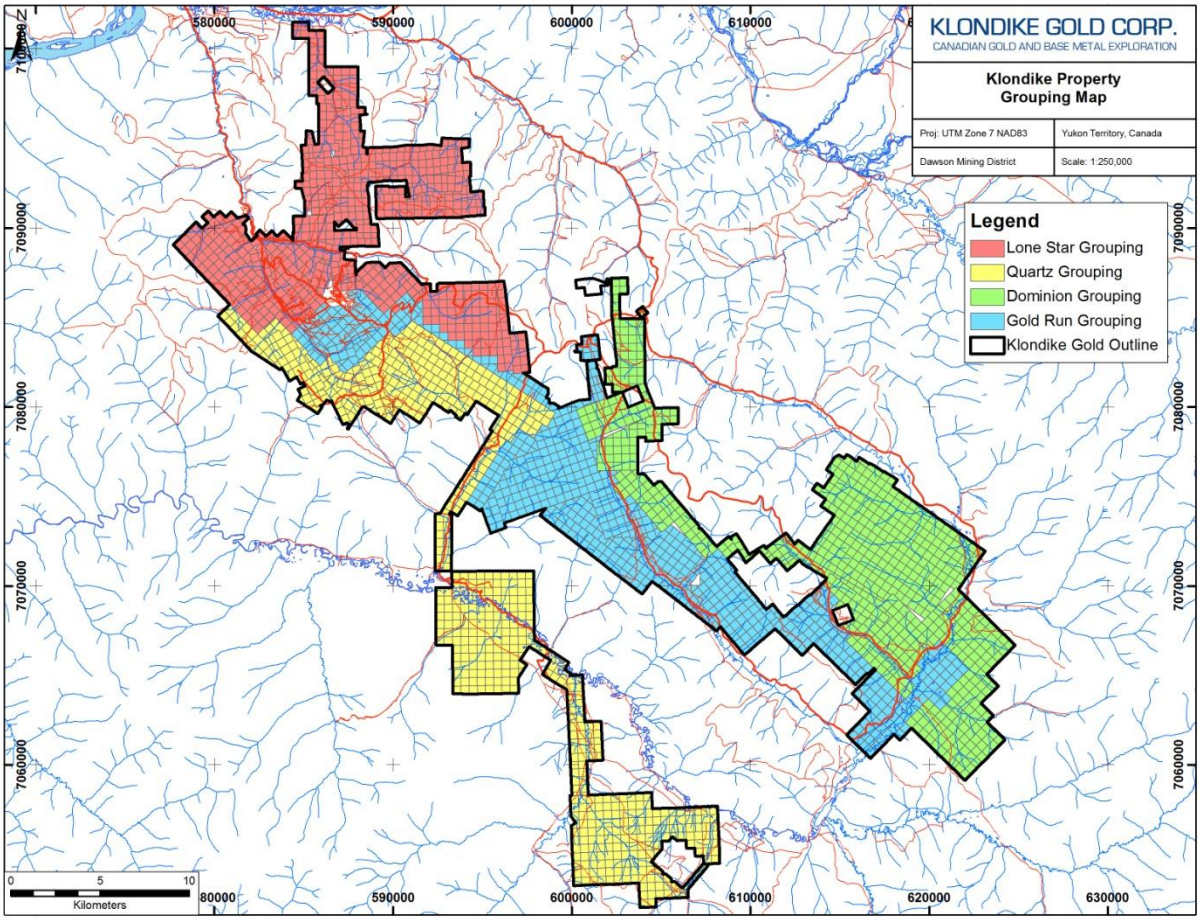


Figure 2: Lone Star Property Claims Map

3.0 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Lone Star Property covers the discovery creeks of the Klondike placer goldfields located near Dawson City ("Dawson"), Yukon Territory. Gold was originally discovered and mined from gravels in lower Quartz Creek near Indian River in 1894. Another nearby discovery of abundant gold on Rabbit Creek (now Bonanza Creek) and two weeks later in Eldorado Creek initiated the "Klondike Gold Rush" in 1896. Gold in the gravels and bedrock within the Klondike district has been the target of prospectors and placer gold miners since that time.

Dawson is connected to the territorial capital of Whitehorse via a 540 km sealed, government maintained two-lane highway (the "Klondike Highway"). Electricity in Dawson is supplied by the Yukon Energy Corporation's territorial power grid (connected in 2004) with back-up diesel power. A 5000' x 100' gravel surface lighted Yukon Government airfield at 1214' (370 m) elevation is located on the outskirts of Dawson. Scheduled daily air service to Dawson is maintained by Air North using twin-engine turboprop aircraft from Whitehorse, and seasonally by Boeing 737 jet (with special gravel landing kit installed) from Fairbanks, Alaska for cruise ship tourists. A smaller unmaintained 800' grass/gravel airstrip at 2100' (640 m) elevation suitable for light aircraft is located on the Lone Star property

alongside Eldorado Creek. Charter fixed wing light aircraft of various capabilities are available locally or in Whitehorse. In addition, there are two year-round helicopter bases (Trans North Helicopters and Fireweed Helicopters) in Dawson. Other helicopter companies establish seasonal bases as needed. Regular truck freight, parcel and mail, and fuel services supply Dawson via the highway. Dawson offers normal town facilities such as hotels, restaurants, grocery, clothing, building supplies and hardware stores, engineering supplies, four bulk fuel and one bulk propane depot, as well as vehicle and heavy equipment repair capability. Dawson also serves as a construction hub for materials, equipment, and personnel extending the Dempster Highway north from Inuvik to Tuktoyaktuk on the Arctic Ocean slated for completion in fall 2017.

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

The Lone Star property has a number of access points. The Bonanza Creek road begins in Dawson, connects south and west to the Hunker Creek road, and is a major government maintained loop which provides access for miners from two points along the Klondike Highway to the centre of the Klondike. This east-west road cuts across the northern part of the Lone Star property. The Eldorado Creek road, a north-south branch off the Bonanza Creek road, runs along Eldorado Creek to its headwater and transects the Lone Star property. The Lone Star Ridge road, one main branch off the Eldorado Creek road, provides access to high ground above both Eldorado and Bonanza Creeks, is a long-used road (in existence at least from 1896) that wears well in summer and is an alternative to the Bonanza Creek road. The Violet road, a second branch off the Eldorado Creek road, loops west on high ground and then runs along the west ridge above Eldorado Creek. The Bonanza and Eldorado creek roads are 2-wheel drive dirt and gravel roads and have significant mining and tourist traffic through the summer. The Bonanza Creek road is ploughed during winter, the other main roads are cleared and graded from April until October. The Lone Star Ridge and Violet roads are maintained privately by Klondike Gold and others as needed. Roads to individual placer claims, old cut roads, and dirt trails, some requiring 4-wheel drive or ATV, branch from these roads. Taken together, there is an extensive road network which allows excellent access by vehicles and heavy equipment throughout the property.

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

The Klondike region consists of rugged topography of rounded hills and V-section valleys, as this region was not affected by late Cenozoic glaciation (specifically the Nansen, Klaza, Reid, and McConnell advances (Bostock, 1966)). In-situ weathering of the region has had a lengthy, multimillion year history resulting in few natural fresh rock exposures.

Dawson City is on the Yukon River at 1050' (320 m) elevation and the highest point near to the Lone Star property, King Solomon Dome, is at 4032' (1229 m). The highest point on the Lone Star property is at the Eldorado Dome at 1160 m on the "AC" claims. The region surrounding the claims has been historically denuded of large timber by cutting to supply mines and fuel boilers or by forest fires, and is now covered by regrowth of spruce, poplar, birch and alder. Only the very highest ridges are covered by dwarf willow and birch ("buckbrush").

4.0 History

The Klondike area has been prospected since the discovery of placer gold on Bonanza Creek and Eldorado Creek in 1896, which sparked the Klondike Gold Rush. Many small bedrock gold showings were investigated by hand-dug pits, trenches, shallow shafts, or short adits driven on notable prospects. Prospecting circa 1900 was the most successful in locating bedrock gold-bearing quartz veins on/near the ridge crests where colluvium/overburden is generally thinnest. Prospectors dug holes, collected the quartz boulders, crushed them, and panned the crushed material. If gold was visually identified, additional pits, shafts, or adits would be excavated. Notable prospects discovered around 1900 include Lone Star, Pioneer, and Parnell showings situated on the east ridge above Eldorado and Bonanza Creeks (Minfile #'s 072, 150, and 147), Violet on the west ridge above Eldorado Creek (Minfile #146), and the Mitchell and Sheba veins off the property to the east near King Solomon Dome (Minfile #068).

The Lone Star prospect was first staked in 1897 and the adjacent Parnell and Pioneer prospects in 1900. The Violet prospect was first staked in 1901. Lone Star and Violet were both explored by various episodes of underground mining from short multi-level drifts between 1910 and 1948.

A summary of exploration work from 1896 to present is listed below.

- 1896: Discovery of placer gold, start of placer exploration and mining, along with quartz exploration. Eldorado and Bonanza Creek drainages which underlie the Lone Star property have been the creeks with the most placer gold production, with mining continuing to the present.
- 1897: Lone Star prospect staked by Messrs. *Chute, Corthay and Stewart*. They prospected the discordant quartz body known as the Corthay vein by shaft sinking and drifting.
- 1909-1914: Lone Star Company developed the 'Boulder Lode' at the Lone Star "mine". The company excavated an open-cut and connected it below to a 225 m adit by means of two ore passes. An amalgamation plate 4-head stamp mill with Wilfley table was built 1.5 km downslope on Victoria Gulch and a gravity cable tramway connected this to the mine. By 1914 some 7650 tons of rock had been mined and milled (calculated, with approximately a head grade of 0.202 oz/ton Au: Cathro, 1979).
- 1914: GSC investigated and sampled surface and underground at the Lone Star mine (MacLean, 1914).
- 1929-1936: Consolidated Lone Star Ltd conducted limited work at the Lone Star mine.
- 1935: GSC investigated and sampled surface and underground at the Lone Star mine.
- 1946-1947: Yukon Consolidated Gold Corp ("YGCG") conducted cable-driven percussion "churn" drilling and underground examination of the Lone Star mine site, under option.

- 1960-1962: Klondike Lode Gold Mines prospected, bulldozed five contour trenches, and sluiced the ~85 liter size samples collected. Gold concentrations were expressed qualitatively as number of colours. Colluvial gold was found in the 7 Pup-O'Neil area, also Gay Gulch and Oro Grande Gulch. Trenching by engineer Gordon Hilchey was conducted on the Bonanza side of the ridge alongside the Lone Star, and also east of Eldorado Creek at French Gulch (one trench of 2100 ft) and between Gay Gulch and Oro Grande (five smaller trenches). Four churn holes at 7 Pup indicated gold there, including holes VC-10 and VC-11 with 'considerable gold'. Nine churn holes tested Oro Grande; C-1 to C-6 contained 'colours' including C-6 with '40 coarse colours'. Also 160 meters of diamond drilling in 5 holes near French Gulch with no gold result, plus other drilling at Gay Gulch and 7 Pup.
- 1979-1985: Dawson Eldorado Gold Explorations Ltd hired Archer Cathro and Associates Ltd who re-evaluated the Lone Star prospect. Soils, resistivity surveying, and geological mapping were completed. Mapping observed the Lone Star prospect contained gold in vertical quartz 'stringers' that are discordant to the attitude of the dominant foliation of the host schist, hosted within an "F3" antiform fold. The Lone Star mine adit portal was re-opened. Six reverse circulation holes totaling 416 meters were drilled in 1985 between the Lone Star mine and the Hilchey showing. A sixth hole near Oro Grande was 21 meters. All had anomalous results.
- 1983-1986: A claims syndicate, the "Dawson Syndicate" was created by contribution of properties from Arbor Resources (now Klondike Gold), Ebony Gold Corp, Perron Gold Mines, Eastern Mines, Cream Silver Resources, Tiberon Petroleum, Texoro Resources, H-L Corp, Standard Gold Mines, Silver Sceptre, and Dawson Syndicate (as an entity). The collective carried out systematic prospecting that covered much of the Klondike from upper Adams Gulch to Hunker Creek, and from Grand Forks to the Klondike River. Five grids were laid out for soil sampling and geophysics; four on the south side of the Klondike River within 3 km of its valley and the fourth (Penibe claims) south of Hunker on the ridge to the west of Last Chance Creek. Induced polarization surveys detected no response in the Oro Grande to Gay Gulch grids, and a prominent response from the 27 Pup area likely due to outcropping graphitic schist. At the French Gulch / Eldorado junction a split anomaly was defined and at Big Skookum a resistivity anomaly noted. Detailed surveying of the Lone Star grid produced some very distinct responses. Twenty seven diamond drill holes were used to test anomalies over the whole region, with unknown or little result.
- 1984: Bedrock geology map, 1:50,000 published (Debicki, Open File 1984-3).
- 1986-present: Arbor Resources (later changes name to Klondike Gold Corp in 1996) optioned the Klondike property in 1986 and continued exploration of both the large claim block and the Lone Star Crown Grants (Grunenberg and Gonzales, 1987). At French Gulch, near the junction with Eldorado Creek, ten diamond drill holes were used to investigate I.P. and VLF/EM anomalies close to zones of quartz veins exposed in placer workings. The shear zones intersected did not yield any anomalous geochemistry and pyritic chlorite schists were barren of gold. The geophysical anomalies correlated with graphitic layers and linear magnetic anomalies with diabase dykes that are reverse polarized and hence give very sharp negative anomalies. Five zones of from 1.5 to 8 ft. (0.46-2.4 m) thickness were intersected giving gold grades of 0.01-

0.20 oz/t Au, each in quartz veins. Seven holes were drilled along Eldorado Creek between Golden Gulch and Little Eldorado Gulch to test shear zones indicated by geophysics and five of the holes were abandoned due to 'broken ground'. At Lone Star, twelve diamond drill holes were completed; holes 86LS01 to 86LS02 beneath the Lone Star mine workings and the rest to test soil geochemistry or I.P. chargeability/resistivity anomalies. 86LS03 and 86LS11 proved the most promising, with narrow intervals (2.5 ft.) up to 0.345 oz/t Au. Also, twenty three rotary drill holes were completed during the 1986-87 winter, mostly between Oro Grande and Gay Gulch. Several 5 to 10 ft. zones of 0.013-0.23 oz/t Au were intersected.

- 1992: Kennecott optioned the Lone Star Property and continued the rotary percussion and reverse circulation drilling started by Arbor Resources. The Lone Star mine mineralization was extended out to 250 metres west-northwest of the open cut, including 92LS14. Doyle (1993) considers this to be part of an alteration zone that trends northwest from the Pioneer prospect (with right hand fault offset) and which continues towards O'Neil Gulch.
- 1993: Kennecott (Finlayson, 1994) prepared heavy mineral concentrates from cuttings of hole 92LS14. Assays of concentrates were lower than the original 1992 drill cutting assays and free gold was not found. Kennecott concluded that coarse free gold was not present and, on the basis of gold content in pyrite, that two generations of sulphides exist in the Lone Star rocks: i.e., that gold mineralization was impressed upon existing pyritic schists. The 1993 drilling tested the gold soil anomaly downslope of the Lone Star workings defined by Arbor Resources. Mineralization encountered in their drilling consisted of intersections of less than 10 metres of >1g/t Au (>0.029 oz/t Au) in Boulder Lode drill holes 92LS01, 92LS03, 92LS04, 92LS07, 92LS08 and 92LS09. In the Buckland Zone holes 92LS20 to 92LS22 encountered 3 to 15 metre intersections of >1g/t Au.
- 1994: Kennecott (Cranswick et al., 1995a) targeted the Buckland Zone. Power driven soil augers sampled lines spaced at 1 km intervals down the spurs from the ridge road to Eldorado Creek and over the Lone Star mine. Anomalies up to 500 ppm Au were obtained from spurs between 27 Pup and Oro Grande, the northwest side of Gay Gulch, and directly above O'Neil Gulch. The anomaly at the Nugget Zone was trenched (94TR02). Assays of 2.35g/t Au / 12.0 m and 26.5g/t Au / 2.0 m were obtained. In addition, low in Gay Gulch, trench 90GGTR06 was re-cut and sampled, yielding individual assays of 3.71 g/t Au / 2 m; 3.01 g/t Au / 2 m; 1.25g/t Au / 2 m; and 1.17g/t Au / 2 m in discordant pyritic quartz veins. Reprocessed helicopter-borne magnetic survey (from 1986?) was used to infer the presence of a magnetite-type granitic intrusion at Sourdough Gulch, based upon magnetite-bearing porphyry dykes at 77 Pup and Discovery Pup (off Bonanza Creek). Auger sampling found no significant gold at the other localities. Kennecott terminated the property option in January 1995.
- 1996: Arbor Resources changed name to Klondike Gold Corp ("KG") in January 1996. Newmont Exploration evaluated the property, under option, by studying the mineralogy and amenability to milling of bulk samples. Coarse gold >100 mesh was found in lab tests, as well as in assays, indicating considerably higher numbers compared with rotary drill cutting results. J.E. Tilsley and Associates (Hayden and Tilsley, 1997) carried out surface sampling at the Lone Star mine to

investigate techniques to obtain representative assays. Coarse gold was encountered in large size (≈30kg) samples.

