

**CANDACE CREEK PLACER PROPERTY**

**DAWSON MINING DISTRICT, YUKON TERRITORY**

**GEOLOGICAL & GEOPHYSICAL ASSESSMENT REPORT**

by

William LeBarge, P. Geo  
Geoplacer Exploration Ltd.

for

**CANDACE CREEK MINING LTD.**

**PLACER CLAIM GRANTS VAN 1 – 42**

**P 508833 – P508842, P 515264 – P 515295**

Location: 63°18'36"N to 63°21'11"N and 138° 53'36"W to 138°56'39" W  
NTS: 115O/07

Date: December 09, 2014

Dates of Work: April 15-September 2, 2014

# Table of Contents

<b>Executive Summary</b> .....	<b>1</b>
<b>Introduction</b> .....	<b>2</b>
<b>Dates of Work and Personnel</b> .....	<b>2</b>
<b>Location and Access</b> .....	<b>2</b>
<b>Placer Tenure</b> .....	<b>4</b>
<b>Permitting</b> .....	<b>9</b>
<b>Quartz Tenure</b> .....	<b>9</b>
<b>History of Exploration and Mining – Maisy May Creek</b> .....	<b>9</b>
<b>Previous Exploration History – Candace Creek</b> .....	<b>10</b>
Early History.....	10
Candace Creek Mining 2013 Exploration Program.....	11
<b>Regional Bedrock Geology</b> .....	<b>14</b>
<b>Regional Geophysics and Major Structures</b> .....	<b>14</b>
<b>Regional Surficial Geology</b> .....	<b>17</b>
<b>Property Bedrock Geology</b> .....	<b>17</b>
<b>Property Surficial Geology</b> .....	<b>17</b>
<b>2014 Exploration Program</b> .....	<b>21</b>
Resistivity Geophysics.....	21
Auger Drilling.....	22
Bulldozer trenching and excavator test-pitting.....	26
Sample Processing.....	27
Gold and Heavy Mineral Results.....	27
<b>Discussion of Results</b> .....	<b>29</b>
<b>Conclusions and Recommendations</b> .....	<b>30</b>
<b>Statement of Costs for 2014 Exploration Program</b> .....	<b>31</b>
<b>Statement of Qualifications – William LeBarge</b> .....	<b>32</b>
<b>Statement of Qualifications – James Coates, President, Kryotek Arctic Innovation Inc.</b> .....	<b>33</b>
<b>References</b> .....	<b>34</b>
<b>Appendix A – Placer Drill Logs</b> .....	<b>36</b>
<b>Appendix B – Invoices/Receipts</b> .....	<b>45</b>

---

## List of Figures

Figure 1 - General Location of Candace Creek Project, Yukon. ....	3
Figure 2– Location of Candace Creek Placer Project and South Dawson region placer tenures. ....	7
Figure 3 - Candace Creek Project Area Claims. ....	8
Figure 4 - Maisy May Creek and Tributaries - Location of claims and historical mining operations. ....	13
Figure 5 – Enhanced Residual Total Magnetic Field, Maisy May Creek area, modified from Hayward et. al. (2012). Fault traces overlain from MacKenzie and Craw, (2012). ....	15
Figure 6 – Regional First Vertical Derivative Aeromagnetics, Maisy May Creek area, modified from Kiss, (2012). Fault traces overlain from MacKenzie and Craw, (2012). ....	16
Figure 7 - Bedrock Geology, Maisy May and Candace Creeks, after Gordey and Ryan (2005) and MacKenzie and Craw (2012). ....	19
Figure 8 - Surficial Geology (after Jackson, 2005a) and location of 2012, 2013 and 2014 geophysical surveys, Candace Creek. Surficial unit description in text. ....	20
Figure 9 - Resistivity profile (RC-1) of Candace Creek LL tributary (Road Creek) by Kryotek Arctic Innovation Inc. ....	21
Figure 10 - Drill holes CAN14-BH-02 and CAN14-BH-03 plotted on Arctic Geophysics Resistivity profile from 2012, Van 2 claim (after Moll, 2012). View looking downstream on Candace Creek. ....	24
Figure 11 - Kryotek Resistivity Profile 2013 Line 7 with sonic drill holes 2013-07 and 2013-09 plotted along with the outline of the 2014 bulldozer trench and 2014 excavator test-pit, view looking upstream on Candace Creek. The location of this trench and geophysical line are shown in Figure 12. ....	24
Figure 12 – Lower Candace Creek claims showing the location of 2012, 2013 and 2014 geophysical surveys, drill holes, trenches and bulldozer pits; and the location of proposed 2015 bulk samples and magnetic surveys. ....	25

## List of Plates

Plate 1 – View looking downstream of the confluence of Maisy May Creek and Candace Creek, June 13, 2013. Candace Creek in mid-foreground joins Maisy May Creek from the lower right side of photo. ....	4
Plate 2 - Gold found in the BD-3 test pit in 2013 was "chunky" and tabular, not flat. Heavy minerals were a bi-modal mixture of fine-grained pyrite and coarse-grained magnetite, pyrite, garnet and scheelite. ....	12
Plate 3 - View looking north on Maisy May Creek at the confluence with Candace Creek, July 2008. Candace Creek is the drainage on the right side of the photo. ....	18
Plate 4 - View looking upstream on Candace Creek in September, 2014. The bulldozer trench can be discerned at the centre of photo. Photo courtesy J.D. Bond, Yukon Geological Survey. ....	18
Plate 5 - Caterpillar 225 excavator operated by Bud Davis at test-pit CAN 14-01. ....	22
Plate 6 - A view looking south along the bulldozer trench excavated by the D10N. The Caterpillar 225 excavator can be seen at the south end of the trench. ....	23
Plate 7 - Excavator test-pit CAN14-01, showing the stratigraphy down to bedrock. View looking south-southwest. ....	26
Plate 8 - The "Le Trap" sluice was fed through a wet hopper and screened to -1/4 inch. Riffles were easy to clean in-between samples and single-person operation was possible. ....	27
Plate 9 – Tabular, moderately-coarse gold grains obtained from sample WL14-03, from excavator pit CAN14-01. ....	29

## List of Tables

Table 1 - Claim Status, Candace Creek Property ....	5
Table 2 - Drill hole collar geographic coordinates, 2014 Exploration Program. ....	23
Table 3 - Gold and Heavy Mineral Results, Candace Creek 2014 Exploration Program. ....	28

---

## Executive Summary

The following is a geophysical and geological assessment report submitted for Candace Creek Mining Ltd. under the requirements of the Schedule of Representation Work, Section 42, Yukon Placer Mining Act., 2003. Candace Creek (an un-named left limit tributary of Maisy May Creek), is located 145 km from Dawson City via secondary gravel roads. The property consists of the Van 1 to Van 10 (P508833 to P508842), and Van 11-42 (P515264 to P515295) placer claims. The Candace Creek Property was previously funded under grant number YMIP13-051 in 2013.

Government royalty records show that Maisy May Creek produced at least 25,926 crude ounces of gold between 1980 and 2010, the majority of which (19,202 crude ounces) was produced by Queenstake Resources in the period 1984 to 1989. Since the gold production by Queenstake on Maisy May Creek is coincident with the trace of a thrust fault mapped by MacKenzie and Craw (2012); this may be evidence of structural control to the bedrock (and spatially-related placer) gold mineralization.

In 2013, Candace Creek Mining Ltd. conducted a program of access road rehabilitation, claim staking, resistivity geophysical surveys, sonic drilling, excavator test pitting and sample processing. Several areas of interest were subsequently delineated which were recommended for follow-up exploration in 2014.

The 2014 exploration program included 6-inch auger drilling, resistivity geophysical surveys, bulldozer trenching and excavator test-pitting. The exploration was successful in defining the thicknesses of the gravel and muck in the location of the bulldozer trench and excavator pit, while the auger drilling confirmed the interpreted depths to bedrock of the Arctic Geophysics 2012 resistivity profile and on the Road Creek tributary profile. The auger drilling also confirmed the presence of gold and heavy minerals along Candace Creek in several locations.

The best results for placer gold were obtained from a bulk sample derived from an excavator test-pit, as was the case in the 2013 testing program.

It is evident that the relative coarseness of the gold in Candace Creek requires a bulk test of significant volume, in order to obtain a representative example of the amount of gold present. This sampling should target intervals along the entire stratigraphic section as well as the gravel/bedrock contact. Therefore, bulk samples of no less than 250 cubic metres each are recommended to be processed at three locations: two located along the 2014 bulldozer trench; and one located upstream along the Arctic Geophysics 2012 profile where there is an interpreted shallow paleochannel. The bulk samples should cover an area on bedrock of at least 10 metres by 10 metres. If time and equipment availability allows, these initial bulk samples should be expanded across the entire valley floor, especially in the location of the pre-stripped bulldozer trench.

Since magnetite is a significant component of the heavy minerals present, a magnetometer or gradiometer geophysical survey is recommended for the area along the Candace Creek valley between the 2014 bulldozer trench and the Arctic Geophysics 2012 Resistivity line. Magnetic geophysical response may potentially be correlated with the interpreted location of paleochannels as delineated by the resistivity geophysics, which may provide a starting point for subsequent bulk sampling programs.

## Introduction

This report is a geophysical and geological assessment report submitted for Candace Creek Mining Ltd. under the requirements of the Schedule of Representation Work, Section 42, Yukon Placer Mining Act., 2003.

## Dates of Work and Personnel

The work documented herein was conducted on the property between April 15 and September 2, 2014. The project manager was William LeBarge of Geoplacer Exploration Ltd. The heavy equipment operator was Bud Davis of La Tierra Resources Ltd. The geophysics and auger drilling contractors were James Coates and Astrid Grawehr of Kryotek Arctic Innovation Inc. Other contractors included Bedrock Mining Corporation Inc., which generated the bulldozer trench and Tatra Ventures Ltd., which supplied the Caterpillar 225 excavator.

## Location and Access

Maisy May Creek is a right limit tributary of the lower Stewart River, located in central Yukon approximately 100 km by air south of Dawson City, Yukon (Figure 1).

The Candace Creek Property is located on an un-named left limit tributary of Maisy May Creek, which is locally known and will heretofore be referred to in this document as Candace Creek. The placer claims of the Candace Creek Property are all adjoining.

The extent of the current property has geographic coordinates from 63°18'36"N to 63°21'11"N and 138°53'36"W to 138°56'39" W, on NTS map sheet 1150/07, in the Dawson Mining District. Figures 2 and 3 illustrate the property boundaries relative to other creeks and claims in the South Dawson area.

Access to the property can be gained via secondary gravel roads, with the usual route along Hunker Creek to King Solomon Dome, down Sulfur Creek to Indian River, up Eureka Creek to Eureka Dome, down Black Hills Creek to the Henderson road turnoff towards Henderson Dome. At Henderson Dome a south-fork turn leads down Maisy May Creek road towards the property. The total road distance from Dawson City to the Candace Creek placer claims is approximately 145 kilometres. A 600 metre-long "bush" airstrip is located in the valley of Maisy May Creek a distance of 3.7 km north of the Candace Creek property. The geographic coordinates of the airstrip are 63°20'05"N and 138°59'02"W.