- 1996: Work consisted of trenching at Lone Star, Pioneer, Parnell, Buckland, French Hill, Glacier and Oro Grande showings, together with a reinterpretation of the geology (Van Angeren, 1996), which recommended concentration of work on the Boulder Lode, Buckland Shear and 27 Pup Zones aimed at finding primarily disseminated mineralization rather than crosscutting quartz veins. Also in 1996, Barramundi Gold Ltd staked and optioned much of the Klondike area, over 3000 claims, adjacent to KG's Lone Star property. YGS also produced new bedrock geology maps, 1:50,000 published, including 115O/15.
- 1999: Barramundi commissioned a fixed wing airborne magnetics and VLF-EM survey over a 16 by 24 km area adjacent to Lone Star property. Later, Barramundi optioned all of their Klondike region claims to KSL Exploration (Yukon) Ltd, a private Australian company who conducted airphoto and Landsat interpretation with minor rock and soil sampling (assessment report #094119). Claims that were held by Barramundi under option from JAE Resources and United Keno Hill Mines were excluded from the deal, hence KSL only explored peripheral to the project.
- 2002: Airborne magnetics and radiometrics geophysical survey, 1:50,000 scale published (Shives et. al., GSC Open File 3992). No one from KG looked at this data?
- 2002-2015: Klondike Gold ("KG") optioned a ~50% interest in the property to Klondike Star Mineral Corporation ("KSMC"), which became a 50/50 joint venture in 2005. KSMC worked the Lone Star property until 2008. KG resumed work in 2011. KG purchased KSMC in 2015, thereby restoring a 100% interest.
- 2004: KSMC conducted exploration at the Lone Star mine, Oro Grande and 27 Pup areas. A gravity circuit mill was constructed on Eldorado Creek to process bulk samples of bedrock mineralization. The mill was fed by hand, so bulk samples were limited to ~1,000 kg in size. The 'process plan' circuit consisted of one small jaw crusher, two small ball bills, and a shaker gold finishing table. Tailings were disposed in local placer cuts with placer tailings. Twelve bulk samples ranging in size from 8 kg to 959 kg were processed. Free gold was recovered from all samples and estimated to constitute between 18 and 81% of the total gold in the samples. Heavy mineral concentrates, dominated by pyrite and iron oxide pseudomorphs of pyrite, contained significant amounts of gold. Tailings from the laboratory table used for cleaning the rough concentrates were also 'high' in gold. The mill tailings were gold-bearing, containing between 42% and 76% of the calculated gold head grade. Fieldwork consisted of surveying, detailed geological mapping and trail construction, and trenching. Seventeen trenches were excavated by backhoe and selectively chip sampled over five metre intervals.
- 2005: By 2005, KSMC had acquired a ~55% interest in the property. Thirty two diamond drill holes totaling 4830 metres were drilled; 27 at the Lone Star mine, 3 at the Veronika showing, and 2 at the Dysle showing, with no significant results. The bulk sampling gravity mill was upgraded in 2005 and processed 18 mini-bulk samples, ranging between 1394 and 4111 kg in weight, collected from Lone Star, 7 Pup, Nugget, Veronika and Dysle showings. These tests indicated a nugget effect with 50% of the gold present as coarse free gold and about one third of the gold in the mill tailings with the remainder as fine gold. Fourteen trenches were dug by

backhoe at nine locations in 2005. Good results were obtained from the '310 Zone', located on the ridge between Nugget Gulch and French Gulch where some older trenches were re-excavated and sampled, and also from the Nugget Zone from the re-excavation of the upper part of 94TR02. The trench below the Chateau at Lone Star, 05TR12, returned a broad mineralized interval corresponding to hole 05LS22, which is angled under the trench.

- 2006: Work included 23 diamond drill holes (17 at Lone Star mine, 3 at O'Neill Gulch, 3 at Nugget Zone), 8 trenches, IP geophysics at Buckland, 139 soil samples on the WIN claims, and 18 bulk samples.
- 2007: Work included remapping trenches and geology data compilation. 6 drill holes totalling 858.4 m targeted the Buckland and Pioneer showings, all with anomalous gold results associated with discordant quartz veins. Seven bulk samples from 3085 kg to 7471 kg and one hand excavated 350 kg bulk sample were processed. Twenty-three batches of chips from two rotary drill holes totaling 3892 kg were also processed through the gravity mill. Nugget effects were evident in results; in addition 07-LS-B1 had 96% of its gold reporting to tailings "suggesting the gold may be either of an extremely fine grain size or perhaps bound in silicate minerals to avoid being recovered in the heavies". Or the circuit didn't capture the gold. An induced polarization ("IP") geophysical survey at the "JF showing" consisted of eleven lines totaling 9.9 line km oriented northwest to southeast located above Gay Gulch targeted trench 06TR06 area. The IP grid was also soil sampled with 381 samples collected.
- 2008: KSMC conducted geological mapping, trench and rock sampling, and soil sampling on the WIN and LB-LLIB claims.
- 2011: Klondike Gold Corporation work consisted of excavating two trenches near the Lone Star mine and excavating a 6 m vertical section in the Lone Star mine to the depth of the first underground level. At Nugget Zone, trenches were enlarged and deepened. A soil sampling program using an excavator to obtain 1 m deep soil samples was conducted along the ridge road from near Grand Forks to the Calder Summit ridge. No significant new results were obtained.
- 2012: Klondike Gold Corporation drilled 4 holes to the southeast of the Lone Star mine. Results from four drill holes suggested that the low grade gold mineralization present at Lone Star does not extend eastward to the Pioneer Zone (although 2015-2017 results indicate the gold mineralization does extend). The faces of the Lone Star mine excavation were channel-sampled at close spacing. Quartz veins yielded interesting assay values (~10-60 g/t Au). The intervening schist yielded sporadic low grades (typically ≤ 1.0 g/t Au). Surficial terrain mapping was completed by AECOM Consulting based on 1996 1:25000 aerial photographs and 2009 0.5 m resolution satellite image interpretation. This analysis led to soil sampling near the upper headwaters of Little Blanche Creek (defining the "Boy" soil anomaly) and a recommendation to sample the southeast of the property near Canyon Creek.
- 2015: Klondike Gold Corporation drilled 19 NWT holes on the Nugget zone, Buckland zone and Gay Gulch, as well as spent 85 man days on regional prospecting, sampling and reclamation work. Ground Truth Exploration was contracted to complete 690 line kilometers of ground magnetic surveying. Results of the ground magnetic survey imaged the WNW-trending fault system in greater detail than previous surveys. Diamond drilling successfully intersected gold-

bearing quartz veins in a variety of lithologies and structural environments. Discovery holes at Gay Gulch zone (EC15-10: 75.6 g/t Au over 2.8 meters) and Nugget zone (EC15-03: 5.3 g/t Au over 7.6 meters) indicate potential for economically interesting grades and widths can be generated by quartz vein arrays. Additional work not claimed for credit includes additional prospecting, mapping, trenching, airphoto surveying and orthophoto mosaic creation, and significant remediation of past disturbances.

- 2016: Klondike Gold Corporation drilled 71 NWT holes on the 6 main zones: the Nugget zone, Gay Gulch, Violet, Christie, Dominion and the Lone Star zone. The Company also completed 155 man days of soil sampling, prospecting, sampling and reclamation work, as well as contracted Ground Truth Exploration to conduct a 240 line kilometer ground magnetic survey. Drill holes at the Lone Star Zone (EC16-58: 2.73 g/t Au over 37.0 metres) and Nugget Zone (EC16-32: 5.06 g/t Au over 14.34 metres and EC16-54: 336.59 g/t Au over 0.22 metres) indicate potential for economically interesting grades and widths hosted by intermediate schist and by quartz vein arrays, respectively. In late 2016, the Lone Star target was identified by drilling to contain disseminated gold mineralization with characteristics of wide widths, lower grades, starting at surface. Additional work not claimed for credit includes additional soils, prospecting, mapping, trenching, airphoto surveying and orthophoto mosaic creation, and significant remediation of past disturbances.

Little Blanche Creek area was tested with 607 soil samples, following up on anomalous soil results obtained by Klondike Star between 2004 and 2008. Results show a strong north-south trending gold anomaly with a width of approximately 400 m and a length of 900 m. Analysis of soil results indicated a high correlation between Au and Ag and no correlation between Au and As in this area.

Of historical interest, the following map (Figure 3) shows the location of now defunct “surveyed mineral claims” from c.1896-1906 when owners of mineral claims with a decent discovery (in the eye of the beholder) went to the considerable effort of cutting the claim boundary, surveying it, and registering it with the claim. These “surveyed mineral claims” provide another view of the bedrock potential as of 1906. The surveyed mineral claims are shown in relation to Minfile mineral occurrences on the Lone Star property.

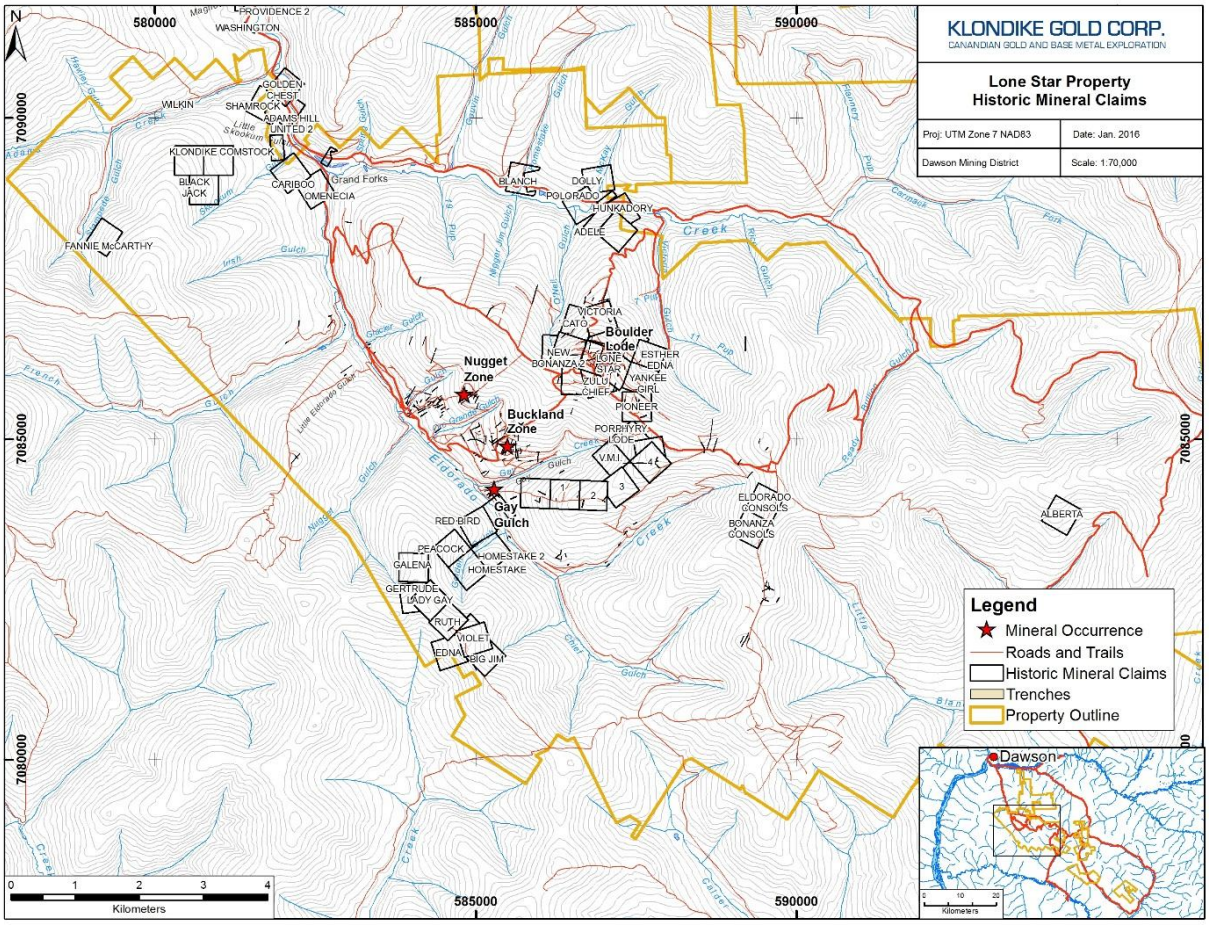


Figure 3: Lone Star Property with historic (circa 1906) “surveyed mineral claims” and Minfile occurrences.

5.0 Geological Setting and Mineralization

The following sections describe regional and district scale geology, structure and mineralization.

5.1 Yukon-Tanana Terrane

The Klondike region is underlain by Permian age Klondike Schist, correlative with units of the Yukon-Tanana terrane (“YTT”), which extends from Alaska through the Yukon to British Columbia. The YTT is a diverse lithotectonic terrane of continental affinity consisting primarily of quartzitic, pelitic and calcic metasedimentary rocks, as well as local mafic and felsic meta-igneous rocks (Figure 4). These protoliths are intruded by Mesozoic and Cenozoic granitic rocks. The YTT is bound to the north by the Tintina-Kaltag fault system, to the south by the Tanana-Denali-Farewell fault system, and is cut in the middle by the Teslin fault system. These fault systems form zones of major right lateral strike-slip movement. Units of YTT are polydeformed and, over a regional scale, show a range of metamorphic grade from lower green schist to amphibolite facies. Structural styles are consistent with deformation during east to northeast directed accretion and crustal shortening. In part, the Yukon-Tanana terrane forms the basement for Quesnellia, and the existence of mid-Jurassic plutons that intrude both terranes indicates

they were sutured by that time (Nelson and Friedman, 2004). Current Klondike Gold exploration thinking links a northwesterly extension/termination of the Teslin fault system during the mid-Jurassic to orogenesis and emplacement of gold-bearing quartz veins in the Klondike area.

Igneous rocks are widespread throughout the YTT, but are most abundant in the eastern portion of the province. Age dates of plutonic rocks in the YTT generally cluster into three distinctive groups: 1) 215-188 Ma (Late Triassic to Early Jurassic); 2) 110-85 Ma (Mid to Late Cretaceous); and 3) 70-50 Ma (Latest Cretaceous to Eocene).

5.2 Geology and Structure

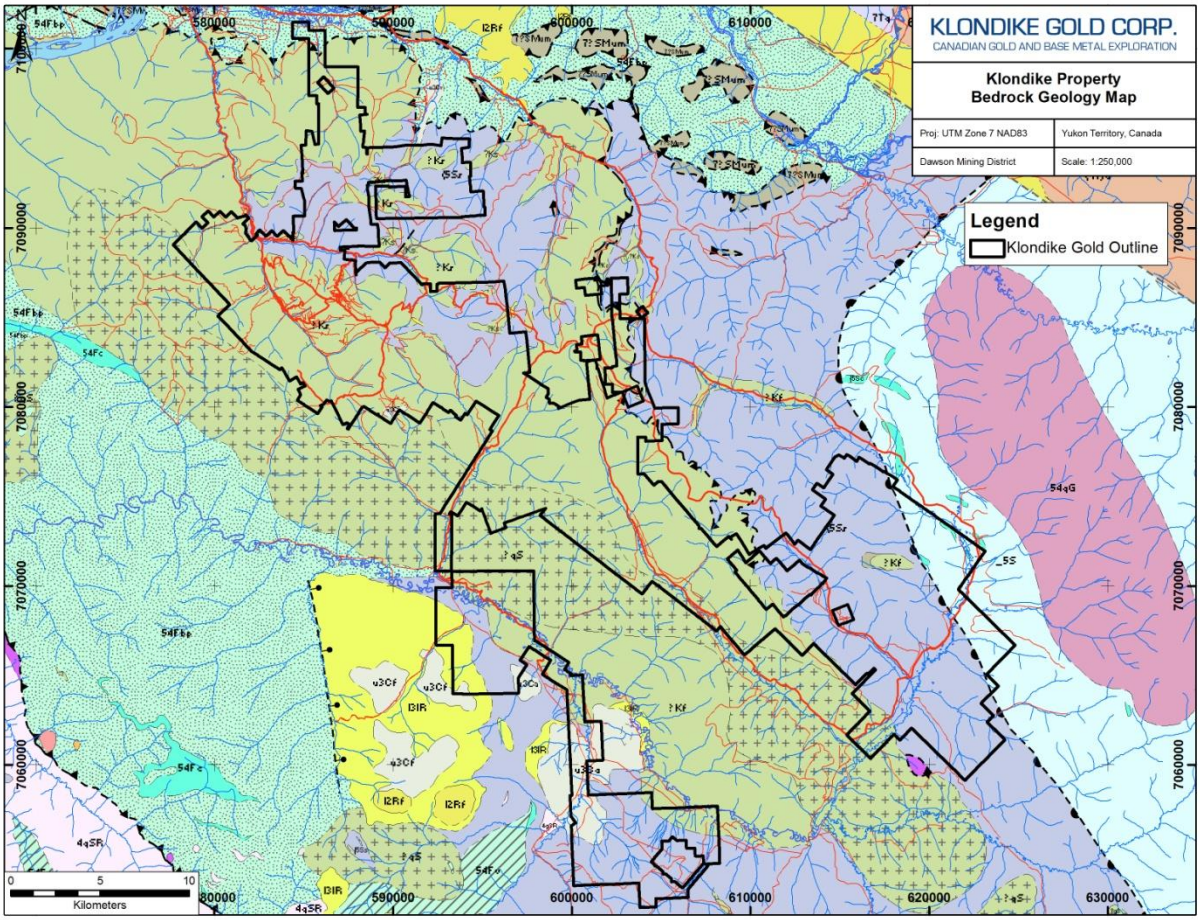
Late Permian back-arc volcanism related to subduction beneath the Slide Mountain Ocean produced the rocks of the Klondike schist within the Lone Star property. The Klondike Schist represents a Permian transition from plutonism, represented by the Sulphur Creek orthogneiss on the Violet ridge along the western portion of the property, to arc volcanism and related volcaniclastic rocks extending through the Lone Star property eastward 50 km to Dominion Creek.

Obduction of the Klondike Schist arc terrane onto cratonic North America created pervasive S1+S2 foliation(s) from deformation and metamorphism of these units. Continued ductile deformation produced a spaced crenulation cleavage across the region. Medium to large scale folds verge to the NE and this phase of folding produced an asymmetric anticline along the Lone Star ridge associated with regional thrusting and imbrication within the Klondike schist.

In the mid-Jurassic, Slide Mountain terrane mafic and ultramafic rocks were underthrust beneath the Klondike Schist, which produced angular kink folds, reverse faults, and subsequent quartz veining. Devolatilization of the Slide Mountain underthrust slab produced volumes of carbonate and gold-bearing fluids which ascended into the Klondike Schist. Uplift and brittle deformation produced conduits for gold-bearing fluids which channeled and formed the distinctive discordant gold-bearing quartz veins.

Northward trending faults within the YTT are a result of transpression and initiation of the Tintina fault in the Tertiary. Late Cretaceous felsic and mafic intrusions (Carmacks Group) and Eocene bimodal dykes emplaced in these N-S structures. Lamprophyre dykes, another phase of intrusion, are known from drill core at the Nugget zone to also intrude along N-S structures.

Within the western end of the Klondike Schist, in the vicinity of Eldorado Creek (Lone Star property), quartz eye ‘augen’ schist representing a deformed subvolcanic dacitic intrusion outcrops along the west side of Eldorado Creek. Graphitic schist outcrops beneath and immediately adjacent to Eldorado Creek. Felsic tuffaceous volcanics and sediments that are locally cherty outcrop on the hills east of Eldorado Creek and into the high ground south of Bonanza Creek. Further east, the ridge is largely chlorite schist derived from mafic tuffaceous volcanic and intrusive rocks.



Legend

Bedrock Geology

LOWER TERTIARY, MOSTLY(?) EOCENE
- ITR1: ROSS
- ITR2: ROSS

UPPER CRETACEOUS
- uKC1: CARMACKS

MIDDLE PERMIAN
- PgS: SULPHUR CREEK
- PqS: SULPHUR CREEK SUITE

CARBONIFEROUS AND PERMIAN
- PK2: KLONDIKE SCHIST

DEVONIAN, MISSISSIPPIAN AND(?) OLDER
- DMF4: FINLAYSON
- DMF3: FINLAYSON

LATE PROTEROZOIC AND PALEOZOIC
- PDS1: Snowcap clastic

CARBONIFEROUS TO PERMIAN
- CPSM4: SM ultramafic
- CPSM2: SM chert/argillite

Figure 4: Klondike Property Regional Geology (Gordey and Makepeace, 2001).

5.4 Quartz Veining and Mineralization

Two types of quartz veins are common in the Klondike and are distinguishable by not being an exploration target (no gold) or being an exploration target (with gold), respectively:

a) foliaform veins that are typically concordant with transposed bedding and may be metres thick, but are usually lenticular and have subtle to prominent foliation(s). These are always barren of gold and,

b) discordant veins that carry sulphide mineralization (pyrite, with rare galena, chalcopyrite and tetrahedrite) and visible gold, which is both commonly contained in selvages of pyrite (or after weathering, pseudomorphs of goethite/limonite) and as free gold grains in the white quartz. Discordant

veins are rarely up to 2-3 metres thick and can persist for hundreds of meters strike length (eg. Violet to 310 trend). Some spectacular gold grades are reported from this vein type (Rushton et al., 1993; Klondike Gold NR 14-Jan-2015 results from Lone Star mine of 1,766 g/t Au grab sample(s); Klondike Gold NR 26-Oct-2015 results from Gay Gulch of 75.6 g/t Au over 2.8m drill hole).

5.5 Quaternary Geology

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

The upland soils in the area, dominated by colluvium have been described by Bond and Sanborn (2006) as:

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

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

5.6 Property Geology

The geology of the Klondike district, which is underlain by Permian age Klondike Schist, is poorly known due to a paucity of outcrop and not systematically mapped. As such, the Klondike Schist has not been subdivided despite indications the eastern end near Dominion Creek exhibits amphibolite facies metamorphism while rocks at the western end near Eldorado Creek exhibit greenschist facies.

In general, the Klondike Schist lithologies are comprised of typical island arc volcanic lithologies, including mafic and felsic tuffaceous rocks and derived sediments, plus interlayered graphitic schists. The western end of the belt is bounded by the Jim Creek pluton correlative with Sulphur Creek Suite, described as an "orthogneiss", which outcrops along Violet ridge, west of Eldorado Creek.

Gordey and Makepeace (2001) indicate a small andesite porphyry of Upper Cretaceous age in their compilation of the geology of the Lone Star property area, as originally mapped/reported by Mortenson (1996). The andesite porphyry corresponds to a magnetic 'high' in GSC airborne surveying (2002) and Klondike Gold's 2015 more detailed ground magnetic survey. In YT MINFILE records, the area is named the Jen zone (Minfile ID 115O078).

6.0 2017 Exploration Program

Exploration in 2017 consisted of 70 NWT diamond drill holes completed by Kluane Drilling Ltd. and 120 man days of soil sampling, prospecting, sampling, trenching and reclamation work. Additional work not claimed for credit includes additional soils, prospecting, mapping, trenching, 4.37 square kilometers of

3D DC-Resistivity and Induced Polarization ("DCIP") geophysical survey completed by Dias Geophysical Ltd., 223.7 line kilometers of ground magnetics surveying completed by Aurora Geosciences Ltd., and significant remediation of past disturbances.

A minimum total of $1,127,171.90 consisting of approximately $135,800.60 spent on exploration work including: prospecting and mapping, assays, soil sampling and trenching from May 30 to August 23, 2017. Approximately $991,371.30 of the $1,127,171.90 was spent on diamond drilling performed between June 7 and September 18, 2017.

Assessment credit claimed for the 2017 exploration season Lone Star is summarized in Table 1 below.

Table 1: 2017 Exploration Assessment Claim Credit

Number of Claims	Years	Claim Years
1897	4.0	7,588.0
114	3.25	370.5
72	2.5	180.0
381	2.0	762.0
30	1.5	45.0
7	1.25	8.75
285	1.0	285.0
	TOTAL	**9,239.25**

Exploration of the Lone Star property was based from accommodations in Dawson with daily access to the property via 2WD and 4WD trucks. The exploration program consisted of prospecting and mapping work performed by Klondike Gold employees, soil sampling conducted by GroundTruth Exploration of Dawson, diamond drilling by Kluane Drilling of Whitehorse, dozer rental for diamond drilling and remediation work by Gimlex Enterprises of Dawson, and remediation of trenches and old camp sites using Klondike Gold excavators and personnel. Work not claimed for assessment on the 2017 exploration program also included 223.7 line kilometers of ground magnetic surveying completed by Aurora Geosciences Ltd. of Whitehorse, YT and 4.37 square kilometers of 3D DCIP geophysical survey data completed by Dias Geophysical Ltd. of Toronto, ON.

6.1 Prospecting

Prospecting on the Lone Star Property was completed between May 30 and August 23, 2017 with daily access to the property via company truck and based from accommodations in Dawson. No company exploration camp is located on the property.

Prospecting was guided by interpreted magnetic and soil anomalies, as well as previous prospecting and drilling work done in 2015 and 2016, to investigate areas of faulting with the objective of documenting gold-enriched quartz veins and distinguishing them from unmineralized quartz and carbonate veins. 740 prospecting samples of all types of quartz veins were collected for assay from throughout the Klondike

property (Figure 5) including the Lone Star area (Figure 6) and submitted to Bureau Veritas Labs in Whitehorse for analysis.

Ninety-five samples submitted had gold assay results above 0.5 g/t Au with forty-three samples assaying greater than 5.0 g/t Au to 131.1 g/t Au in a sample with visible gold (see Appendix III and IV for rock sample data and assay data, respectively). Several of these thirty-six high grade samples also returned elevated concentrations of chalcophiles and base metals, such as copper (up to 3219.8 ppm), zinc (up to 1632 ppm), lead (up to >10,000 ppm), silver (up to 198 ppm) and arsenic (up to 481.4 ppm). These elevated chalcophile element concentrations are generally associated with the presence of sulphide minerals, such as chalcopyrite, galena and pyrite, noted in the quartz vein samples.

Extensional quartz veins of economic interest sampled at the Lone Star property are ascribed to late or post-D4 veining; all have similar observed textural features, structural characteristics, and geochemistry, and are interpreted to be generated by an extensional fault system documented by Company and GSC airborne magnetics. From 2017 field work, gold mineralization is now considered to be controlled by second-order “D4”, high angle faulting (ex. the “Bonanza” and “Nugget” Faults) located above regionally significant first-order, low angle thrust faults (ex. the “Rabbit Creek Thrust”). Initial evidence suggests this regional fault, with the associated second order faults above, all cut the Klondike schist within the Company’s property.

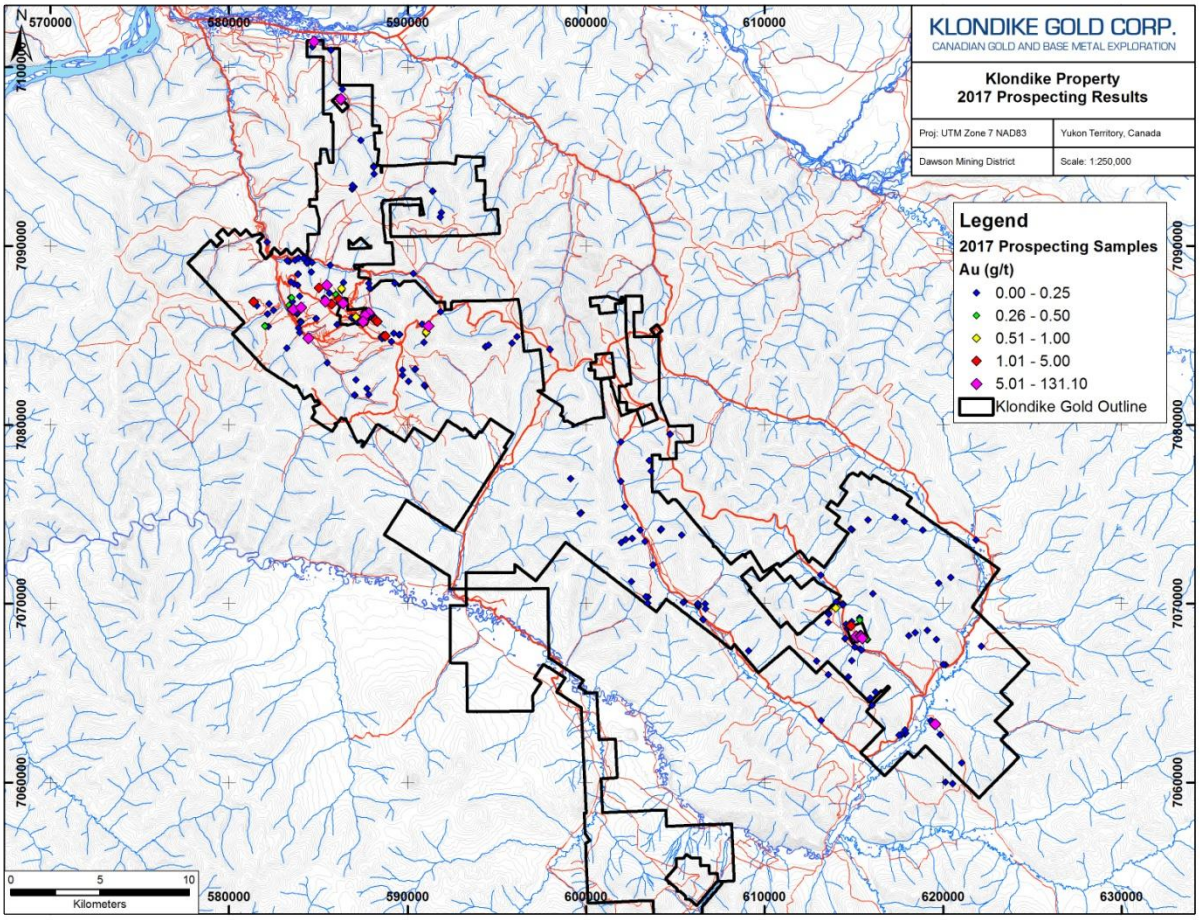


Figure 5: 2017 Klondike Property Prospecting Results

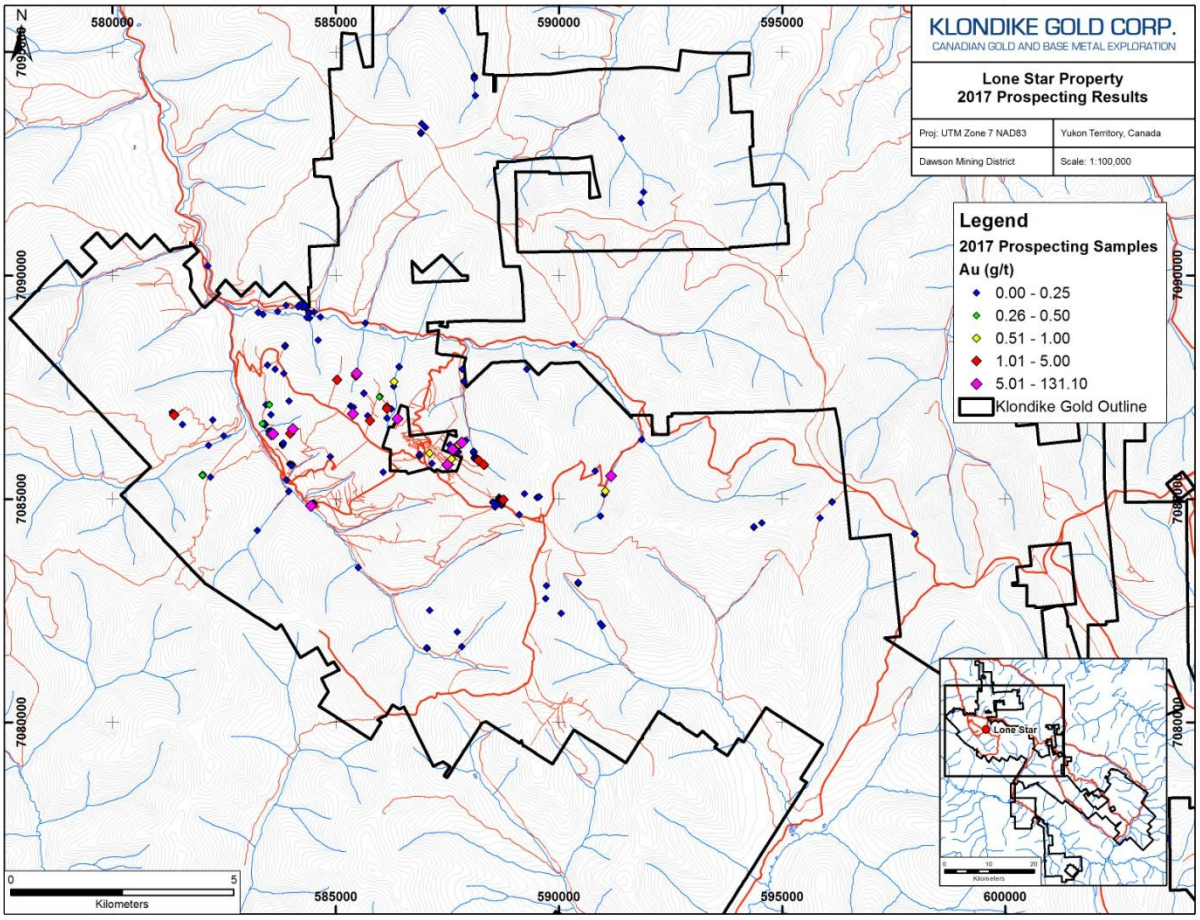


Figure 6: 2017 Lone Star Gold Prospecting Results

6.2 Ground Magnetics

During 2014, Klondike Gold completed an interpretation of Geological Survey of Canada ("GSC") airborne magnetics (published 2002), particularly relying on first vertical derivative data, and discerned a dextral shear fault which transects the area of the Klondike goldfields from Eldorado Creek to Dominion Creek. A significant proportion of this fault system, including the horsetail pattern termination, runs through the Lone Star property. GroundTruth Exploration Inc. of Dawson, YT was engaged to run a ground magnetic program on the property to map this inferred structure and investigate any pinnate fractures or splays, which may indicate faulting and help with exploration targeting. GroundTruth Exploration completed a ground magnetics survey in 2015 (see 2015 assessment) and again in 2016 to expand the survey area. Aurora Geosciences Ltd. was contracted in 2017 to complete walking magnetic and VLF-EM surveying on the terrain between the Lone Star and Quartz Creek targets late in the season after a "high priority" target was identified from diamond drilling along the Bonanza Fault. This area has not been previously surveyed using geophysical methods.

The magnetic and VLF-EM program began on September 19, 2017. A total of 223.7 line kilometers of walking magnetics and VLF-EM were completed between September 19, 2017 and October 11, 2017 and

totaled 55 man days to complete. Two portable Gem Systems GSM-19 (Overhauser) proton magnetometers plus one base station were utilized to conduct the survey. Survey data was collected starting at the western-most line and working toward the east at nominal 100 metre spaced lines running between 3.0 and 3.7 km in length. VLF-EM stations, NLK 24.8 KHz, were spaced at approximately 10 metres. The magnetometers were set up to “walk” mode and set to record a reading every second. The GPS location of the walking line was recorded with a Garmin GPSII non-differential device in UTM NAD 83 format and was merged with the magnetic data based on the reading times which were synchronized daily using GEM Systems software GEMlink5.4.

The magnetic data was then de-spiked with a non-linear filter, corrected for IGRF values and diurnal variation, de-spiked a second time to remove residual discontinuity and leveled for plotting as the final total field magnetic product. The final product was delivered in a gridded data, “.grd”, format which can be plotted and viewed by most standard mapping programs (Figure 7; Appendix V).

VLF-EM data was processed similarly to the walking magnetic data above. VLF profiles were reviewed on a line-by-line basis and individual spikes were removed manually. Profiles were then de-spiked through a non-linear filter and passed through a low pass filter before true polarities were determined. Final lines were then merged and passed through a 5-point Fraser filter to identify potential conductors. The final product was also delivered in a gridded data, “.grd”, format which can be plotted and viewed by most standard mapping programs. The VLF-EM data collected is noisy and so far has not yielded actionable data.

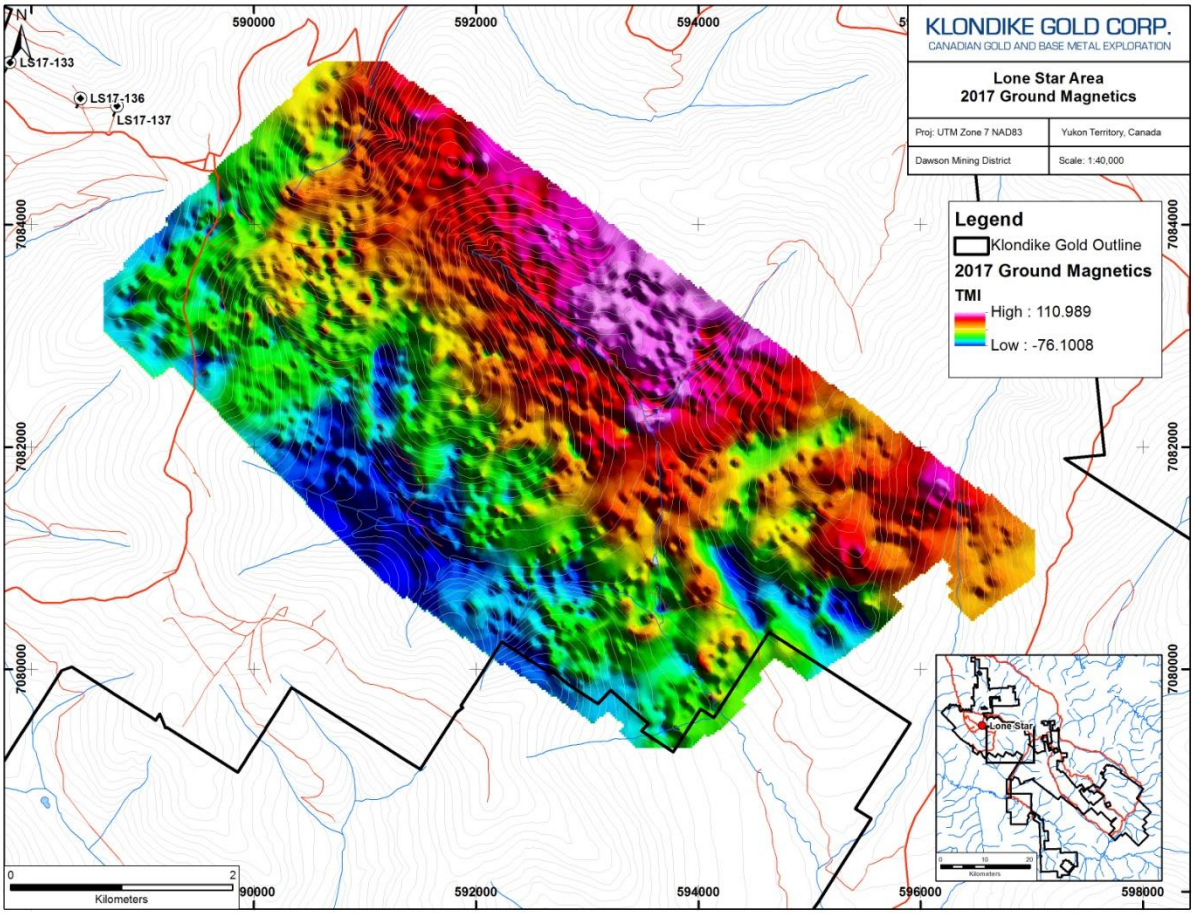


Figure 7: 2017 Lone Star property ground magnetic survey (Total Magnetic Intensity).