Figure 1 - General Location of Candace Creek Project, Yukon.

## Placer Tenure

The Candace Creek property consists of 42 adjoining claims, shown in Figure 3. The Van 1 claim (P508833) is in good standing until October 9, 2016 with 4 years of excess credit remaining. The Van 2-10 claims (P508834-P508842) are in good standing to October 9, 2016 with 5 years of excess credit remaining. The Van 11-18 claims (P515264-P 515271) are in good standing to October 4, 2016 with 5 years of excess credit remaining, and the Van 19-42 claims (P515272-P515295) are in good standing until October 4, 2016 with 4 years of excess credit remaining. Table 1 illustrates the current claim status of the Candace Creek property.



**Plate 1 – View looking downstream of the confluence of Maisy May Creek and Candace Creek, June 13, 2013. Candace Creek in mid-foreground joins Maisy May Creek from the lower right side of photo.**

**Table 1 - Claim Status, Candace Creek Property**

Grant Number	Claim Name	Claim Owner	Recording Date	Staking Date	Claim Expiry Date	Status	Lease	Total Excess Credit	NTS Map Number
<b>P 508833</b>	Van 1	Candace Creek Mining Ltd. - 100%	09/07/2012	07/07/2012	09/10/2016	Active	ID00933	4	115007
<b>P 508834</b>	Van 2	Candace Creek Mining Ltd. - 100%	09/07/2012	07/07/2012	09/10/2016	Active	ID00933	5	115007
<b>P 508835</b>	Van 3	Candace Creek Mining Ltd. - 100%	09/07/2012	07/07/2012	09/10/2016	Active	ID00933	5	115007
<b>P 508836</b>	Van 4	Candace Creek Mining Ltd. - 100%	09/07/2012	07/07/2012	09/10/2016	Active	ID00933	5	115007
<b>P 508837</b>	Van 5	Candace Creek Mining Ltd. - 100%	09/07/2012	07/07/2012	09/10/2016	Active	ID00933	5	115007
<b>P 508838</b>	Van 6	Candace Creek Mining Ltd. - 100%	09/07/2012	07/07/2012	09/10/2016	Active	ID00933	5	115007
<b>P 508839</b>	Van 7	Candace Creek Mining Ltd. - 100%	09/07/2012	07/07/2012	09/10/2016	Active	ID00933	5	115007
<b>P 508840</b>	Van 8	Candace Creek Mining Ltd. - 100%	09/07/2012	07/07/2012	09/10/2016	Active	ID00933	5	115007
<b>P 508841</b>	Van 9	Candace Creek Mining Ltd. - 100%	09/07/2012	07/07/2012	09/10/2016	Active	ID00933	5	115007
<b>P 508842</b>	Van 10	Candace Creek Mining Ltd. - 100%	09/07/2012	07/07/2012	09/10/2016	Active	ID00933	5	115007
<b>P 515264</b>	Van 11	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID01054	5	115007
<b>P 515265</b>	Van 12	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID01054	5	115007
<b>P 515266</b>	Van 13	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID01054	5	115007
<b>P 515267</b>	Van 14	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID01054	5	115007
<b>P 515268</b>	Van 15	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID01054	5	115007
<b>P 515269</b>	Van 16	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID01054	5	115007
<b>P 515270</b>	Van 17	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID01054	5	115007
<b>P 515271</b>	Van 18	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID01054	5	115007
<b>P 515272</b>	Van 19	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID01054	4	115007
<b>P 515273</b>	Van 20	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID01054	4	115007
<b>P 515274</b>	Van 21	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID01054	4	115007
<b>P 515275</b>	Van 22	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID01050	4	115007
<b>P 515276</b>	Van 23	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID01050	4	115007
<b>P 515277</b>	Van 24	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID01050	4	115007
<b>P 515278</b>	Van 25	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID01050	4	115007

Grant Number	Claim Name	Claim Owner	Recording Date	Staking Date	Claim Expiry Date	Status	Lease	Total Excess Credit	NTS Map Number
<b>P 515279</b>	Van 26	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID01050	4	115007
<b>P 515280</b>	Van 27	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID01050	4	115007
<b>P 515281</b>	Van 28	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID01050	4	115007
<b>P 515282</b>	Van 29	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID01050	4	115007
<b>P 515283</b>	Van 30	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID01050	4	115007
<b>P 515284</b>	Van 31	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID01050	4	115007
<b>P 515285</b>	Van 32	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	-	4	115007
<b>P 515286</b>	Van 33	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID00934	4	115007
<b>P 515287</b>	Van 34	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID00934	4	115007
<b>P 515288</b>	Van 35	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID00934	4	115007
<b>P 515289</b>	Van 36	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID00934	4	115007
<b>P 515290</b>	Van 37	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID00934	4	115007
<b>P 515291</b>	Van 38	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID00934	4	115007
<b>P 515292</b>	Van 39	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID00934	4	115007
<b>P 515293</b>	Van 40	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID00934	4	115007
<b>P 515294</b>	Van 41	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID00934	4	115007
<b>P 515295</b>	Van 42	Candace Creek Mining Ltd. - 100%	04/07/2013	03/07/2013	04/10/2016	Active	ID00934	4	115007

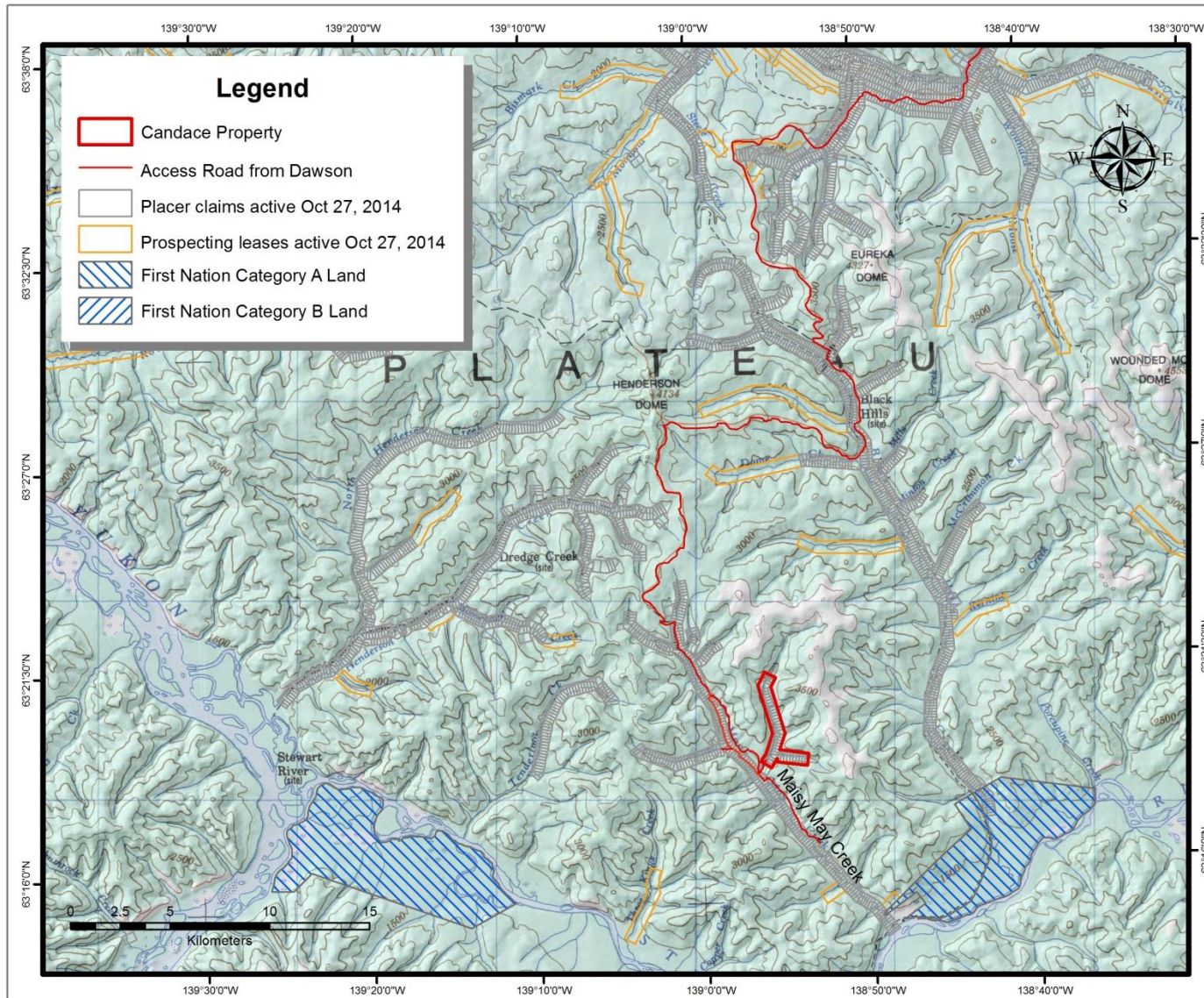


Figure 2– Location of Candace Creek Placer Project and South Dawson region placer tenures.

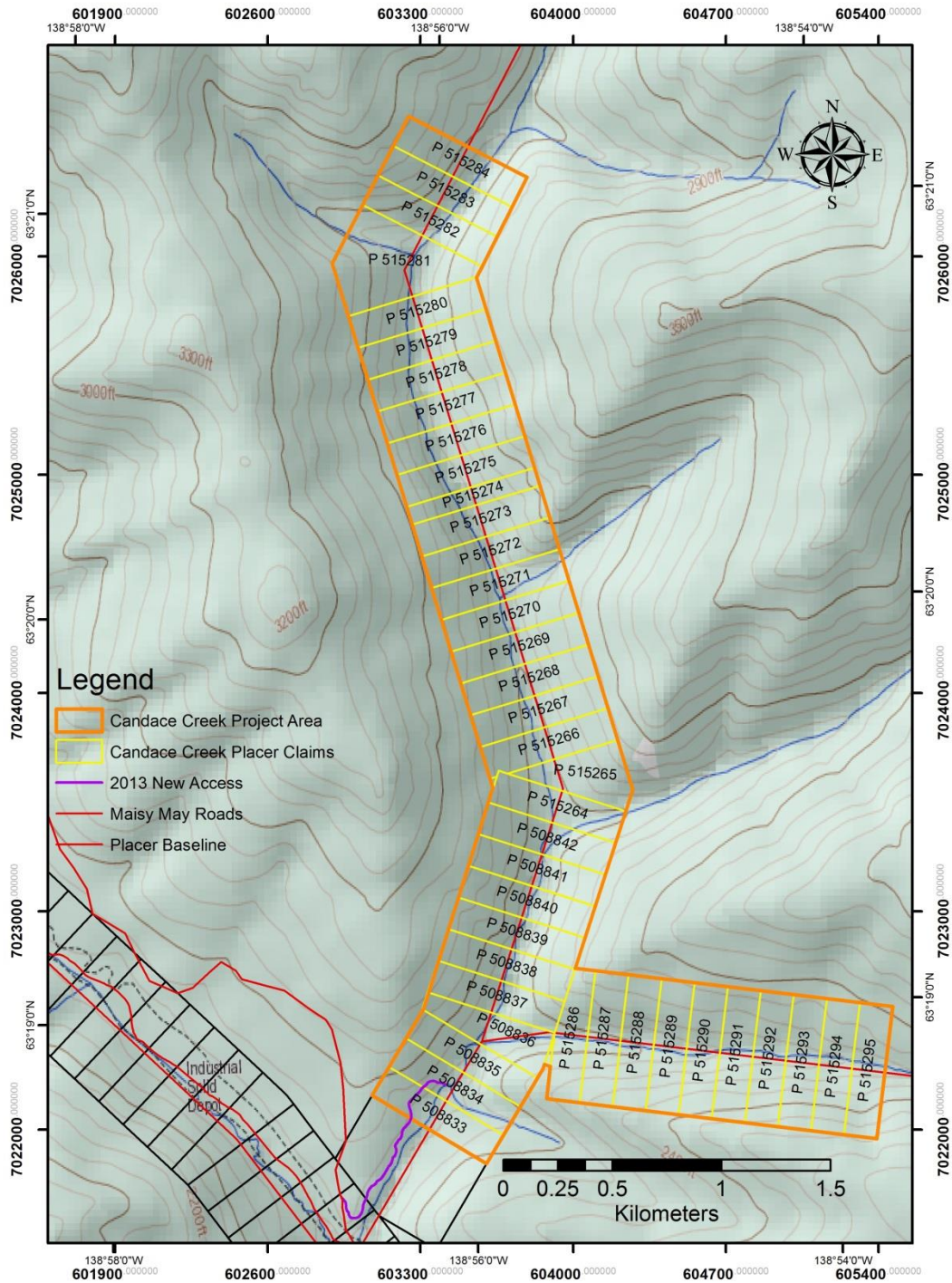


Figure 3 - Candace Creek Project Area Claims.

## Permitting

A Type B Water Use Licence (PM12-070) for Placer Mining and a Class 4 Mining Land Use Permit (AP12070) are in place for the Candace Creek placer project. The Water License and Mining Land Use Permits are valid until June 4, 2023.

## Quartz Tenure

The area of the Candace Creek placer project is coincident with the southern extent of the JP Ross property owned by Kinross Gold Corporation. The quartz claims which overlap include Maisy 125, 127; 153-158; 179, 181-184; 207-212; 235-240; and Maisy 257- 268. A Quartz Mining Land Use permit (LQ00293) is in good standing until June 17, 2015. There is no perceived conflict between the placer exploration and mining activities of Candace Creek Mining Ltd. and the past or future quartz exploration activities of Kinross Gold Corporation.

## History of Exploration and Mining – Maisy May Creek

Anecdotal evidence suggests some exploration and hand-mining was conducted on Maisy May Creek in the 1920's (Queenstake Resources, 1987), but the first documented mining activity on Maisy May Creek was by Maisy May Mines Ltd. They operated from 1980 to 1983 at a location about 11.7 km upstream of the confluence with the Stewart River (Figure 4).

According to Government royalty records, Maisy May Creek produced at least 25,926 crude ounces of gold between 1980 and 2010 (LeBarge, 2007; LeBarge and Nordling, 2011). The majority of that gold (19,202 crude ounces) was produced by Queenstake Resources in the period 1984 to 1989 (LeBarge, 2007). The main area that Queenstake Resources mined is outlined in Figure 4.

Based on the work done during the 1984 season, Queenstake estimated that with selective mining, there were (pre NI43-101, non “compliant”) “reserves” of 200,000 cubic yards (152, 911 cubic metres) of gravel with a recoverable grade of 0.012 ounces of fine gold per cubic yard (0.488 grams per cubic metre) at the property (LeBarge, 2007).

From 1990-1993, Jasper Equipment continued mining upstream from where Queenstake had finished mining in 1989 (Figure 4), recovering approximately 2,650 ounces (LeBarge, 2007).

From 1993 to 1998, John VanEvery and Richard Fitch intermittently mined under VanEvery Inc. upstream near the headwaters of Maisy May Creek (Figure 4; LeBarge, 2007). Art Christiansen operated a small mine in the same area from 2007 to 2009 (LeBarge and Nordling, 2011). Mr. Christiansen was active in the same area in 2013 and 2014.

35249 Yukon Inc. mined Maisy May Creek approximately 3.5 miles (5 km) upstream from its confluence with the Stewart River from 2001 until 2003 (Figure 4). Maisy Mae Mining Inc. bought the operation in 2006 and processed a mine cut in 2007 and 2008 located about 4 miles (7 km) upstream of the confluence (Figure 4; LeBarge and Nordling, 2011). The claims were later returned to 40419 Yukon Inc., who conducted a limited test program late in the 2014 season.

H.C. Mining Ltd. conducted a limited test program on the uppermost right-limit tributary of Maisy May Creek in 2012, 2013 and 2014.

In 2013, Bedrock Mining Ltd. bought many of the Maisy May Creek claims (in the middle reaches) from 40419 Yukon Inc., and subsequently conducted a program of camp and access construction as well as limited test mining. In 2014, the test mining was expanded to an area on Maisy May creek downstream of the confluence of Candace Creek and just upstream of the 2014 test cut of 40419 Yukon Inc.

## **Previous Exploration History – Candace Creek**

### **Early History**

Airphoto number 86 from Flight Line A27325 (Figure 4) shows a test pit approximately 120 feet upstream from Post #1 on Placer Claim Van 1. This pit has approximate dimensions of 90 feet by 40 feet. This pit was probably excavated by Queenstake Resources Ltd. during their activity in the area from 1984 to 1988, as a Prospecting Lease was held by them at this location during that time (Queenstake Resources, 1987). No results are known from this pit, and Queenstake left the Yukon in 1989 for reasons unrelated to their mining and exploration activities in the Yukon.

In 1989, Mr. Allan Dendys staked a prospecting lease on Candace (known at the time as Moosetooth) Creek and conducted a brief stripping program with a D8 bulldozer. He did not reach bedrock due to equipment problems and subsequently allowed the lease to expire.

In 2012, Candace Creek Mining Ltd. commissioned Arctic Geophysics Inc. to conduct three lines of Resistivity & induced polarization on the property. These included: a) 237 metre line on Placer Claim Van 2; b) 94.5 metre line on Prospecting Lease ID 00934; and c) 146 metre line on Prospecting Lease ID 01054. Bedrock was interpreted to be relatively shallow (less than 6 metres) and follow-up drill testing on line a) during the 2014 program determined that the surveys were reasonably accurate. The location of these surveys is shown on Figure 8 and Figure 12.

## **Candace Creek Mining 2013 Exploration Program**

The 2013 exploration program included staking the leases to claims, access construction, 2D resistivity geophysics, sonic drilling, excavator test-pitting, geological descriptions and gravel sampling for gold and heavy mineral content.

### ***Resistivity Surveys***

The geophysical and sonic drill contractor was Kryotek Arctic Innovation Inc. of Whitehorse. A total of 551 metres of geophysical surveys were completed. Initially, seven survey lines were conducted on the property. During the sonic drill program, additional resistivity lines were measured along the proposed drill lines, in order to estimate the depths to which the drill could expect to encounter bedrock.

The geophysical response was reasonably good, with the exception of two lines (CC1 and CC2) which were uninterpretable due to interference from surface ice. For the remainder of the resistivity surveys, bedrock was interpreted to be between 3 and 5 metres below the surface.

### ***Sonic Drilling***

The location of the 2013 sonic drill hole collars are shown in Figure 12. Ten sonic drill holes were completed totalling 150 feet (46 metres). The sonic drill reached a maximum depth of 16.4 feet (5 metres) but most of the holes averaged 15 feet (4.5 metres) in depth. Bedrock was apparently reached in nine out of ten of the drill holes, mainly in the range of 13 -15 feet (4-4.5 metres). For the most part, bedrock appeared to coincide with the interpreted depth from the resistivity surveys. Recovery was variable from 46% to 100%, and the drill was usually unable to penetrate more than several centimetres into frozen bedrock when encountered. The track-mounted drill was not very mobile on the swampy ground and the compressor was separately mounted on the 4X4 truck, so it was not accessible during the drilling program.

### ***Excavator test-pitting***

A Caterpillar 345LC excavator was hired from local Maisy May miner Bedrock Mining Ltd. to dig test pits. The most successful test pit was BD Pit 3, which reached apparent bedrock at an approximate depth of 16 feet (5 metres), although since it was under water the stratigraphic details were not visible. Bedrock consisted of clay-altered mafic schist with abundant fresh pyrite. The gravel was a subangular mixture of mafic schist, quartzite, muscovite schist and vein quartz.