6.3 3D DC-Resistivity and Induced Polarization ("DCIP") Survey

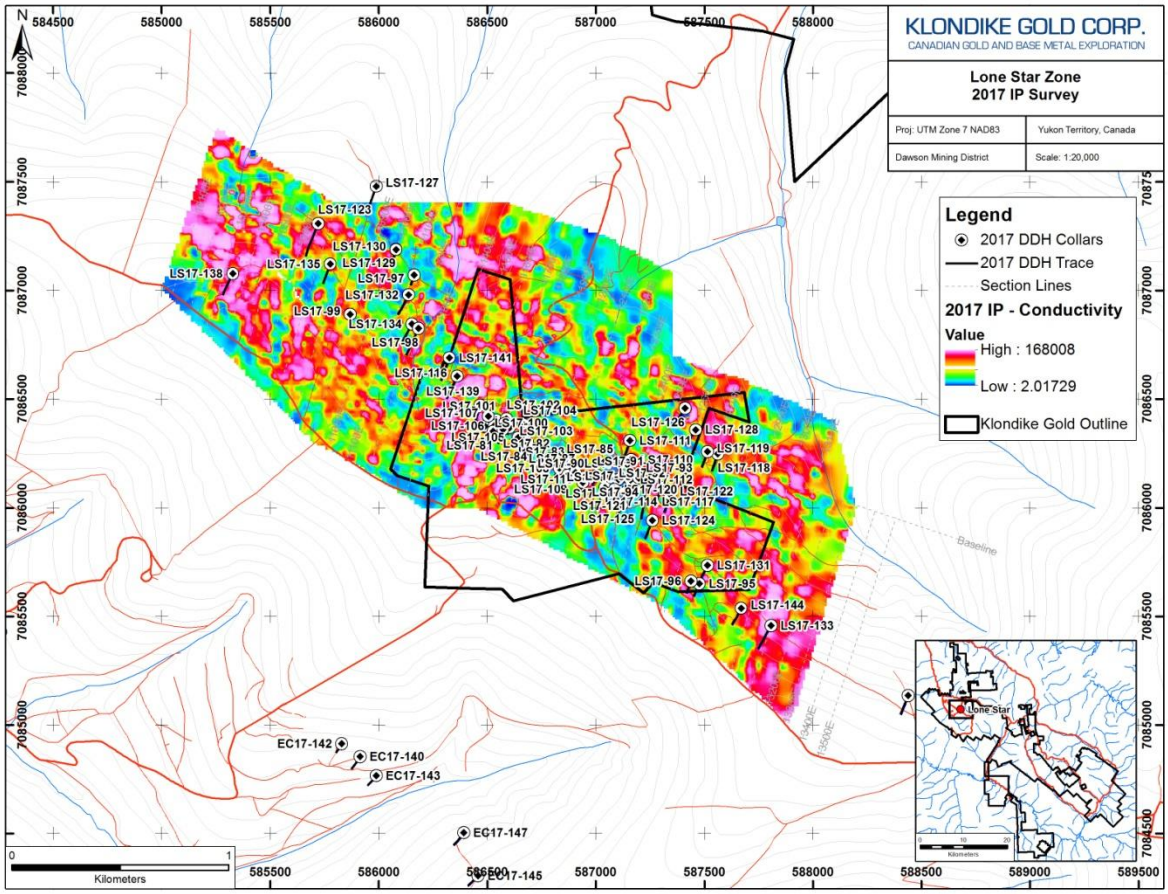
Dias Geophysical Ltd. of Toronto, ON was contracted to perform a 3D DC-Resistivity and Induced Polarization ("DCIP") Survey of the Lone Star property from June 6 to July 17, 2017. The survey covered an area of approximately 4 square kilometers and totaled 42 man days to complete. The purpose of the DCIP survey was to help refine the geological model and continuity of the Lone Star Zone to the east, west and at depth to provide a better understanding of the structures and geology in the area and produce new drill targets.

A DIAS32 DCIP system, consisting of a DIAS-LS System and a DIAS-32 Receiver in conjunction with two 4.8 kW transmitters, was utilized to conduct and acquire the DCIP survey data. The survey method is a "rolling" style 3D survey where an array of receivers is laid out along survey lines and a single line of current injections performed. The survey area is then advanced one line and a second line of injections performed. The receivers are continuously moved across the survey area with injections lines being completed at every move until the entire survey area has been covered. Survey data was collected at 50 metre spaced intervals along lines spaced 100 metres apart along a 1.2 kilometer by 3.4 kilometer grid. The current injection electrode stations were surveyed using hand-held GPS units. The DIAS-32 receivers also record time series data stamped with GPS time and location information, as well as recording the

time series current waveform at the current injection point. These two data sets are then processed using proprietary algorithms in the Dias Processing Software to yield locations, voltages, current amplitude and time of reading (Appendix VI).

The DIAS-32 3D data set was then processed and checked for quality before 3D inversions were completed using the RES3DINVx64 software distributed by Geotomo Software. The final product was delivered as apparent resistivity, apparent chargeability, and full chargeability data in a Geosoft compatible format complete with station locations in UTM coordinates. Pseudo-sections along receiver lines were also delivered to the Company in Geosoft ".map" and ".Tiff" formats.

Results of the resistivity model appear to be modeling the structure in the upper portion of the survey area as relatively conductive and several structural orientations are evident (Figure 8). These resistivity low features support the interpretation of the presence of a low-angle fault in the survey area.



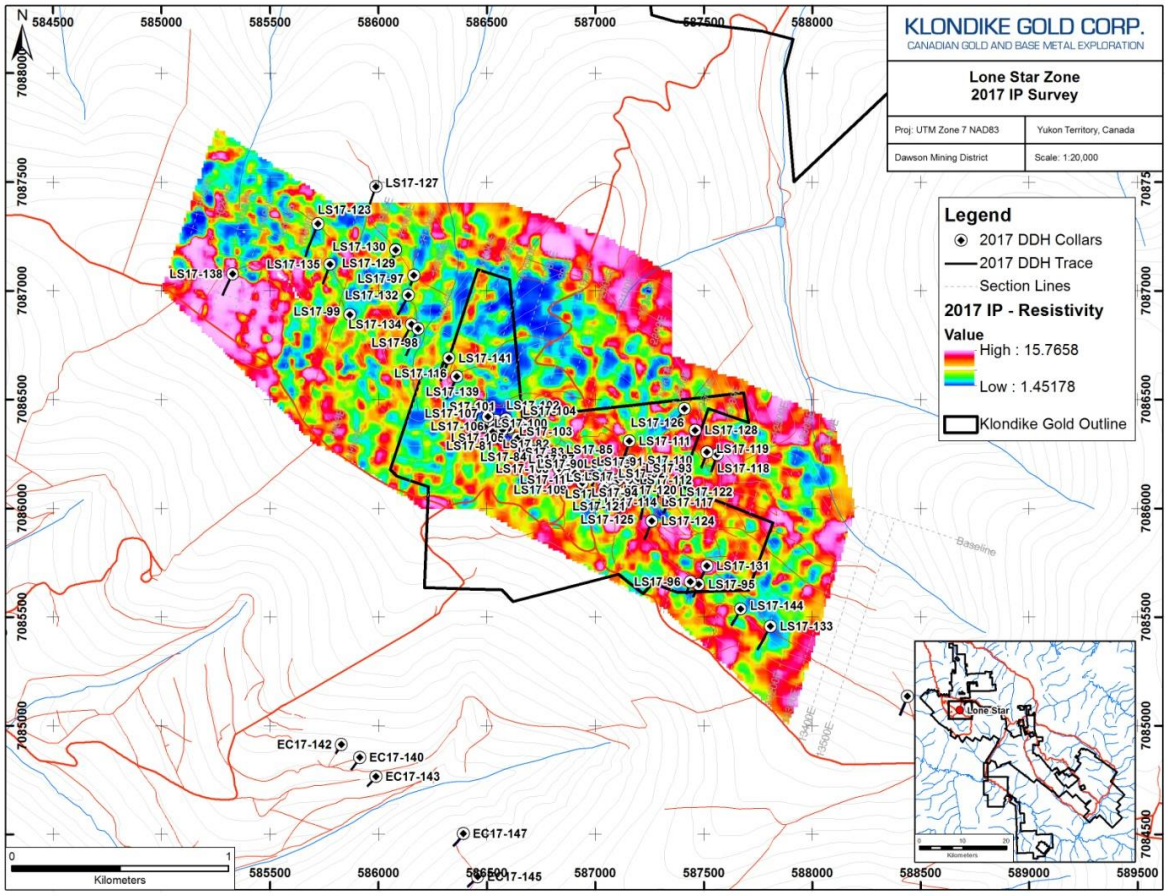


Figure 8: 2017 3D-Resistivity and Induced Polarization Survey (Conductivity and Resistivity)

6.4 Soil Sampling

A total of 4,919 soil samples were collected by GroundTruth Exploration of Dawson, YT from July 14 to July 23, 2017 totaling 10 man days to complete a property-spanning first pass “ridge and spur” sampling program from the Lone Star to Gold Run targets (Figure 9). Anomalous gold values of up to 196.4 ppb Au on the Gold Run target will be followed-up in 2018.

A more detailed soil sampling survey was also conducted across the Lone Star target where approximately 1,185 soil samples were collected at 50-metre spacings along lines 100-metres apart to test a total strike length of 4,000 metres (Figure 10; Appendix VII). Results show a continuous and contourable gold anomaly in soil across the entire strike length that is open in both directions. The core of the soil anomaly ranges between 75 ppb and 2,891 ppb Au and extends as far east as the Victoria Gulch. These high gold values are directly coincident with the 800 m Lone Star target that has been previously drilled.

In addition to the soils collected and analyzed in 2017, 2,077 soils were acquired from Gimlex Enterprises Ltd of Dawson, YT. These soils were collected during the 2015 and 2016 seasons and were XRF’ed for multi-chemical element analysis but were never assayed. Klondike Gold acquired them with

the acquisition of the Gimlex property and submitted them to BV labs in Whitehorse for analysis (Appendix XIII).

Upon collection, soil samples were aggregated into rice bags, sealed, and submitted by Company personnel to the Bureau Veritas ("BV") Labs preparation facility in Whitehorse, YT with chemical analysis of sample pulps completed in Vancouver, BC. Samples were analyzed for multi-element chemistry by ICP-MS analysis (AQ201 code; Appendix VIII). Soil samples were not submitted for assessment credit.

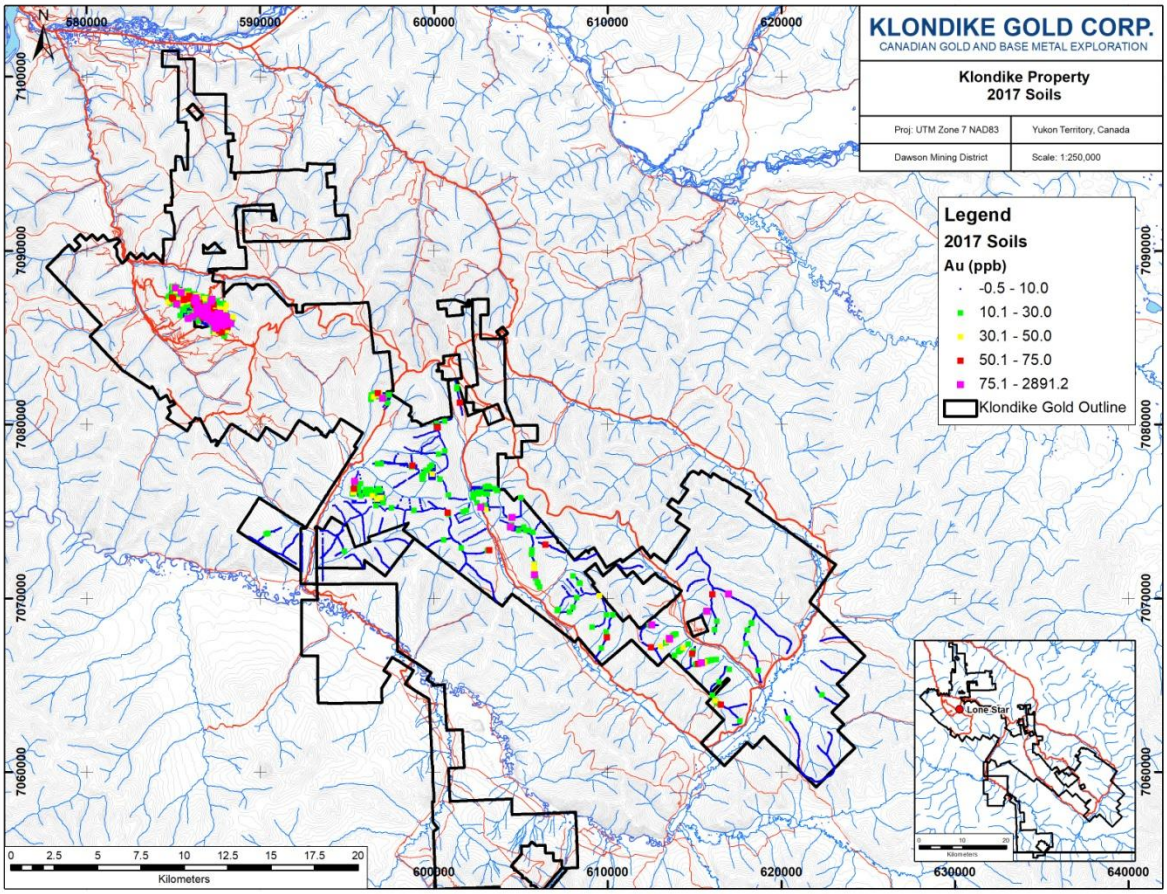


Figure 9: 2017 Soil Sampling Results

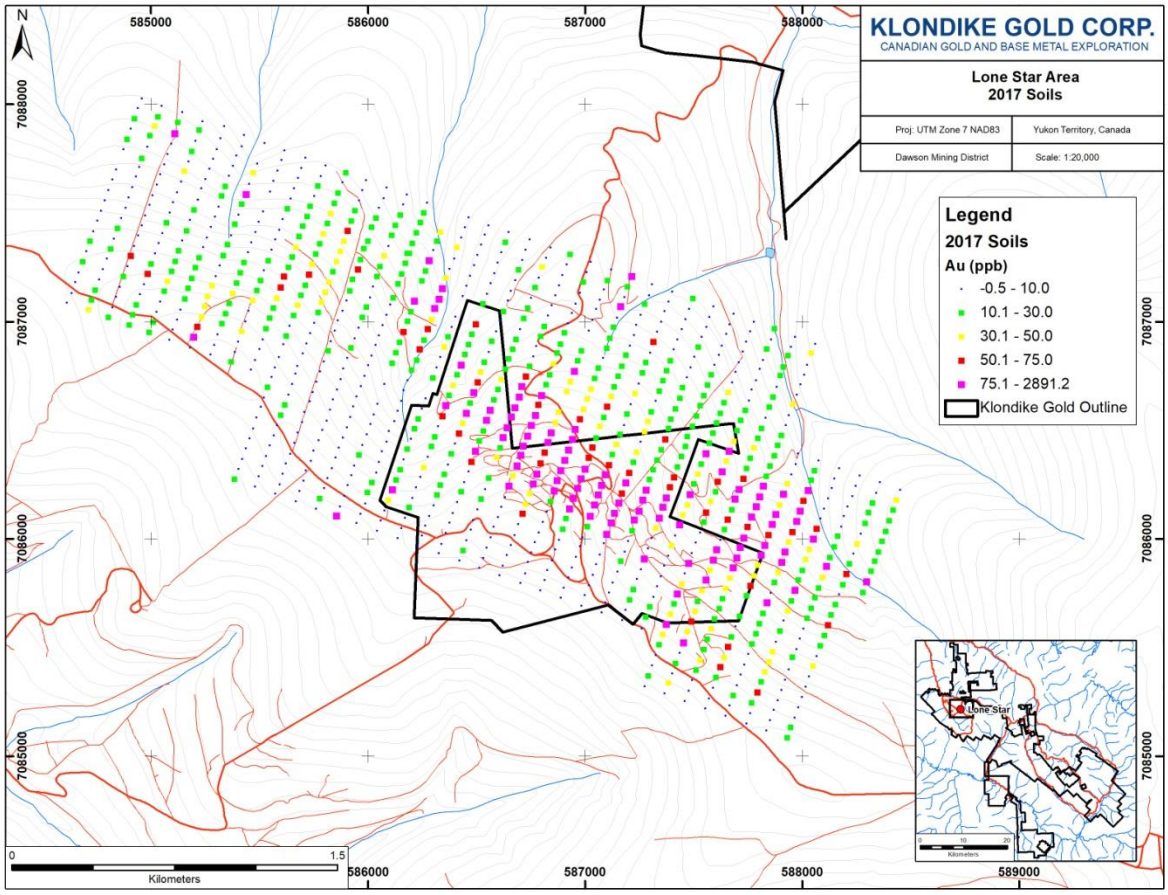


Figure 10: 2017 Lone Star Sampling Results

6.5 Diamond Drilling

A total of 8,620.62 metres of diamond drilling was completed on the Lone Star property in 2017, resulting in 9,780 core samples, blanks, and standards and duplicates submitted to Bureau Veritas Lab for analysis (Appendix IX for core samples; Appendix X for Assay Certificates). Kluane Drilling of Whitehorse, YT was contracted to supply the diamond drill. Gimlex Enterprises of Dawson, YT provided a Komatsu dozer which was used to move the drill, prepare drill pads, and in many places for reclamation work backfilling old trenches.

Two general areas, the Nugget Fault Zone and Lone Star zones, were drill tested as shown in Figure 11. Core logging results (Appendix XI for drill logs) from 2015 onward show that individual quartz veins with visible gold can be 0.05 to 1.0 meters in thickness and that “zones” comprise several to many related quartz veins (“vein arrays”), occurring over widths of up to ~10 meters true thickness and which exhibit along-strike and down-dip continuity (Appendix XII). Results of the 2016 exploration program also identified disseminated visible gold and pyrite within wide sections of a “laminated schist” unit combined with gold-enriched quartz veining within the schist unit on the Lone Star target.

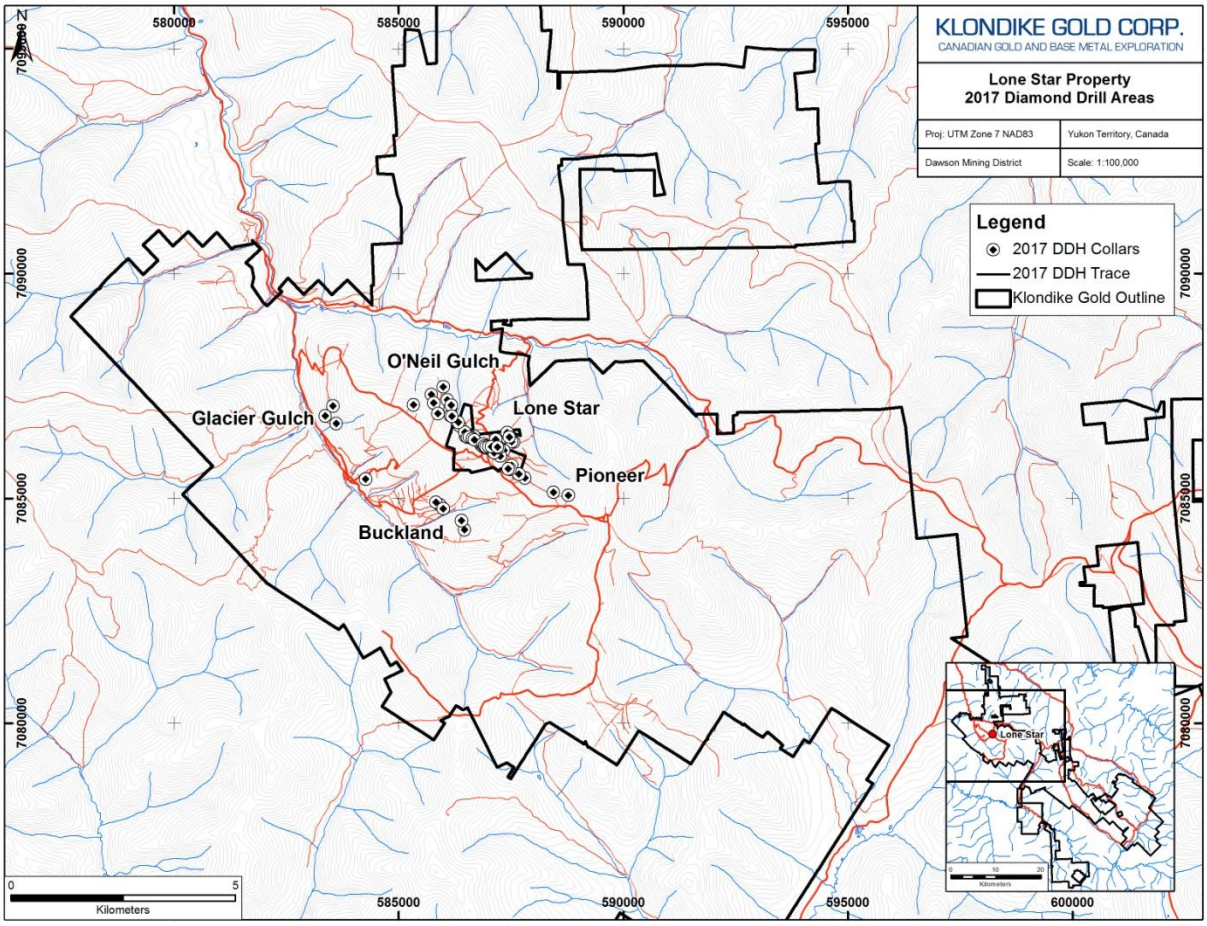


Figure 11: 2017 Drill Areas

The 2017 exploration drilling program tested two main zones, Lone Star (LS17-81 to LS17-139, LS17-141 and LS17-144) and Nugget Fault Zone (EC17-140, EC17-142 to EC17-143, and EC17-145 to EC7-150; Table 2). The 2017 program was dominantly focused on expanding the Lone Star target results seen in the 2016 drill program.

Table 2: 2017 Diamond Drill Locations

Hole ID	UTM East	UTM North	Elevation	Dip	Azimuth	Depth (m)	Zone	Date Started	Date Completed
LS17-81	586527.4	7086352.0	971	-55.0	200.0	76.2	Lone Star	07-Jun-17	08-Jun-17
LS17-82	586572.7	7086359.2	973	-50.0	200.0	108.2	Lone Star	08-Jun-17	09-Jun-17
LS17-83	586642.8	7086322.7	987	-55.0	200.0	76.2	Lone Star	09-Jun-17	10-Jun-17
LS17-84	586684.4	7086300.8	998	-55.0	200.0	77.72	Lone Star	10-Jun-17	11-Jun-17
LS17-85	586866.2	7086206.5	1013	-55.0	200.0	76.2	Lone Star	11-Jun-17	12-Jun-17
LS17-86	586866.1	7086205.8	1013	-85.0	200.0	47.24	Lone Star	12-Jun-17	12-Jun-17
LS17-87	586905.7	7086161.4	1015	-85.0	200.0	60.96	Lone Star	12-Jun-17	13-Jun-17
LS17-88	586906.0	7086162.0	1015	-55.0	200.0	56.39	Lone Star	13-Jun-17	13-Jun-17

LS17-89	586947.4	7086139.6	1009	-55.0	200.0	51.82	Lone Star	13-Jun-17	13-Jun-17
LS17-90	586947.4	7086139.0	1009	-85.0	200.0	83.82	Lone Star	14-Jun-17	15-Jun-17
LS17-91	587006.3	7086149.7	993	-55.0	200.0	91.44	Lone Star	15-Jun-17	15-Jun-17
LS17-92	587062.1	7086144.6	983	-55.0	200.0	123.44	Lone Star	16-Jun-17	17-Jun-17
LS17-93	587230.8	7086120.0	940	-55.0	200.0	300.23	Lone Star	17-Jun-17	21-Jun-17
LS17-94	587197.1	7086136.5	947	-55.0	200.0	99.06	Lone Star	21-Jun-17	22-Jun-17
LS17-95	587476.3	7085650.8	980	-55.0	200.0	114.3	Lone Star	22-Jun-17	23-Jun-17
LS17-96	587438.5	7085661.7	985	-55.0	200.0	105.16	Lone Star	24-Jun-17	25-Jun-17
LS17-97	586163.1	7087071.2	767	-55.0	200.0	86.87	Lone Star	25-Jun-17	27-Jun-17
LS17-98	586182.8	7086826.1	779	-55.0	200.0	233.17	Lone Star	27-Jun-17	01-Jul-17
LS17-99	585869.0	7086889.5	875	-55.0	200.0	33.53	Lone Star	11-Jul-17	12-Jul-17
LS17-100	586490.2	7086374.5	958	-55.0	200.0	56.39	Lone Star	12-Jul-17	13-Jul-17
LS17-101	586540.2	7086403.1	957	-55.0	200.0	91.44	Lone Star	13-Jul-17	14-Jul-17
LS17-102	586588.7	7086408.3	958	-55.0	200.0	141.12	Lone Star	14-Jul-17	15-Jul-17
LS17-103	586603.9	7086368.1	972	-55.0	200.0	61.8	Lone Star	16-Jul-17	17-Jul-17
LS17-104	586665.6	7086383.0	971	-55.0	200.0	102.11	Lone Star	17-Jul-17	18-Jul-17
LS17-105	586580.6	7086388.2	964	-55.0	200.0	97.54	Lone Star	18-Jul-17	19-Jul-17
LS17-106	586531.9	7086376.1	964	-55.0	200.0	85.34	Lone Star	19-Jul-17	20-Jul-17
LS17-107	586504.8	7086421.3	947	-55.0	200.0	85.34	Lone Star	20-Jul-17	21-Jul-17
LS17-108	586832.4	7086182.8	1022	-55.0	200.0	77.72	Lone Star	21-Jul-17	22-Jul-17
LS17-109	586871.3	7086149.4	1020	-55.0	200.0	54.86	Lone Star	22-Jul-17	23-Jul-17
LS17-110	587161.9	7086220.2	956	-55.0	200.0	190.5	Lone Star	23-Jul-17	24-Jul-17
LS17-111	587156.7	7086308.6	951.5	-55.0	200.0	227.08	Lone Star	24-Jul-17	27-Jul-17
LS17-112	587159.5	7086128.5	960	-55.0	200.0	80.77	Lone Star	27-Jul-17	28-Jul-17
LS17-113	587103.9	7086129.4	972	-55.0	200.0	86.87	Lone Star	28-Jul-17	29-Jul-17
LS17-114	587042.2	7086092.6	987	-55.0	200.0	162.64	Lone Star	29-Jul-17	31-Jul-17
LS17-115	586940.1	7086116.0	1011	-55.0	200.0	80.77	Lone Star	31-Jul-17	01-Aug-17
LS17-116	586360.2	7086606.2	867	-55.0	200.0	199.64	Lone Star	01-Aug-17	03-Aug-17
LS17-117	587305.0	7086091.5	920	-55.0	200.0	152.92	Lone Star	03-Aug-17	05-Aug-17
LS17-118	587561.5	7086247.9	835	-55.0	200.0	147.83	Lone Star	19-Aug-17	20-Aug-17
LS17-119	587514.1	7086257.5	852	-55.0	200.0	136.2	Lone Star	21-Aug-17	23-Aug-17
LS17-120	587086.4	7086084.0	978	-55.0	200.0	124.66	Lone Star	23-Aug-17	24-Aug-17
LS17-121	587142.3	7086073.6	968	-55.0	200.0	138.68	Lone Star	24-Aug-17	26-Aug-17
LS17-122	587343.3	7086060.8	907	-55.0	200.0	152.4	Lone Star	26-Aug-17	28-Aug-17
LS17-123	585721.5	7087307.7	839	-55.0	200.0	275.84	Lone Star	27-Aug-17	31-Aug-17
LS17-124	587260.0	7085941.2	951	-55.0	200.0	143.26	Lone Star	28-Aug-17	29-Aug-17
LS17-125	587118.0	7086012.8	979	-55.0	200.0	102.11	Lone Star	29-Aug-17	31-Aug-17
LS17-126	587411.4	7086458.2	870	-55.0	200.0	140.21	Lone Star	31-Aug-17	02-Sep-17
LS17-127	585988.6	7087480.0	754	-50.0	200.0	147.63	Lone Star	31-Aug-17	02-Sep-17
LS17-128	587459.7	7086358.8	862	-50.0	200.0	135.64	Lone Star	02-Sep-17	06-Sep-17
LS17-129	586080.0	7087190.3	779	-50.0	200.0	82.3	Lone Star	02-Sep-17	04-Sep-17
LS17-130	586079.9	7087188.0	779	-50.0	200.0	108.2	Lone Star	04-Sep-17	06-Sep-17
LS17-131	587513.6	7085734.9	952	-50.0	200.0	160.02	Lone Star	06-Sep-17	07-Sep-17
LS17-132	586137.2	7086979.8	771	-50.0	200.0	160.02	Lone Star	06-Sep-17	08-Sep-17
LS17-133	587807.0	7085456.8	961	-50.0	200.0	193.55	Lone Star	07-Sep-17	10-Sep-17
LS17-134	586152.0	7086846.3	790	-50.0	200.0	143.73	Lone Star	08-Sep-17	10-Sep-17
LS17-135	585776.4	7087121.7	859	-50.0	200.0	150.88	Lone Star	10-Sep-17	12-Sep-17
LS17-136	588439.0	7085135.2	978	-50.0	200.0	150.88	Lone Star	10-Sep-17	12-Sep-17
LS17-137	588769.7	7085066.2	1008	-50.0	200.0	156.97	Lone Star	12-Sep-17	13-Sep-17
LS17-138	585327.4	7087077.6	946	-50.0	200.0	160.02	Lone Star	12-Sep-17	14-Sep-17
LS17-139	586466.2	7086472.2	924	-50.0	200.0	135.64	Lone Star	14-Sep-17	15-Sep-17

EC17-140	585913.2	7084854.0	735	-50.0	210.0	106.68	Nugget	14-Sep-17	16-Sep-17
LS17-141	586325.4	7086689.4	836	-50.0	200.0	173.74	Lone Star	16-Sep-17	18-Sep-17
EC17-142	585829.6	7084913.3	748	-50.0	210.0	76.2	Nugget	16-Sep-17	17-Sep-17
EC17-143	585988.9	7084766.1	707	-55.0	210.0	106.68	Nugget	17-Sep-17	19-Sep-17
LS17-144	587670.0	7085536.3	970	-50.0	200.0	137.16	Lone Star	18-Sep-17	19-Sep-17
EC17-145	586457.4	7084306.0	833	-50.0	210.0	105.16	Nugget	20-Sep-17	21-Sep-17
EC17-146	583528.5	7087051.2	725	-50.0	210.0	152.4	Nugget	20-Sep-17	21-Sep-17
EC17-147	586391.1	7084503.9	770	-50.0	210.0	120.4	Nugget	21-Sep-17	22-Sep-17
EC17-148	583364.3	7086831.8	646	-50.0	210.0	155.45	Nugget	21-Sep-17	22-Sep-17
EC17-149	584260.1	7085427.9	618	-50.0	210.0	150.88	Nugget	22-Sep-17	25-Sep-17
EC17-150	583612.1	7086668.2	632	-50.0	210.0	152.4	Nugget	24-Sep-17	24-Sep-17

Lone Star Drill Results

In general, the Lone Star property is considered to have potential for gold-bearing extensional quartz vein arrays and brecciation in proximity to the main WNW-ESE dextral fault, along the NNW-SSE trending pinnate extensional fault, and in areas where these two structures intersect. As of 2017, the Lone Star zone currently encompasses three main areas: Lone Star in the centre, O'Neil to the west, and Pioneer to the east across a total length of approximately 4 kilometers associated with the Bonanza Fault.

The 2016 exploration drilling program identified a gold target area on the Lone Star zone composed of disseminated visible gold as free grains and along pyrite within wide sections of a "laminated schist" unit combined with gold-enriched quartz veining within the schist unit (gold intersections projected on surface in Figure 12). The Au-bearing laminated schist unit has very subtle carbonate alteration and disseminated pyrite. The 2017 grid soil sampling survey confirmed a gold-in-soil anomaly with up to 2,891 ppb Au in soils across a 4 km strike length that coincides with both 2016 and 2017 drilling results and from which new targets were determined.

Sixty-one holes (LS17-81 to LS17-139, LS17-141 and LS17-144) were drilled on the Lone Star zone in 2017 in a three-fold objective that sought to:

1. Infill drill holes from 2016 to provide sufficient density of drilling at 50 metre spacing to correlate mineralization between drill hole sections;
2. Extend the mineralization to the east and west toward the mineralized zones at the O'Neil and Pioneer areas; and,
3. Step-out in reconnaissance-style drilling beyond these open eastern and western limits.

Significant gold intercepts are summarized in Table 6. True thickness of the mineralized zones is approximately the interval width within each hole.