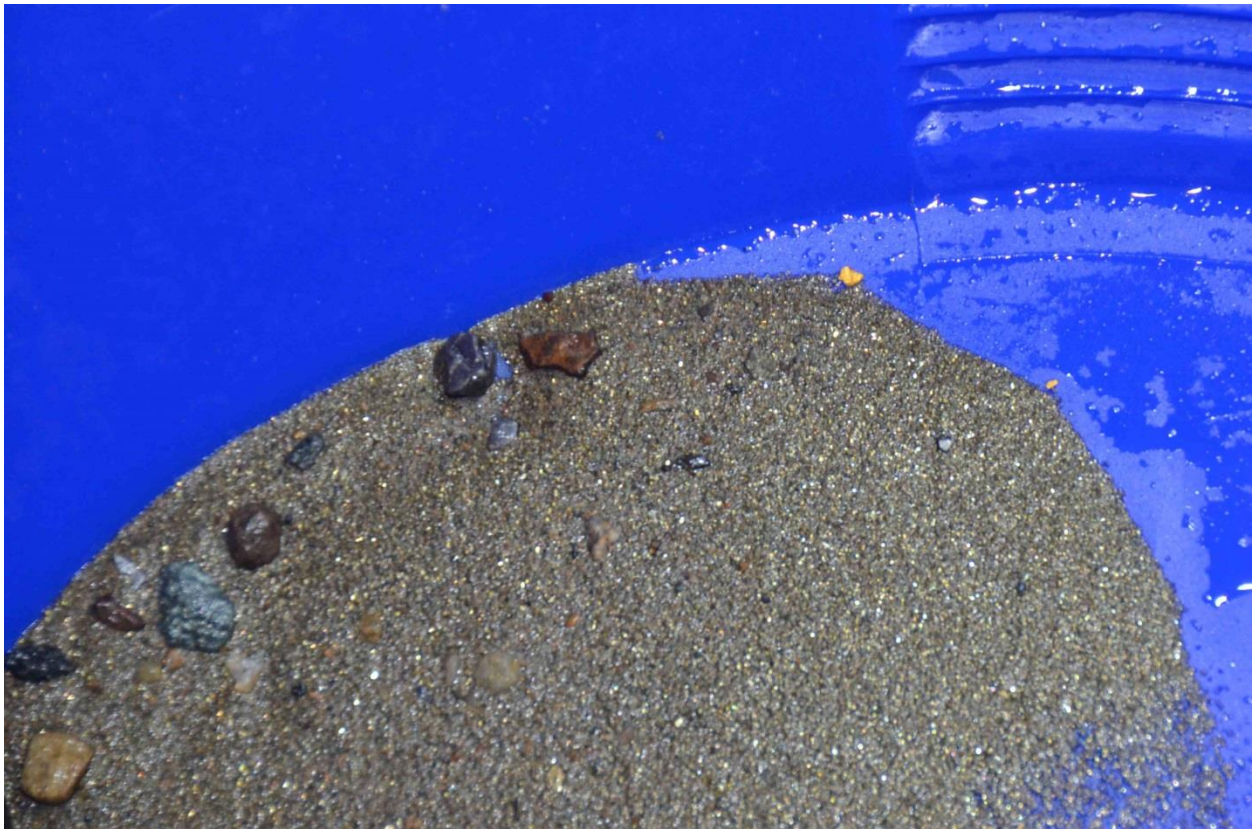
### ***Sample Processing***

Both drill and excavator test pit samples were washed into a Keene A52 sluicebox with a wet hopper, fed by a 1 ½ inch Honda pump. The sluicebox was lined with angle iron and expanded metal riffles and ribbed rubber matting. A gold pan was used at the outflow of the sluicebox to recover any gold which was not caught in the sluice. Samples were hand-panned on-site and examined for heavy minerals and gold. The heavy minerals were archived into medium size freezer bags.

### ***2013 Program Results***

No visible gold was encountered in any of the drillhole samples; however one excavator test pit (BD Pit 3) did return placer gold. This pit reached bedrock adjacent to the old Queenstake Mining pit, shown in Figure 12. Two medium colours and one small colour of “chunky” gold were recovered from approximately 50 litres of material scoured from the clay-altered, pyrite-rich bedrock (Plate 2). The heavy minerals appeared to be bi-modal in size range; fine pyrite and magnetite accompanied by significantly coarser garnet, ilmenite, rutile and cassiterite (wood tin).

The fine pyrite found in the concentrates is likely derived from the local mineralized fault zone in bedrock as it was observed in clay-altered pieces from the bedrock contact. The coarser heavy minerals which accompany the fine pyrite are likely genetically different, probably a placer lag deposit resulting from numerous episodes of reworking of material on bedrock. The gold colours which were recovered (although small) were “chunky”, and no fine or very fine gold was observed in any of the concentrates. Such material is notoriously difficult to sample and the small size of the sonic drill bore was a detriment to obtaining a representative indication of gold content in the gravels.



**Plate 2 - Gold found in the BD-3 test pit in 2013 was "chunky" and tabular, not flat. Heavy minerals were a bi-modal mixture of fine-grained pyrite and coarse-grained magnetite, pyrite, garnet and scheelite.**

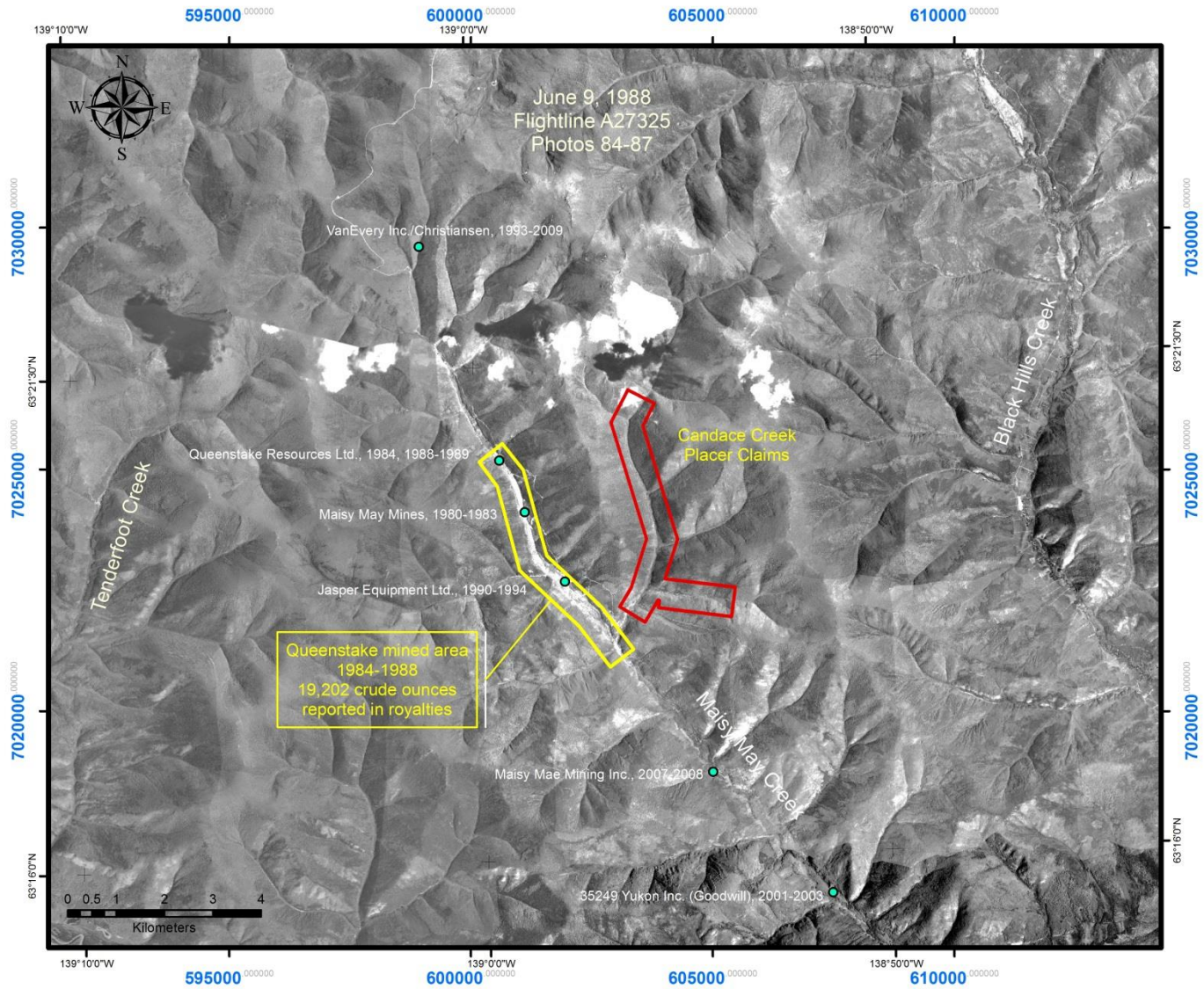


Figure 4 - Maisy May Creek and Tributaries - Location of claims and historical mining operations.

## Regional Bedrock Geology

The project area is situated within the Yukon-Tanana terrane, an accreted pericratonic sequence that covers a large part of the northern Cordillera from northern British Columbia to east-central Alaska (Gordey and Ryan, 2005; Colpron and Nelson, 2006). The Yukon Tanana Terrane consists of Paleozoic schist and gneiss that were deformed and metamorphosed in the late Paleozoic, and intruded by several suites of Mesozoic intrusions that range in age from Jurassic to Eocene (Colpron and Nelson, 2006). The Paleozoic rocks are pervasively foliated with at least two overprinting fabrics (Mackenzie and Craw, 2010; MacKenzie et al, 2008). During Late Permian to Early Jurassic time these rocks were tectonically-stacked along thrust faults which were parallel to regional foliation. Later tensional-extensional tectonics occurred during the mid-Cretaceous, and this resulted in brittle fracture of the Paleozoic rocks, which is likely responsible for structurally-controlled gold mineralization in the south Klondike area including the White Gold exploration camp (Mackenzie et al, 2008; Mackenzie and Craw, 2010; Mackenzie and Craw, 2012).

## Regional Geophysics and Major Structures

Enhanced regional total field aeromagnetic geophysics (modified from Hayward et. al., 2012) is shown in Figure 5, and regional first vertical derivative aeromagnetic geophysics (modified from Kiss, 2012) is shown in Figure 6. The maps show several northwest-trending magnetic anomalies which coincide with major structures and lineaments. One anomaly at the lower reaches of Candace Creek appears to follow the thrust fault mapped by MacKenzie and Craw (2012) – for reference this fault trace is overlain on the maps. Additionally, a narrow, linear magnetic high appears to splay off of this thrust fault, and trends SE to NW all the way from the right limit tributaries of Black Hills Creek to the headwaters of Tenderfoot Creek (Figures 5 and 6).

These structures and their associated cross-faults are thought to be related to structurally-controlled gold mineralization in brittle units of the Yukon Tanana Terrane including orthogneiss, amphibolite and quartzite (MacKenzie and Craw, 2010) and have been linked to the gold occurrences in the Coffee Creek area to the south (Wainwright et al., 2011).