Table 6: Summary of Lone Star Drilling Assay Results

Hole ID	Dip	From (m)	To (m)	Interval (m)	Grade Au g/t
LS17-81	-55°	5.50	46.62	41.10	2.06

LS17-82	-50°	10.42	51.63	41.20	2.41
LS17-83	-50°	16.25	49.00	32.58	0.80
LS17-84	-55°	34.03	44.40	10.37	1.18
LS17-85	-55°	0.00	27.40	27.40	0.55
LS17-86	-85°	3.20	25.25	22.05	0.78
LS17-87	-85°	1.52	18.00	16.48	0.69
LS17-88	-55°	6.45	20.26	13.81	0.40
LS17-89	-55°	22.60	37.60	15.00	1.13
LS17-90	-85°	2.80	9.60	6.80	2.17
LS17-90	-85°	26.60	38.80	12.25	1.70
LS17-91	-55°	4.33	42.92	38.59	0.78
LS17-92	-55°	12.19	47.90	35.71	0.30
LS17-93	-55°	18.00	45.82	27.82	0.40
LS17-93	-55°	98.16	119.57	21.41	0.23
LS17-94	-55°	26.20	42.46	16.26	0.62
LS17-95	-55°	71.50	82.20	10.70	0.74
LS17-96	-55°	29.75	34.80	5.05	0.41
LS17-97	-55°	9.14	22.86	13.72	0.62
LS17-98	-55°	28.90	42.20	52.60	0.30
LS17-99	-55°	No significant values.			
LS17-100	-55°	3.50	8.54	5.04	0.79
LS17-101	-55°	34.00	51.50	17.50	0.46
LS17-102	-55°	No significant values.			
LS17-103	-55°	14.20	17.90	3.70	1.64
LS17-103	-55°	35.00	37.60	2.60	1.46
LS17-104	-55°	41.40	55.10	13.70	0.45
LS17-105	-55°	No significant values.			
LS17-106	-55°	10.00	39.00	29.00	0.98
LS17-107	-55°	No significant values.			
LS17-108	-55°	12.75	66.10	53.25	0.90
Including:		12.75	38.40	26.65	0.68
LS17-109	-55°	13.10	28.70	15.60	0.53
Including:		21.50	28.70	7.20	0.94
LS17-110	-55°	130.30	182.00	51.70	0.29
LS17-111	-55°	No significant values.			
LS17-112	-55°	No significant values.			
LS17-113	-55°	35.40	73.00	37.50	0.61
LS17-114	-55°	10.00	43.50	33.50	0.51
LS17-115	-55°	No significant values.			
LS17-116	-55°	No significant values.			
LS17-117	-55°	112.10	128.00	15.90	0.53
LS17-118	-55°	No significant values.			
LS17-119	-55°	12.20	34.40	22.20	0.54
LS17-120	-55°	68.15	90.00	22.70	0.52
LS17-121	-55°	22.00	61.00	39.00	0.47
LS17-122	-55°	78.45	97.60	19.15	0.60
LS17-123	-55°	No significant values.			
LS17-124	-55°	65.20	86.50	21.30	0.98

LS17-125	-55°	42.45	57.00	14.55	0.27
LS17-126	-55°		No significant values.		
LS17-127	-50°		No significant values.		
LS17-128	-50°	94.00	111.80	17.80	0.36
LS17-129	-50°	13.30	21.00	7.70	0.27
LS17-130	-50°		No significant values.		
LS17-131	-50°		No significant values.		
LS17-132	-50°		No significant values.		
LS17-133	-50°	65.85	77.50	11.65	0.26
LS17-134	-50°	79.30	89.90	10.60	0.38
LS17-135	-50°		No significant values.		
LS17-136	-50°	19.70	147.00	127.30	0.11
LS17-137	-50°		No significant values.		
LS17-138	-50°		No significant values.		
LS17-139	-50°	3.80	19.80	16.00	0.57
LS17-141	-50°	115.20	135.15	19.95	0.24
LS17-144	-50°	48.00	80.50	32.50	0.53

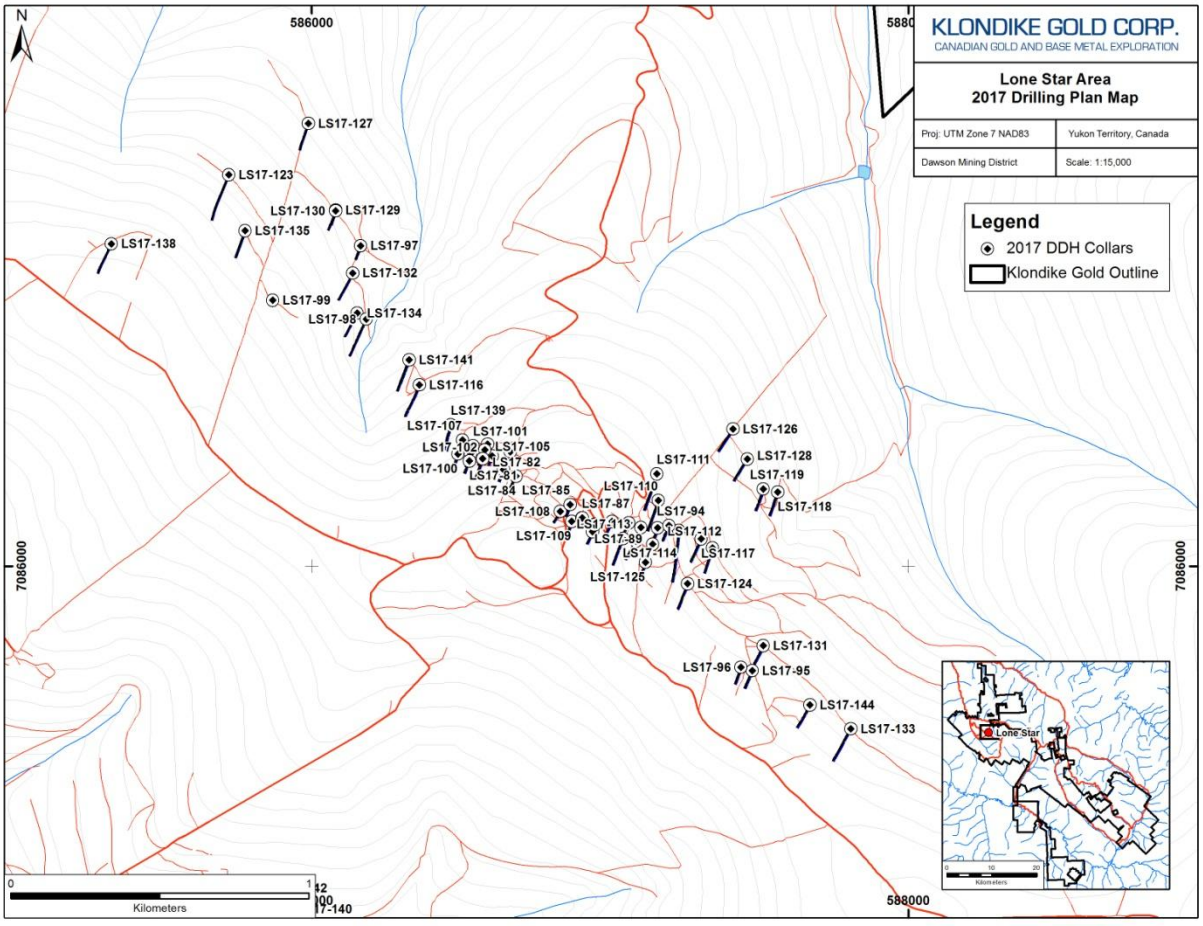


Figure 12: Lone Star Zone Plan Map

The Lone Star Zone (O'Neil, Lone Star and Pioneer areas) was tested from single holes and pairs of holes drilled along a 4 kilometer total strike length (Figures 13 - 16). Each drill pad had a -50° or -55° dipping hole collared from it, with pairs of holes drilled from the same pad at dip angles of -55° and -85°. All holes were drilled at azimuths of 200°. Drilling encountered visible gold as disseminations throughout a wide "laminated schist" unit and associated with euhedral pyrite within quartz veining noted in the schist unit. The gold-bearing schist was noted to be in fault contact with felsic schists along a major, second-order "D4" high angle fault, termed the "Bonanza Fault". The Bonanza Fault is variably silicified, carbonate altered, and mineralized with pyrite. The laminated schist unit is interpreted to be striking 310° (northwest), parallel to the Bonanza Fault mentioned above. Gold was also noted within gold-bearing quartz veins along the contacts between the felsic and laminated schist units and within cross-cutting, gold-bearing quartz veins in proximity to the fault.

The first hole drilled in 2017 on the central Lone Star target, LS17-81, intersected wide zone of disseminated mineralization and visible gold which assayed 2.06 g/t Au over 41.10 metres from surface. LS17-81 was a 50 metre step out to the west from LS16-58, drilled in 2016, which also had significant assays of 2.4 g/t Au over 37.0 metres. The majority of holes drilled along the Lone Star target following LS17-81 also successfully intersected long zones of disseminated gold in a pyritic laminated schist unit with grades from 0.11 g/t Au over 127.30 metres to 2.41 g/t Au over 41.20 metres.

Large, 700 metre step-out holes drilled at the O'Neil area (LS17-97 and LS17-98) to the west intersected pyritic schists along strike of the central Lone Star target. These holes returned 0.62 g/t Au over 13.72 metres and 0.3 g/t Au over 52.60 metres, respectively with visible gold noted in hole LS17-98. Step-out holes were also drilled to the east at the Pioneer area (LS17-95 and LS17-96) at 500 metre spacing along strike of the central Lone Star target that intersected unaltered mafic schist that was cross-cut by visible gold-bearing quartz veinlets, adjacent to the Bonanza Fault. These holes returned assay values of 0.74 g/t Au over 10.70 metres and 0.41 g/t Au over 5.05 metres, respectively. The step-out tests successfully expanded the known length of the Lone Star zone, which still remains open to the east and west.