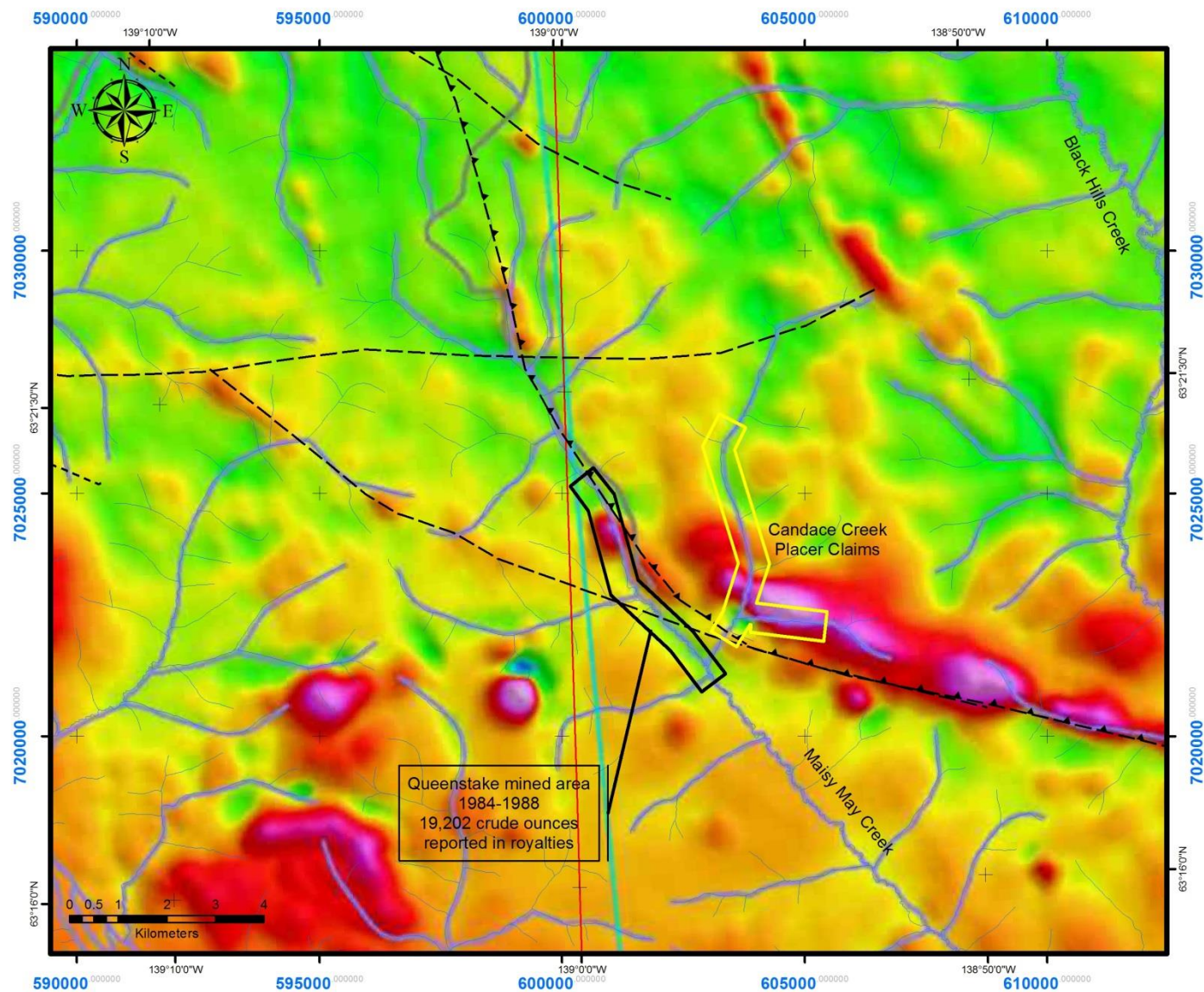


Figure 5 – Enhanced Residual Total Magnetic Field, Maisy May Creek area, modified from Hayward et. al. (2012). Fault traces overlain from MacKenzie and Craw, (2012).

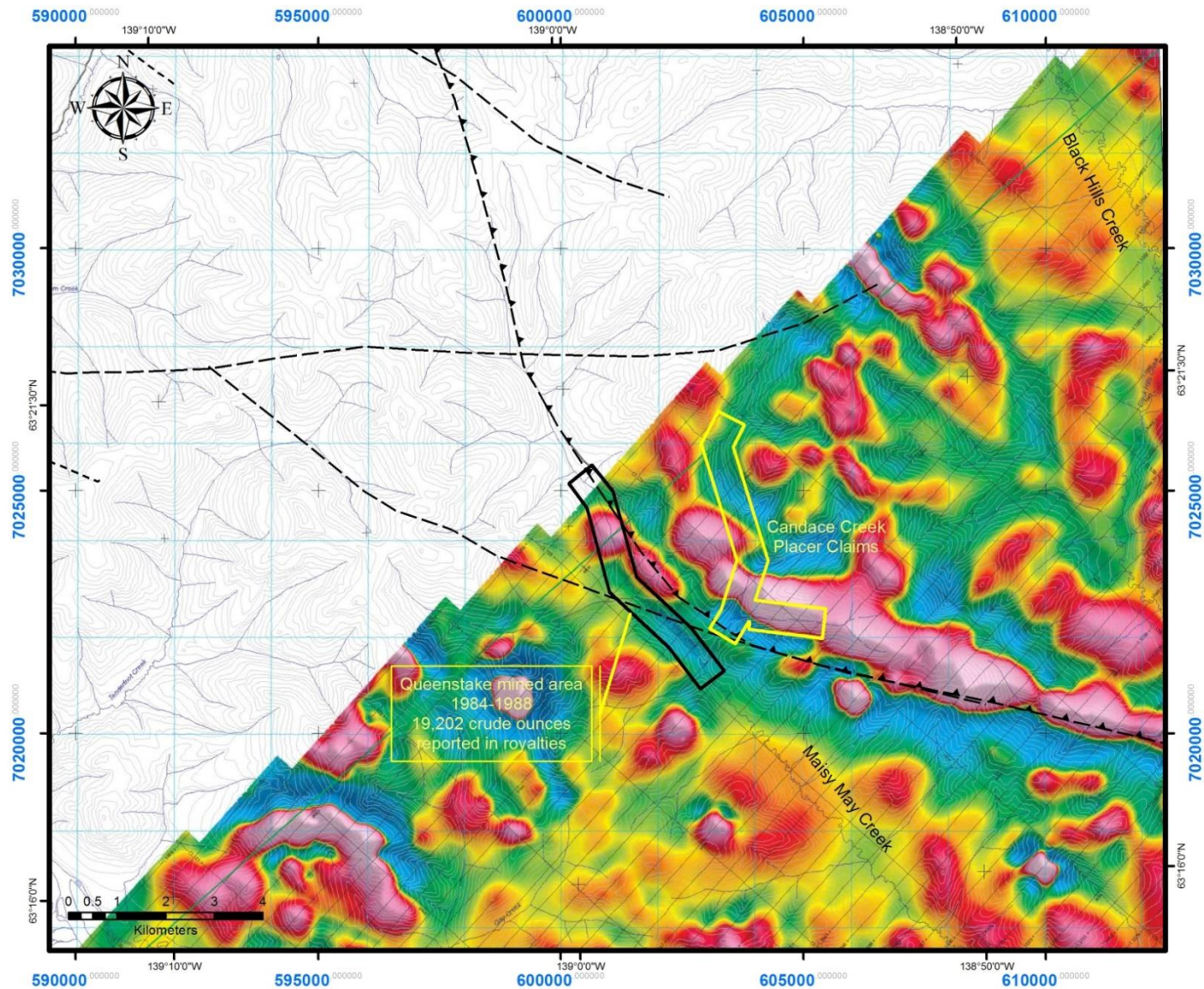


Figure 6 – Regional First Vertical Derivative Aeromagnetics, Maisy May Creek area, modified from Kiss, (2012). Fault traces overlain from MacKenzie and Craw, (2012).

## Regional Surficial Geology

Most of the south Klondike region has not been glaciated (Duk-Rodkin, 1999) and in fact strong evidence exists that all of Maisy May creek and most of Black Hills Creek escaped glaciation altogether (Jackson et al., 2001). As such, the south Klondike region is dominated by colluvium on the upper slopes and ridges, variably-buried Tertiary to Late Pleistocene alluvial terraces in mid-slope reaches and Late Pleistocene to modern alluvial fans, stream complexes and gulch deposits in the lowermost points of valleys (Jackson, 2005a; Jackson, 2005b). Major trunk valleys such as the Stewart River were the locale for meltwater channels during the Pleistocene glaciations and contain glaciofluvial terraces well beyond the maximum extent of the Cordilleran ice, however these did not affect most major tributaries (such as Black Hills, Maisy May and Henderson creeks) except at their confluence.

## Property Bedrock Geology

Maisy May Creek area bedrock is mapped as several metamorphic, plutonic and volcanic bedrock types (Figure 7). These include Devonian-Mississippian quartz-mica schist (map unit DMps), orthogneiss (map units DMt, DMag, DPg), marble (map unit DMc), amphibolite (map unit DMA), Paleozoic ultramafic-gabbro (map unit mPum) and Upper Cretaceous Carmacks volcanics (map unit uKCv). Gordey and Ryan (2005) show that the Candace Creek project area includes quartz-mica schist (DMps) as well as amphibolite (DMA), bedrock units that are contiguous with the upper reaches of the mined portions of Maisy May Creek. More recent mapping by MacKenzie and Craw (2012) shows numerous faults transecting the region between Maisy May and Black Hills creeks; this includes an east-dipping thrust fault which trends north along the mid-to upper reaches of Maisy May Creek before turning east to cross the lower reaches of Candace Creek.

## Property Surficial Geology

Figure 8 shows that Candace Creek has surficial units of several ages and types. These include CEaP/AtT (Pleistocene Colluvial-Aeolian sediments overlying Tertiary Alluvial Terrace sediments) at the confluence with Maisy May Creek; CEaP (Pleistocene Colluvial-Aeolian sediments) along the eastern slope (left limit); and ACxP (Pleistocene Alluvial Complex sediments) along the centre of the valley and within the major tributaries on both limits. Higher parts of the slope above the creek consist of Cb-v (Colluvial blanket-veneer) and in one location, Cl (Colluvial landslide). A prominent left-limit tributary, the location of the Van 32-42 claims, is mapped as having some placer tailings present (unit m), although an examination of the airphotos of the creek is not convincing for that interpretation. No history of this mining activity exists in the available data. Exposed bedrock (unit R) is mapped on the high points along the ridges.



Plate 3 - View looking north on Maisy May Creek at the confluence with Candace Creek, July 2008. Candace Creek is the drainage on the right side of the photo.



Plate 4 - View looking upstream on Candace Creek in September, 2014. The bulldozer trench can be discerned at the centre of photo. Photo courtesy J.D. Bond, Yukon Geological Survey.

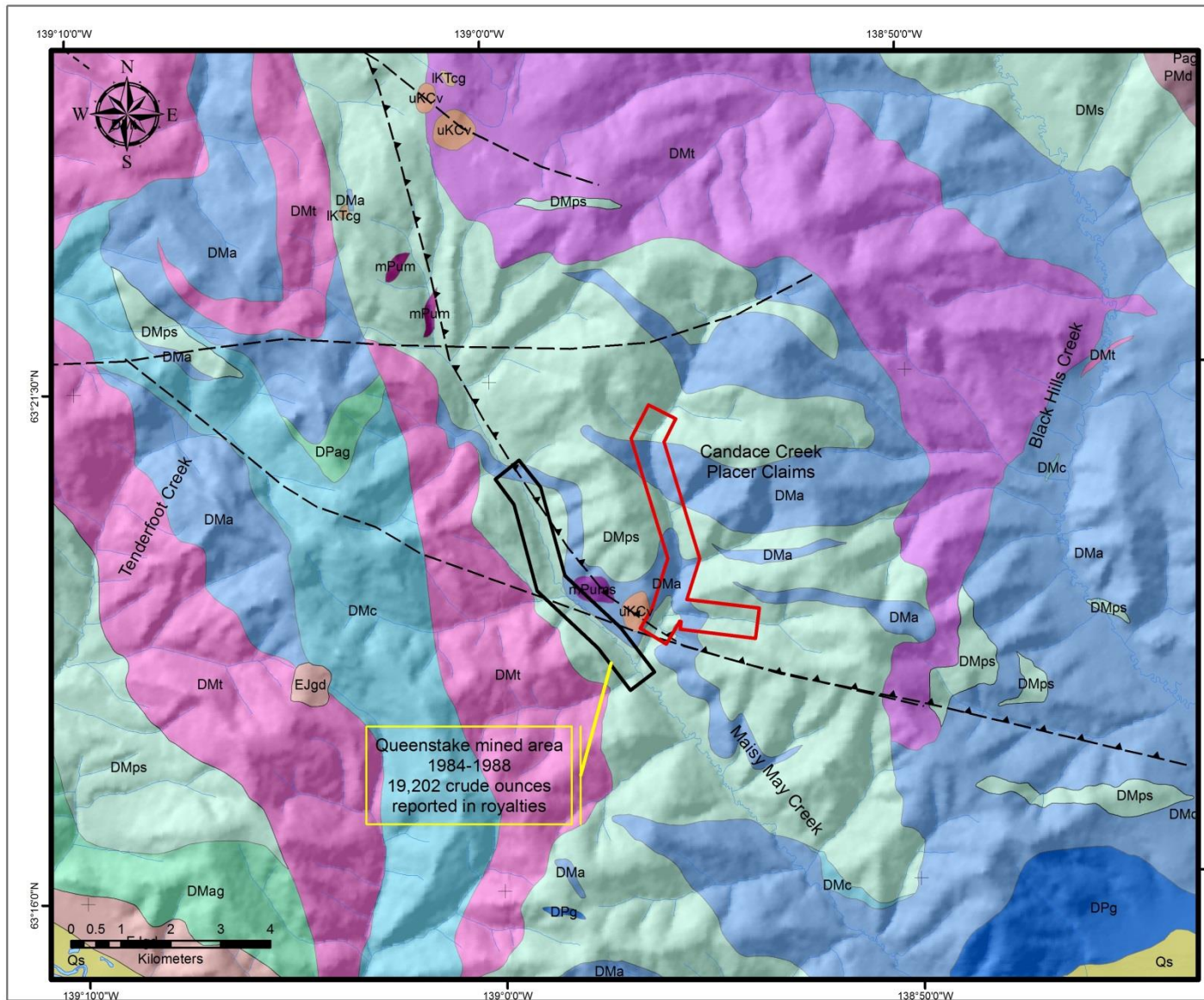


Figure 7 - Bedrock Geology, Maisy May and Candace Creeks, after Gordey and Ryan (2005) and MacKenzie and Crawl (2012).

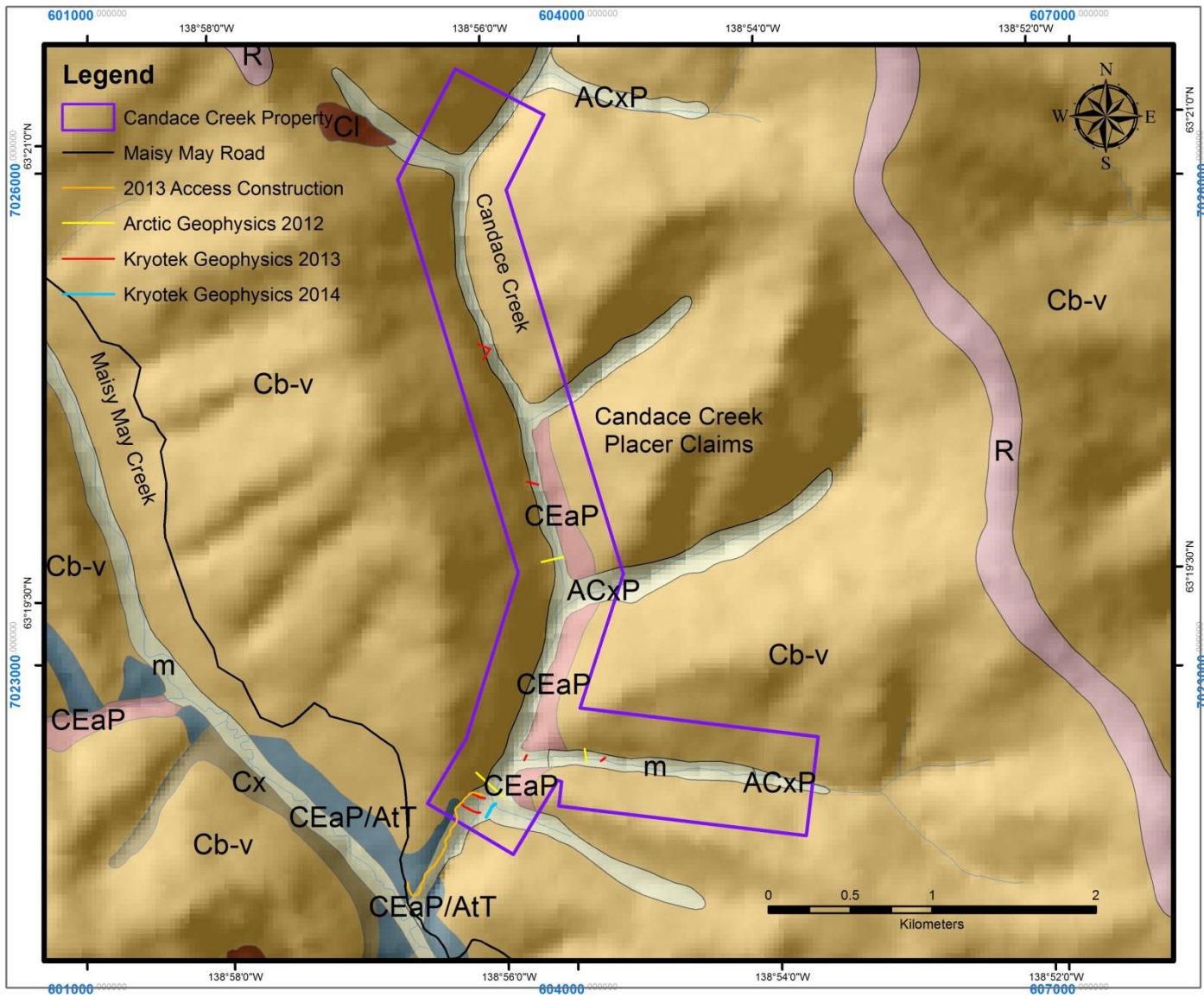


Figure 8 - Surficial Geology (after Jackson, 2005a) and location of 2012, 2013 and 2014 geophysical surveys, Candace Creek. Surficial unit description in text.

## 2014 Exploration Program

The 2014 exploration program consisted of resistivity geophysics, auger drilling, bulldozer trenching and excavator test-pitting, geological logging of drill hole and test pits, and processing of test pit and drill hole samples for gold and heavy minerals.

### Resistivity Geophysics

#### Methodology and Background

The geophysical contractor for 2014 was Kryotek Arctic Innovation Inc. Resistivity was selected as the electrical properties of silt, gravel and schist bedrock are distinct and usually easily definable. A Lippmann 4-point Resistivity System was used, which allowed up to 40 m (130ft.) of depth penetration. The start and end points of each survey line were measured in the field using a Garmin 60CSx GPS. Data was collected and inverted using AGI Earth Imager 2D software. Noisy data points and electrodes with poor contact resistance were removed and data was filtered for spikes or depressions in resistivity. The software produced two-dimensional tomograms using a smoothed, least squares damped and robust inversion parameters. The images were interpreted by James Coates.

#### Summary of Geophysical Results

One line of resistivity geophysics was surveyed on the Van 1 and Van 2 claims, across the unnamed left-limit tributary of Candace Creek locally known as Road Creek. The profile is shown as Figure 9, and the location of the survey is plotted on Figure 12. The total length of the survey was 58 metres (190 ft.).

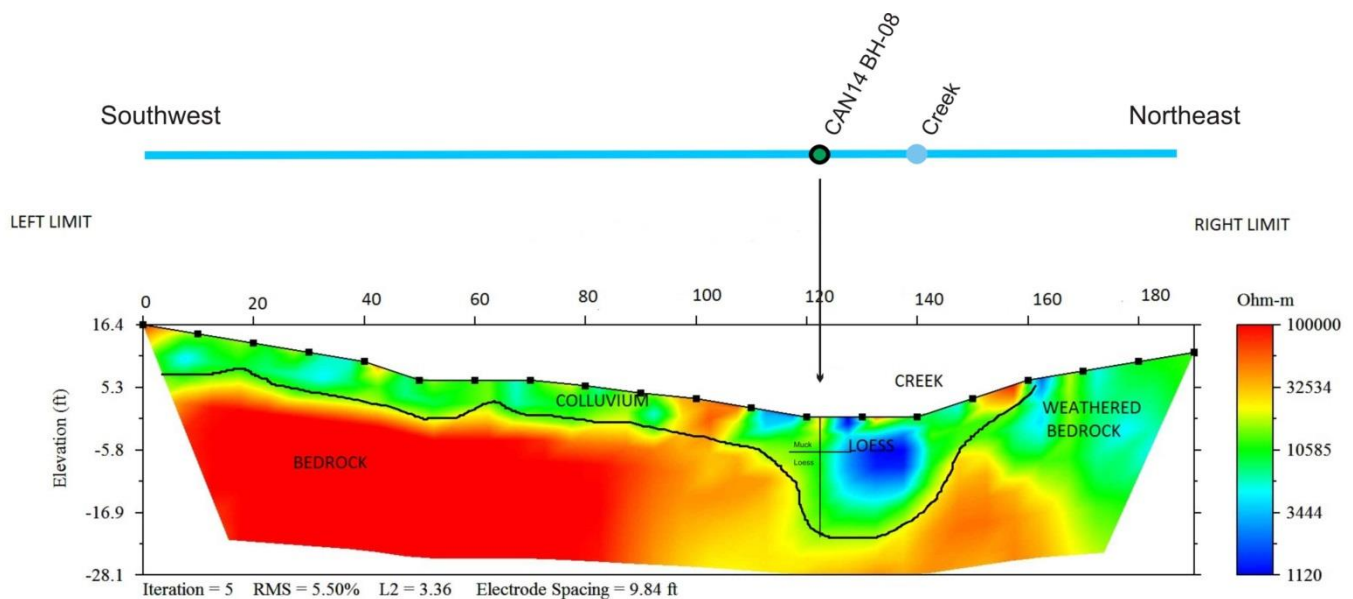


Figure 9 - Resistivity profile (RC-1) of Candace Creek LL tributary (Road Creek) by Kryotek Arctic Innovation Inc.