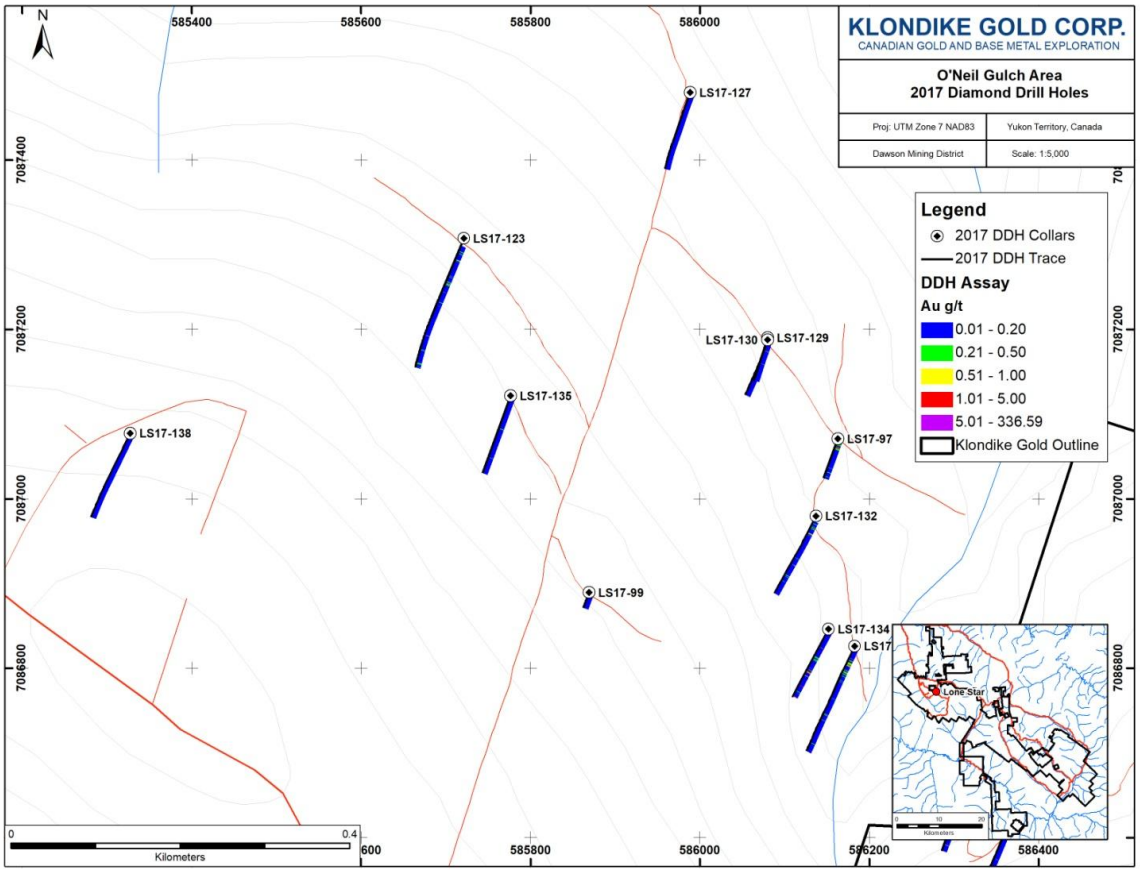


Figure 13: O'Neil Gulch Area Diamond Drill Holes with Assays

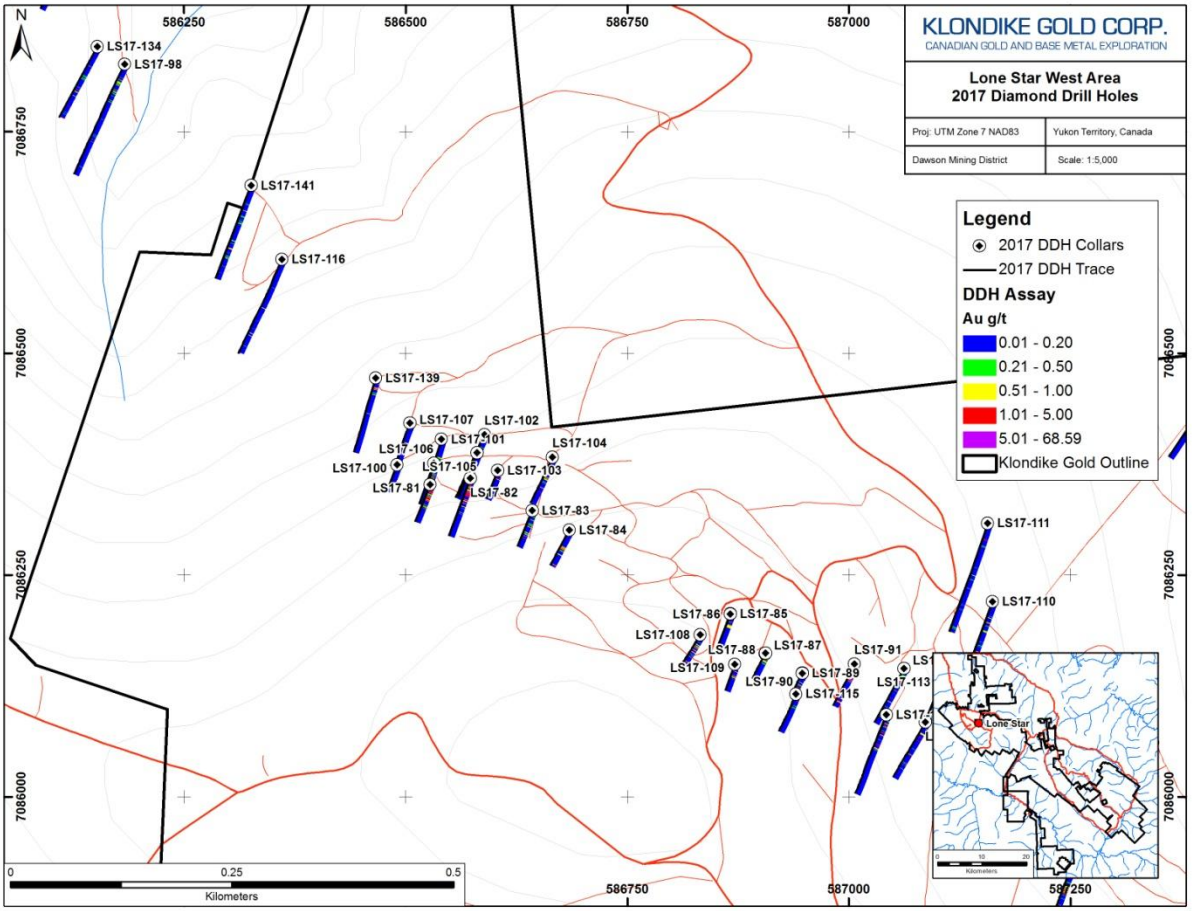


Figure 14: Lone Star West Area Diamond Drill Holes with Assays

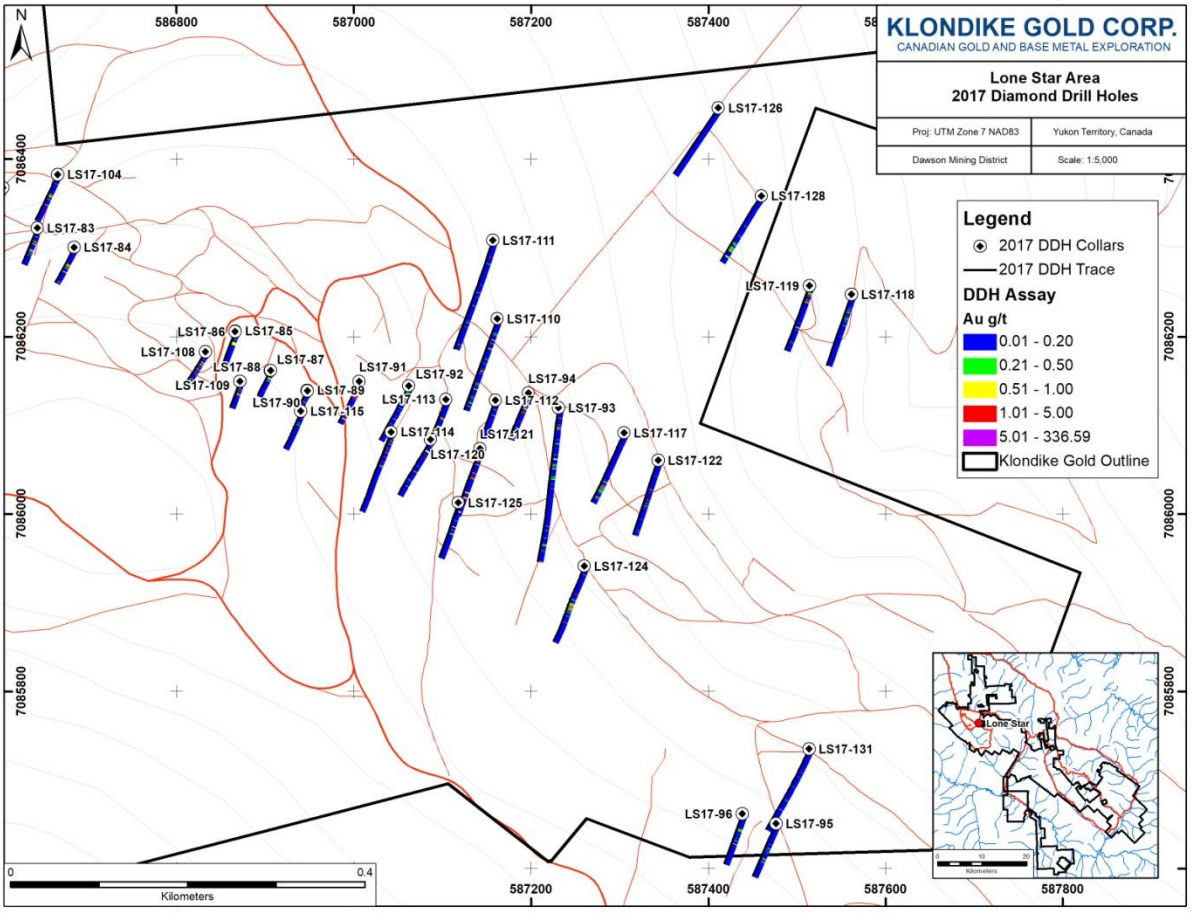


Figure 15: Lone Star Central Area Diamond Drill Holes with Assays

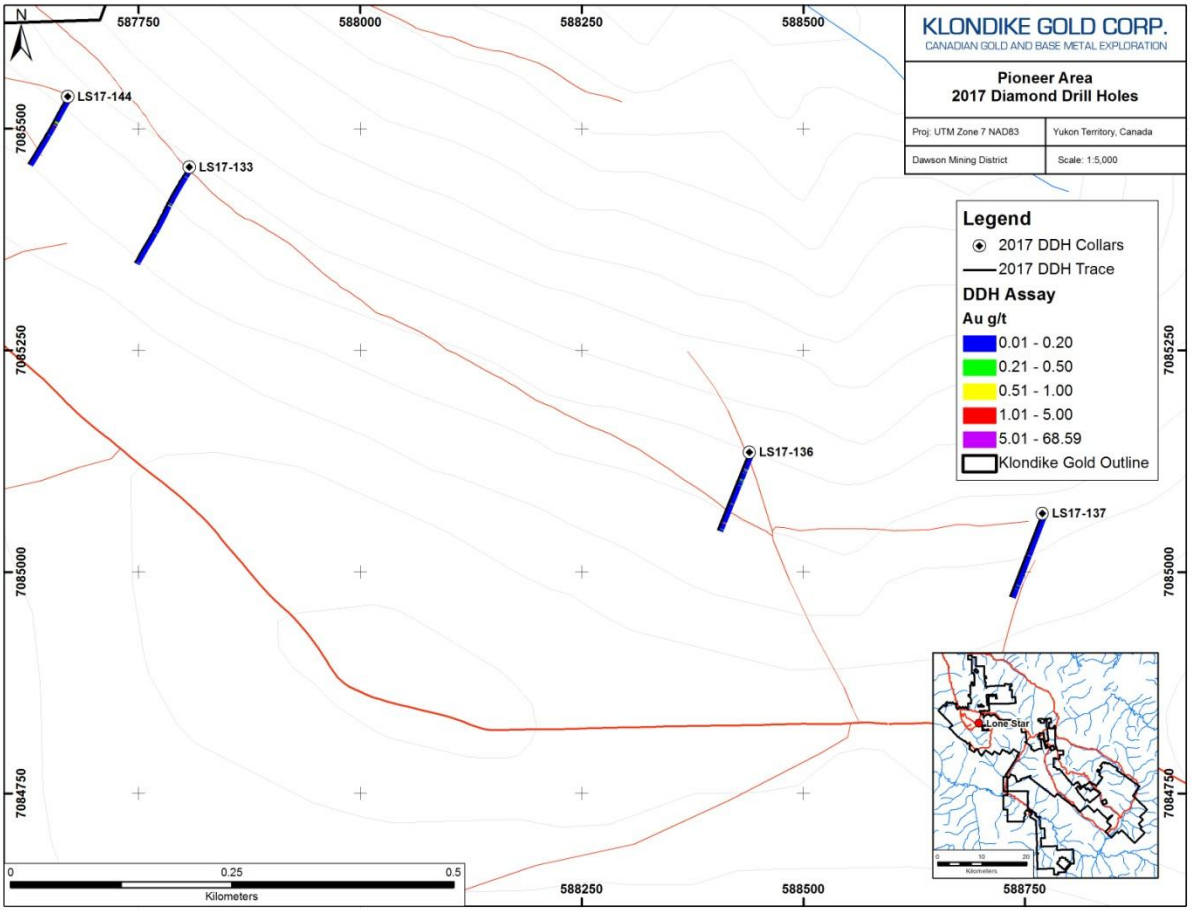


Figure 16: Pioneer Area Diamond Drill Holes with Assays

Nugget Fault Zone Drill Results

Nine holes (EC17-140, EC17-142 to EC17-143, and EC17-145 to EC7-150) were drilled in 2017 on the Nugget Zone to test the magnetic break associated with the Nugget Zone Fault that extends approximately 6 kilometers parallel to the Lone Star target Bonanza Fault. The purpose of the drill holes was to investigate the gold mineralization character and extent along the Nugget Fault.

Significant gold intercepts based on assay results are summarized in Table 4. True thickness of the mineralized zones is approximately the interval width within each hole.

Table 4: Summary of Nugget Fault Zone Drilling Assay Results

Hole ID	Dip	From (m)	To (m)	Interval (m)	Grade Au g/t
EC17-140	-50°	67.06	92.00	24.94	0.73
EC17-142	-51°	38.00	59.00	21.00	0.53
EC17-143	-49°	No significant values.			

EC17-145	-49°		No significant values.		
EC17-146	-49°	25.20	80.50	16.70	0.46
EC17-147	-86°		No significant values.		
EC17-148	-50°		No significant values.		
EC17-149	-50°		No significant values.		
EC17-150	-50°	98.70	107.75	9.05	0.43

The Nugget Fault zone (Figure 17) was tested from single holes drilled at approximately 50 metre to 1500 metre spaced intervals along a 2900 metre total length (Figures 18 – 22). Each drill pad had a -50° to -85° dipping hole collared from it. All holes were drilled at azimuths ranging from 200° to 210°.

Drilling in 2015 and 2016 intersected near-surface gold-bearing quartz vein arrays over a strike length of 225 metres. Drilling encountered visible gold in individual off white, locally iron oxide stained, fractured quartz veins and stringers with euhedral, cubic pyrite in arrays, similar to those vein arrays noted in the 2015 and 2016 drilling program.

Core logging in 2017 also identified the presence of disseminated gold mineralization, similar to that seen in the Lone Star target. Re-examination of 2015 and 2016 drill core also confirmed the presence of disseminated mineralization. Gold values in assays sampled from these individual veins range from 5 g/t Au up to 8.4 g/t Au.

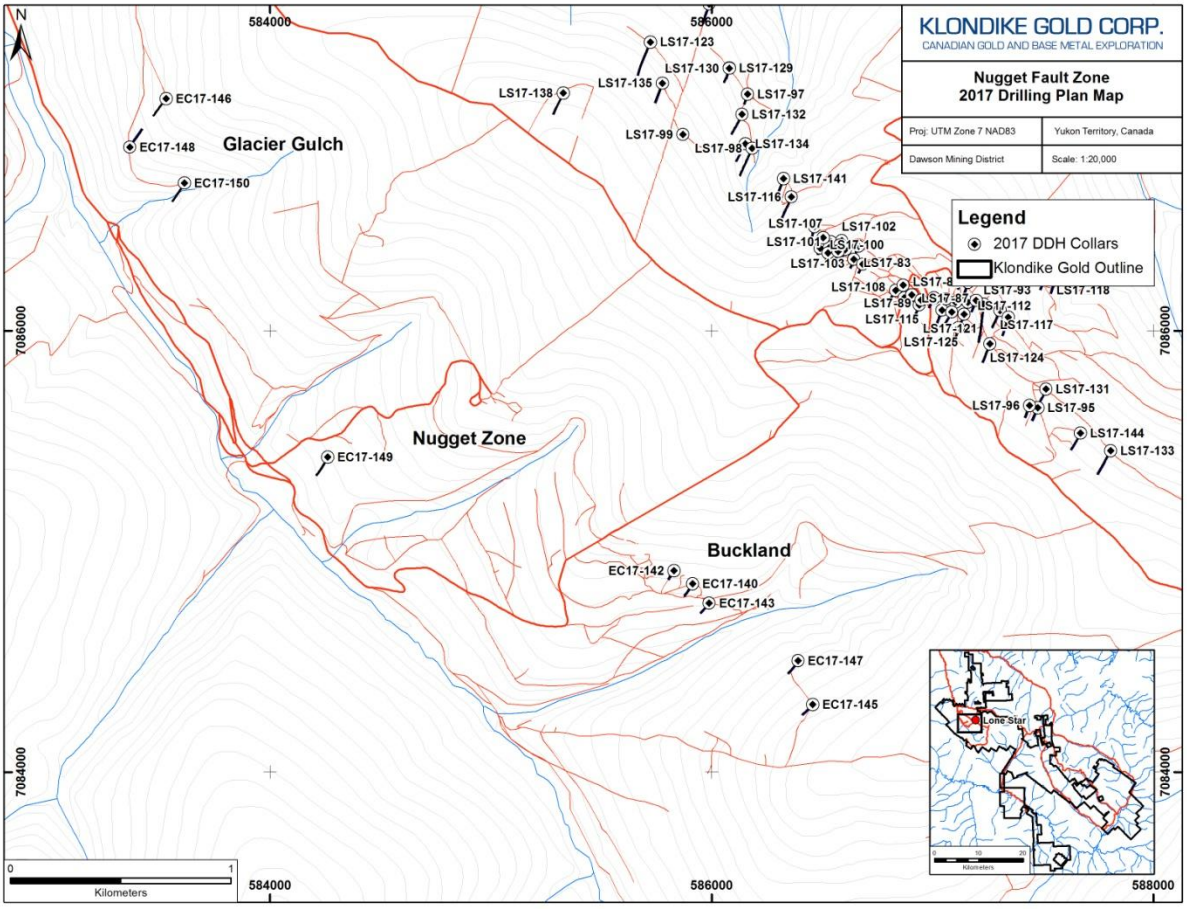


Figure 17: Nugget Fault Zone Plan Map

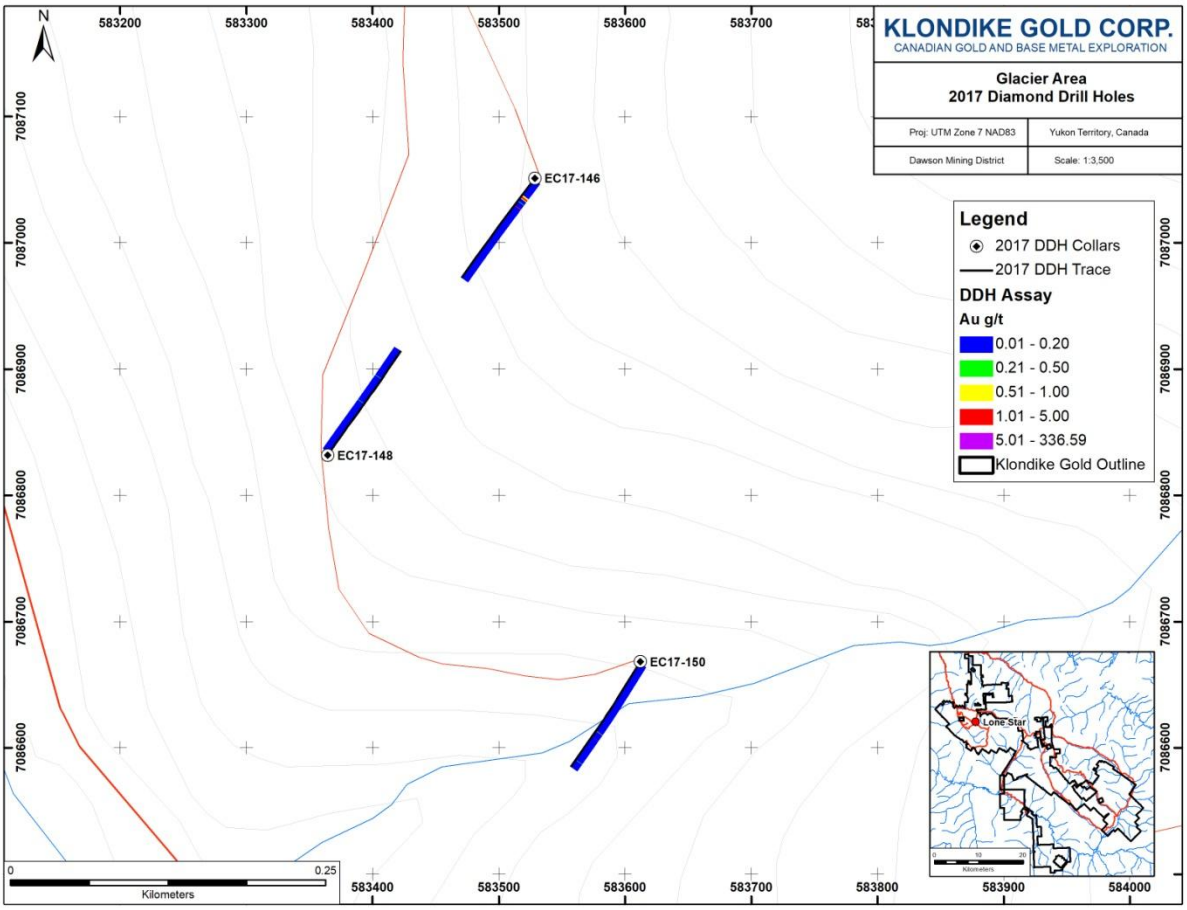


Figure 18: Glacier Area Diamond Drill Holes with Assays

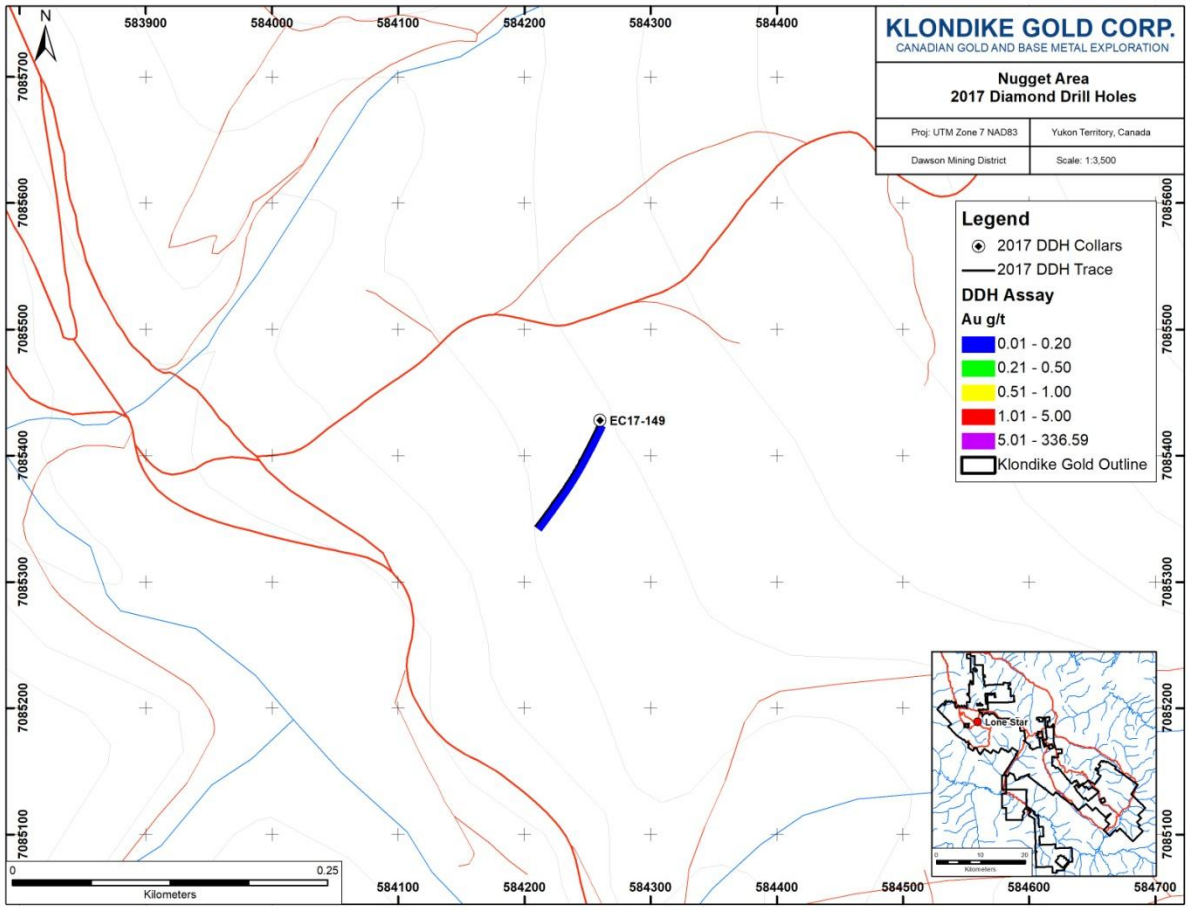


Figure 19: Nugget Area Diamond Drill Holes with Assays

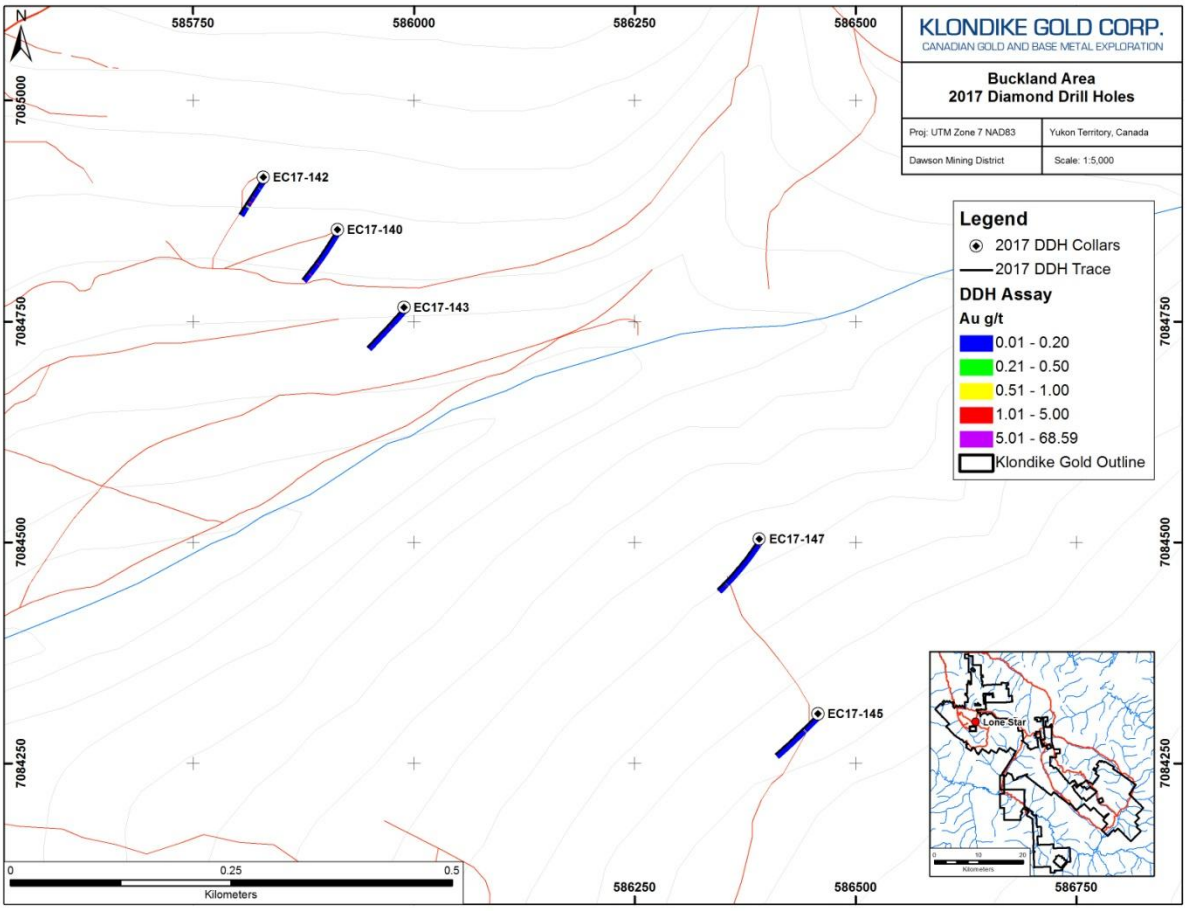


Figure 20: Buckland Area Diamond Drill Holes with Assays

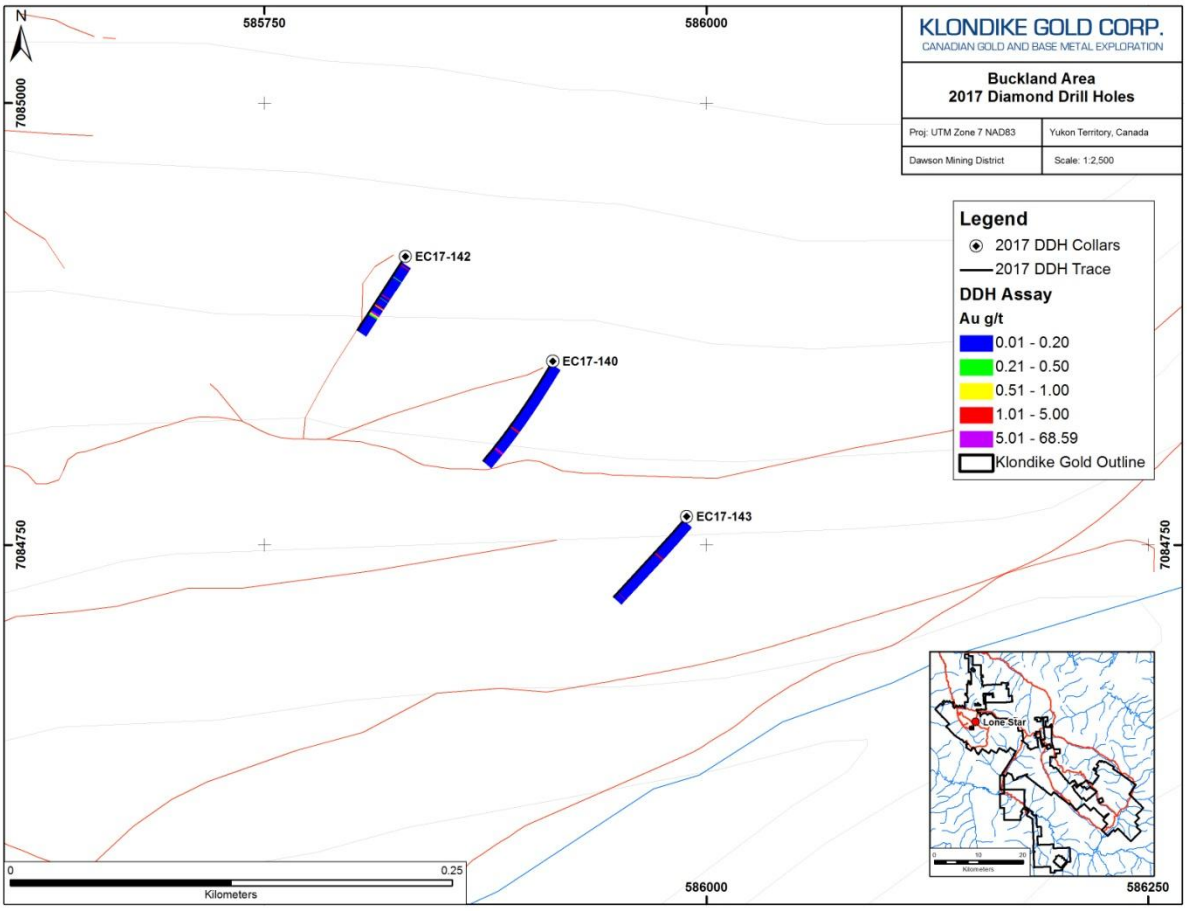


Figure 21: Buckland West Area Diamond Drill Holes with Assays

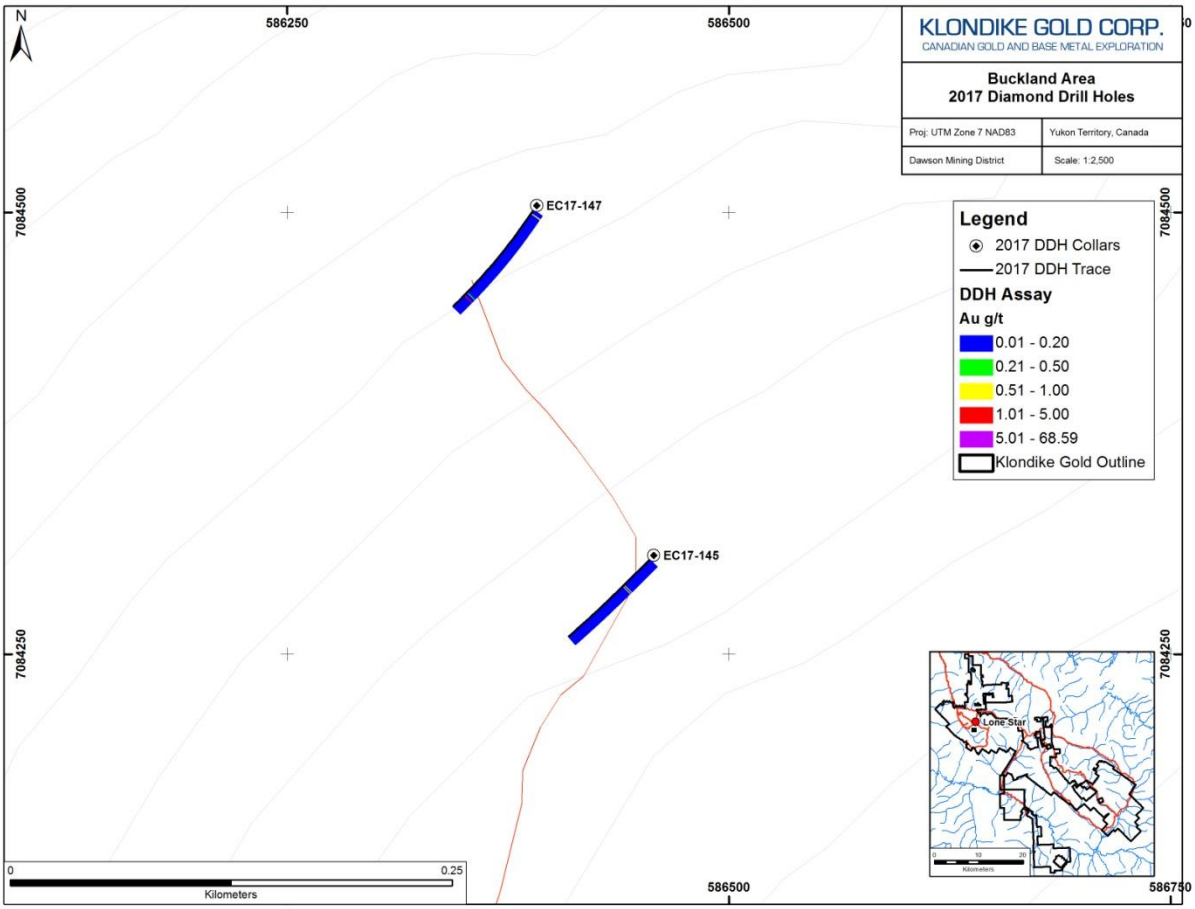


Figure 22: Buckland East Area Diamond Drill Holes with Assays

7.0 Sample Preparation, Quality Assurance and Quality Control, Analysis, and Security

Rock/Prospecting Grab Sample Assay Protocols

Prospecting samples are selective in nature, non-representative rock grab samples of bedrock or boulders are collected to test for the presence or absence of gold and other economic minerals. Systematic additional test results may vary significantly. Samples are usually 0.5 kg to 2.0 kg in weight. The Company's samples are spatially located to within 5 meters using a hand-held Global Positioning System ("GPS") in NAD83 datum, assigned a unique assay tag, described, photographed using a GPS-enabled camera, then placed in a plastic bag and sealed. Groups of sealed sample bags are aggregated in large fiber bags and security sealed for shipment. For samples collected in 2017, the fiber bags were retained in locked storage in the Company's Dawson office until after the end of the field season before being delivered by Company personnel directly to the lab. Samples were submitted to Bureau Veritas Mineral Laboratories ("BV Labs"; formerly Acme Labs) preparation facility in Whitehorse, YT with

chemical analysis of sample pulps completed in Vancouver, British Columbia. Bureau Veritas Labs is an accredited ISO 9001:2008 full-service commercial laboratory.

At BV Labs each 1 kg rock sample is crushed to 80% passing 2 mm size. A 250 g subsample is pulverized to >85% passing -75 microns size (Code PRP70-250). A 30 g (1 assay ton) subsample is assayed for gold by fire assay ("FA") fusion with an atomic absorption ("AA") finish (Code FA430). All over-limit results in excess of 10 ppm (10 g/t) for both silver and gold are re-assayed. The re-assay uses a 30 g subsample and is assayed by FA with a gravimetric finish (Code FA530-Au/Ag). Samples were also analyzed for multi-element chemistry by ICP-MS analysis (AQ201+U code).

No Company standards, blanks, or duplicates or blank samples were inserted into the rock grab sample stream in 2017, as it was not considered necessary for a small program of early stage work. BV Labs inserted and completed analyses on 79 duplicates, 135 blanks, 137 Au-only standards, and 91 ICP-MS standards as part of QA/QC process on Klondike Gold's 2017 submitted samples. All results were within expected bounds and within error limits of detection.

Drill Core and Assay Protocols

All drill holes are photographed wet and dry. Magnetic susceptibility, foliation, and rock quality determination ("RQD") measurements are systematically collected. All cross-cutting (potentially mineralized) quartz veins and adjoining alteration envelopes are individually photographed and upper and lower contact angles measured. Core logging records lithology, structure, and alteration. Visible gold is identified, measured, photographed, and then excluded from the assay sample for that interval. Assay samples from drill core are cut using a diamond saw. Half the core sample interval is bagged, tagged, and sealed; the other half is returned to the core box with a corresponding tag and retained for reference. Sample bags are aggregated into rice bags, sealed, and submitted by Klondike Gold personnel to Bureau Veritas Mineral Laboratories ("BV Labs") (formerly Acme Labs) preparation facility in Whitehorse, YT with chemical analysis of sample pulps completed in Vancouver, British Columbia. Bureau Veritas Labs is an accredited ISO 9001:2008 full-service commercial laboratory.

At BV Labs each rock sample is crushed to 80% passing 2 mm size. A 500 g subsample is pulverized to >85% passing -75 microns size (Code PRP70-500). The 500 g subsample is then sieved to 106 microns (140 mesh) for "metallic screen" assaying. The plus 140 mesh fraction is then weighed and assayed for gold by fire assay ("FA") fusion with a gravimetric finish (Code FS631). A 30 g subsample of the minus 140 mesh fraction is assayed for gold by fire assay ("FA") fusion with an atomic absorption ("AA") finish (Code FA430). All over-limit results in excess of 10 ppm (10 g/t) for both silver and gold are re-assayed using a 30 g subsample and assayed by FA with a gravimetric finish (Code FA530-Au/Ag). Total gold grade is then calculated using a weighted average of the plus and minus fraction assay results. Samples were also analyzed for multi-element chemistry by ICP-MS analysis (AQ201+U code). Samples over-limit in lead are rerun by a high-detection limit ICP-ES procedure (Code MA370). QA/QC includes the insertion and continual monitoring of numerous standards, blanks, and duplicates within each batch. Blanks and standards are obtained commercially from Canadian Resource Laboratories of Langley, British Columbia.

In 2017, the Company inserted blank BL-10, and standards GS-7F, GS-7G, and GS-P4G. Analytical certificates for these are available at http://www.cdnlabs.com/Certificates.htm.

8.0 Interpretation and Conclusions

The Lone Star property covers a 527 square kilometer area in the vicinity of Eldorado Creek and Bonanza Creek underlying the western half of the Klondike placer goldfields. The area is prospective for orogenic gold deposits that have an implied mid-Jurassic age and are analogues of similar mineralization in the White Gold district. The 2017 exploration season has identified orogenic gold mineralization on the Klondike property as the result of a major thrust faults acting as fluid conduits across the region. At the Lone Star target for example, the primary control for gold mineralization is the Bonanza Fault, a prominent large scale “D4” structure.

Interpretation of GSC airborne magnetics flown in 2002, particularly first vertical derivative data, suggests a main WNW-ESE dextral fault runs the 50 km length of the Klondike goldfields and terminates in a NNW horsetail pattern within the Lone Star property in a series of sub-parallel structures near Eldorado Creek, as well as NNW oriented pinnate faults east of Eldorado Creek. One such NNW trending pinnate extensional fracture fault extends northerly from the main WNW-ENE dextral fault and transects the Boulder Lode occurrence. This extensional fault system, a late deformational event, is assumed to be the source of extensional quartz veining containing gold found in outcrop and float on the property. These veins have similar physical and chemical characteristics throughout the Klondike area.

Ground magnetics surveying collected in 2017 image the WNW-trending fault system in much greater detail than the 2002 GSC survey. In the Eldorado Creek area, a series of ‘horse-tail splays’ terminate the regional dextral fault. The ‘horse-tail’ structures occur on both sides of Eldorado Creek; as far west as the Violet ridge and as far east as the top of the Lone Star ridge. Further examination of results shows that the Bonanza, Nugget and Eldorado Faults associated with mineralization have strong “magnetic break” or magnetic low lineaments that appear to be associated with gold-in-soil anomalies.

Diamond drilling in the 2017 drill program was successful in intersecting gold-bearing quartz vein arrays in a variety of lithologic and structural environs. High grade holes at the Lone Star zone (LS17-82: 2.41 g/t Au over 41.20 metres) and Nugget zone (EC17-140: 0.73 g/t Au over 24.94 metres) indicate potential for economically interesting grades and widths that can be generated by quartz vein arrays and large zones of disseminated gold hosted in pyritic laminated schists associated with large, second-order “D4” high angle faults. The Lone Star and Nugget zones targeted by drilling in 2017 both yielded significant gold assays in general, with visible gold identified in 14 of the 70 holes drilled on the program.

The Company’s 2016 drill program at the Lone Star zone also identified disseminated gold mineralization. The follow-up 2017 Lone Star zone drill program systematically tested a new interpretation of gold mineralization that preferentially targeted disseminated gold mineralization. The positive results from 2017 drilling, which showed extensive areas of disseminated gold in addition to

gold-bearing veins, has upgraded the potential for economically interesting gold mineralization both at the Lone Star zone and throughout the Company's 557 square kilometer Klondike District project. Gold mineralization at the Lone Star zone has been regularly intersected in drilling across a 1,000 metre length at approximately 50 metre intervals, with extensions continuing to approximately 2.5 kilometers. The gold, both as disseminations in host rock and contained within quartz veins, is located in a pyritic laminated schist unit above (in the hanging wall) and adjacent to the Bonanza Fault, a major, second-order "D4" high angle fault in the area. Gold mineralization in this schist unit can occur across an inferred width of up to 130 metres, and the zone is interpreted to strike approximately 310° north-northwest, parallel to the Bonanza Fault), and dip 35° to 50° to the north-northeast. Typically holes are drilled at 200° azimuth and 55° dip; drill core intersections from holes oriented in this fashion are interpreted to be approximately true width but more detailed work, including interpretation of drill sections, is ongoing to verify this in all cases.

Previous interpretation modeled the Lone Star zone as only one continuous zone of mineralization; however, 2017 drilling results at Lone Star based on the Pioneer extension to the east have indicated multiple, closely spaced, parallel subzones of gold mineralization with 20 metres to 40 metres separation. These subzones are based on intersections in holes LS17-95 and LS17-96, which intersected competent brittle mafics containing cross-cutting gold-bearing quartz veins and mineralized later cross-cutting faults, respectively. These later mineralized faults in LS17-96 suggest potential overprinting of previous gold mineralization.

The 2017 drilling season identified disseminated gold mineralization within the Nugget zone not previously noted in the 2015 and 2016 drill programs. Re-examination of 2015 and 2016 drill core also confirmed the presence of disseminated mineralization. The Nugget zone is now interpreted to be comprised of quartz veining hosted by competent mafic schists associated with the Nugget Fault, a large "D4" fault similar to the Bonanza Fault at Lone Star.

9.0 Recommendations

Regional:

Regional prospecting and soil sampling should again be completed as a systematic, district-scale survey in the 2018 exploration program to identify anomalous zones across the Klondike properties for further follow-up drilling with a focus on district-scale structures, faults and lithologies. The results of these surveys should generate new exploration targets, as well as a district scale geological map for the Klondike. An airborne magnetic survey flown across the entire district is also recommended to help determine new "magnetic break" targets, similar to those seen at Nugget and Lone Star.

Gold Run zone:

Prospecting, mapping, trenching and soils on the Gold Run properties identified gold-in-soil anomalies, as well as gold in samples. Mapping in 2017 documented a thrust fault, which is potentially an extension

of the Rabbit Creek Thrust, as well as two secondary structures similar to the Bonanza Fault thought to be responsible for gold mineralization at Lone Star. It is recommended that diamond drilling also be done in this previously untested target to follow-up on the high grade gold-in-soil anomalies not in the regional 2017 soil sampling program.

Lone Star zone:

Diamond drilling is recommended to follow-up on drilling results from the 2017 exploration program to delineate the potential quantity and extent of the Lone Star zone. Further work would potentially define a mineral resource and further investigate the extent of gold mineralization associated with the Bonanza Fault.

Nugget zone:

Further diamond drilling is recommended on the Nugget zone to re-evaluate the presence of disseminated gold in the target area and determine the extent of mineralization associated with the Nugget Fault. Re-logging of 2015 and 2016 drill core to identify zones of disseminated mineralization that may have been missed in early exploration stages focused solely on high-grade gold in quartz veins is also recommended for the 2018 season.

Gay Gulch zone:

With the results of the 2017 drill program showing mineralization in association with magnetic “breaks” thought to be large scale “D4” faults, the Gay Gulch showing that returned 75.6 g/t Au over 2.8 metres in the highest grades drill hole should be re-examined. The showing is in close proximity to the Eldorado Fault and follow-up drilling in the area with this new knowledge of the deposit is recommended.

10.0 Statement of Qualifications

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

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

Dawson, Yukon Territory

Peter Tallman, P.Geo.

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