The geophysical response was good, and bedrock was interpreted to vary between 10 and 20 feet (3 to 6 m) below the surface. The majority of the RC-1 geophysical line traverses a gentle slope with 10-15 feet of muck and colluvium overlying solid bedrock. A significant depression occurs on the profile at approximately 130 ft. This location was drilled using the 6-inch auger drill to a depth of 21 ft.; and muck, loess and colluvium were encountered (Drill hole CAN14-BH-08). Bedrock rises towards the right limit, becoming more fractured and degraded near the base of the south-facing slope, with correspondingly lower resistivity readings.

### Auger Drilling

Eight 6-inch diameter auger drill holes were completed in 2014, for a total of 93 feet (28.3 metres) of drilling. Two of the drill holes were targeted on the Arctic Geophysics 2012 resistivity profile (Moll, 2012) on claim Van 2 (CAN14-BH02, 03); one on a regional magnetic geophysical anomaly (CAN14-BH-01); two at the confluence of a tributary drainage (CAN14-BH-04, 05); and three on two separate left-limit tributary drainages to Candace Creek (CAN14-BH-06, 07, 08). Drill hole CAN14-BH08 was targeted to intersect a channel interpreted from the 2014 resistivity geophysics on the Road Creek drainage (Resistivity Profile RC-1 – Figure 9). Drill holes CAN14-BH-02 and CAN14-BH-03 were targeted to intersect a possible channel and fault zone on Arctic Geophysics 2012 resistivity survey profile. These are plotted on Figure 10.



Plate 5 - Caterpillar 225 excavator operated by Bud Davis at test-pit CAN 14-01.

Table 2 below lists the geographic coordinates of the drill hole collars and depths to bedrock for the 2014 drilling program on Candace Creek. The drill hole collars are plotted on Figure 12, and Placer Drill Logs are contained in Appendix A.

Table 2 - Drill hole collar geographic coordinates, 2014 Exploration Program.

Drill hole number	Latitude Decimal Degrees	Longitude Decimal Degrees	Latitude DMS	Longitude DMS	Depth to bedrock (ft.)	Total depth (ft.)
CAN14-BH1	63.313969	138.936053	63° 18' 50.287" N	138° 56' 9.791" W	12.0	13.0
CAN14-BH2	63.314231	138.935049	63° 18' 51.231" N	138° 56' 6.176" W	11.0	12.5
CAN14-BH3	63.31441	138.93524	63° 18' 51.875" N	138° 56' 6.866" W	undetermined	9.0
CAN14-BH4	63.31548	138.933377	63° 18' 55.730" N	138° 56' 0.155" W	12.0	12.5
CAN14-BH5	63.315462	138.933325	63° 18' 55.662" N	138° 55' 59.970" W	9.0	9.5
CAN14-BH6	63.315563	138.932004	63° 18' 56.027" N	138° 55' 55.214" W	8.0	9.0
CAN14-BH7	63.315541	138.931958	63° 18' 55.947" N	138° 55' 55.049" W	6.0	6.5
CAN14-BH8	63.313118	138.934749	63° 18' 47.225" N	138° 56' 5.097" W	+/-21 ft.	21.0



Plate 6 - A view looking south along the bulldozer trench excavated by the D10N. The Caterpillar 225 excavator can be seen at the south end of the trench.

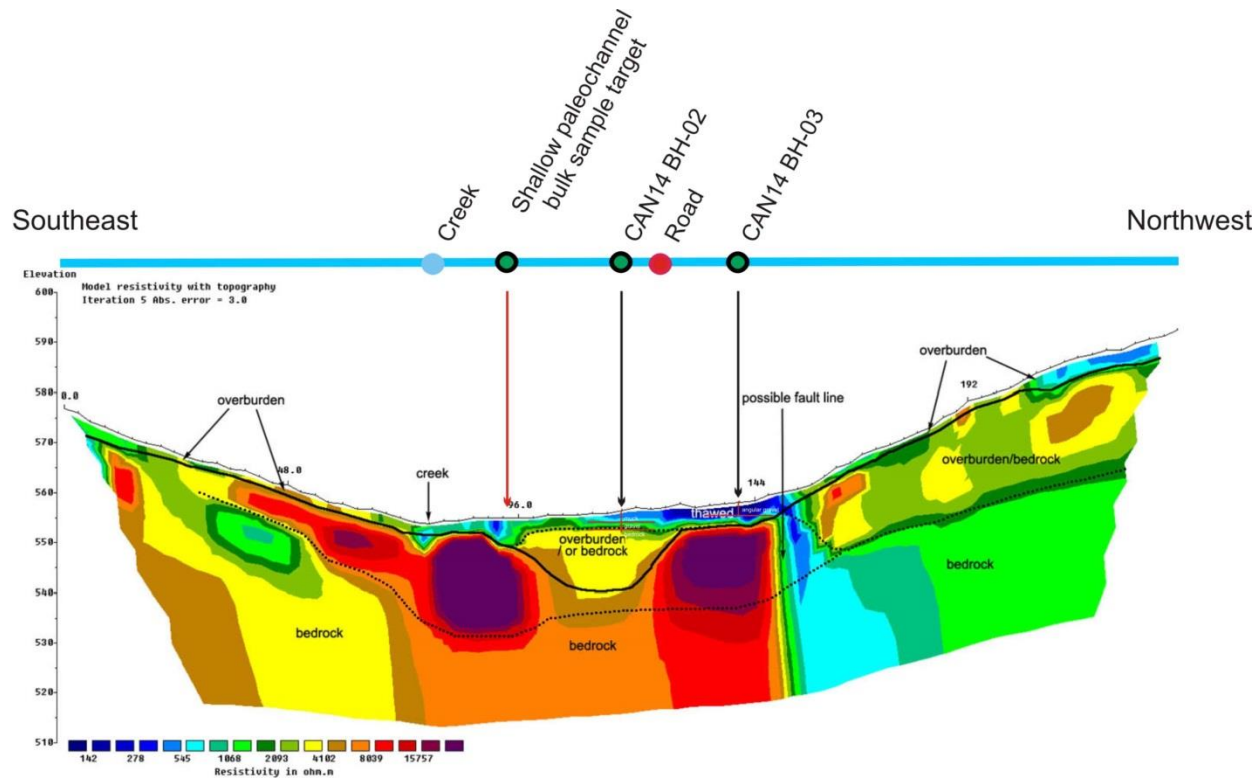


Figure 10 - Drill holes CAN14-BH-02 and CAN14-BH-03 plotted on Arctic Geophysics Resistivity profile from 2012, Van 2 claim (after Moll, 2012). View looking downstream on Candace Creek.

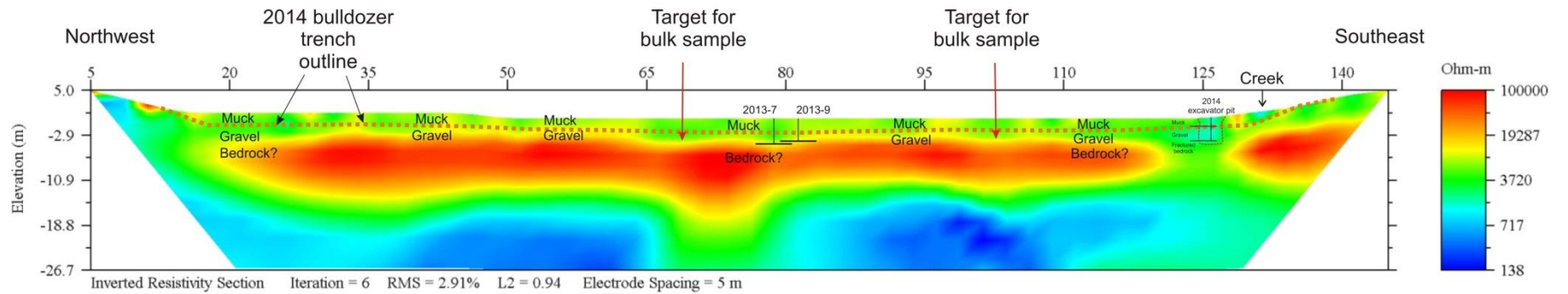


Figure 11 - Kryotek Resistivity Profile 2013 Line 7 with sonic drill holes 2013-07 and 2013-09 plotted along with the outline of the 2014 bulldozer trench and 2014 excavator test-pit, view looking upstream on Candace Creek. The location of this trench and geophysical line are shown in Figure 12.

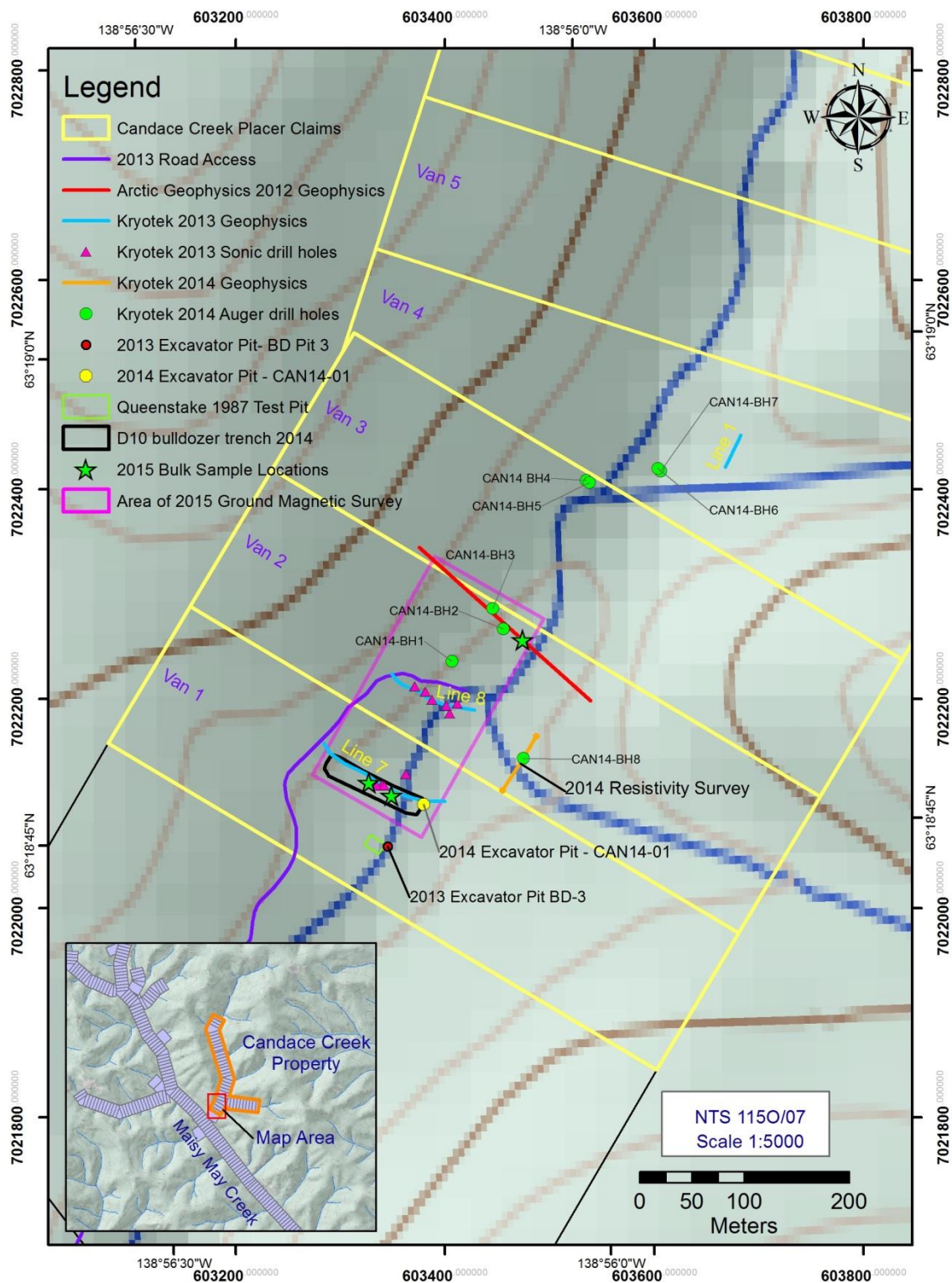


Figure 12 – Lower Candace Creek claims showing the location of 2012, 2013 and 2014 geophysical surveys, drill holes, trenches and bulldozer pits; and the location of proposed 2015 bulk samples and magnetic surveys.

### Bulldozer trenching and excavator test-pitting

In mid-April, a Caterpillar D10N bulldozer was used to strip an area on the Van 1 claim, which was coincident with Kryotek 2013 resistivity profile Line 7. Overburden consisting of small trees, moss, and extremely hard frozen black muck was cleared to a depth of 6 to 8 feet (2.0 to 2.5 metres), down to the top of the gravel layer. The dimensions of the bulldozer trench are 321 ft. (98 m) by 59 ft. (18 m) with a depth of 8 ft. (2.5 m). The trench is shown in Plate 6.

The Caterpillar 225 excavator (equipped with a “frost bucket”) was brought to the site in August, and proceeded to establish drainage and dig a test pit on the southeast corner of the bulldozer trench (Plate 5). The test-pit has dimensions of 23 ft. (7 m) by 13 ft. (4 m) with a depth of 15 ft. (4.5 m).

Stratigraphy exposed in the excavator pit (Plate 7) consisted of 5 to 6 feet (1.5-2 m) of organics and black muck, overlying 5 to 6 feet (1.5-2 m) of massive to disorganized, poorly-sorted cobble-boulder pebble gravel, overlying 2.5 feet (0.75m) of pebbly clay, overlying fractured, mafic schist. A fossilized bone was obtained from the pit near the bedrock contact. The bulldozer trench and excavator test pit are drawn on the 2013 Kryotek resistivity profile shown as Figure 11, and the locations are shown on Figure 12.



Plate 7 - Excavator test-pit CAN14-01, showing the stratigraphy down to bedrock. View looking south-southwest.

## Sample Processing

Samples from the drill holes and the excavator test-pit were processed by hand using a “Le Trap” long tom sluice with a hopper feeder (Plate 8). A Honda 1.5 inch pump supplied the water for sluicing and panning. Sluice concentrates were obtained from the Le Trap sluice and hand-panned to recover final gold and heavy minerals.



Plate 8 - The "Le Trap" sluice was fed through a wet hopper and screened to -1/4 inch. Riffles were easy to clean in-between samples and single-person operation was possible.

## Gold and Heavy Mineral Results

Table 3 documents the gold and heavy mineral results from the drill sampling and excavator test pits, along with approximate volume of each sample and comments on the types of material encountered.

Table 3 - Gold and Heavy Mineral Results, Candace Creek 2014 Exploration Program.

Sample number	Drillhole or Pit number	Gold	Heavy minerals	Approximate Volume	Comments
<b>CAN14-BH-01</b>	CAN14-BH-01	1 very fine colour	Abundant fine magnetite, garnet, one grain of corundum	50 litres	7 ft. of silty gravel
<b>CAN14-BH-02</b>	CAN14-BH-02	2 very fine colours	Abundant fine magnetite, pyrite, garnet, bright silver non-magnetic mineral	15 litres	4 ft. of sandy gravel
<b>CAN14-BH-03</b>	CAN14-BH-03	1 very fine colour	Abundant fine magnetite, pyrite, rutile, garnet	15 litres	9 ft. of colluvium
<b>CAN14-BH-04</b>	CAN14-BH-04	1 very fine colour	Fine magnetite and garnet	15 litres	1 ft. of gravel
<b>CAN14-BH-05</b>	CAN14-BH-05	not seen	Fine magnetite and garnet, coarse garnet	30 litres	4 ft. of gravel
<b>CAN14-BH-06</b>	CAN14-BH-06	not seen	Fine magnetite, garnet, pyrite, non-metallic wire (sulphosalt?)	30 litres	4 ft. of gravel
<b>CAN14-BH-07</b>	CAN14-BH-07	not seen	Fine magnetite and garnet	30 litres	1 ft. of gravel
<b>CAN14-BH-08</b>	CAN14-BH-08	not seen	Abundant fine magnetite and garnet	8 litres	Mostly sandy muck
<b>WL14-02</b>	CAN14-01	not seen	Abundant fine magnetite; coarse magnetite, ilmenite and garnet, rare rutile	15 litres	Gravel above bedrock contact
<b>WL14-03</b>	CAN14-01	Two "chunky" colours	Fine magnetite; coarse magnetite and garnet	15 litres	At bedrock/gravel contact
<b>WL14-04</b>	CAN14-01	not seen	Fine magnetite, garnet and pyrite; coarse magnetite and garnet	15 litres	Below bedrock/gravel contact

## Discussion of Results

Overall, the 6 inch diameter auger drill with the “permafrost” bit worked well, and recovered a considerable amount more sedimentary material than the sonic drill used the previous year. The correlation between drill holes and interpreted contacts from the resistivity surveys was somewhat mixed. Kryotek’s 2014 profile RC-1 on Road Creek (Figure 9) correlated relatively well with the subsequent auger drill hole (CAN14-BH-08); and both CAN14-BH-02 and CAN14-BH-03 drill holes correlated well with the shallowest of three possible interpretations on Arctic Geophysics 2012 Resistivity line (Figure 10). However, the contacts seen on the 2014 bulldozer trench (which stripped the muck to the top of the gravel layer) and the excavator pit CAN14-01 (which reached bedrock) were not distinct on Kryotek’s resistivity profile 2013 Line 7. As shown in Figure 11, the muck/gravel contact was not picked up on the resistivity profile along the length of the trench or at the excavator pit, and the gravel/bedrock contact was not discerned by the geophysics at the location of the excavator pit. Nonetheless, the resistivity geophysics methodology remains a valid and useful exploration tool even given the occasional inconsistencies.

Processing of the drill samples recovered some very fine gold particles and a variety of heavy minerals of both fine and coarse fractions, including corundum, an interesting variation. However, as in the 2013 program, the best gold results were from the excavator pit (CAN14-01), which recovered two moderately coarse, tabular gold grains. This gold was found from gravel sampled at the contact between the gravel and the clay-altered bedrock.

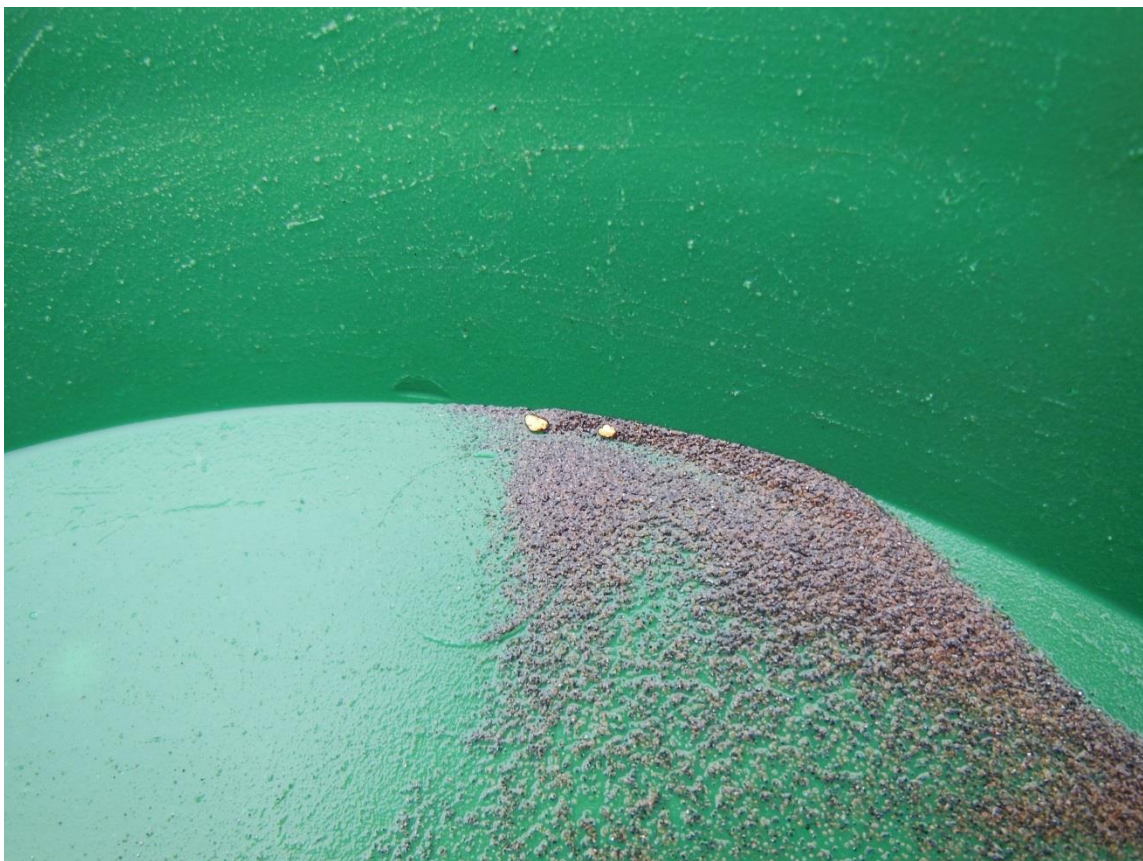


Plate 9 – Tabular, moderately-coarse gold grains obtained from sample WL14-03, from excavator pit CAN14-01.

## Conclusions and Recommendations

The 2014 exploration program was successful in defining the thicknesses of the gravel and muck in the location of the bulldozer trench and excavator pit on placer claim Van 1, while the auger drilling confirmed the interpreted depths to bedrock of the Arctic Geophysics 2012 resistivity profile and on the Road Creek tributary profile. The auger drilling also confirmed the presence of gold and heavy minerals in several of the holes. The best results for placer gold were obtained from bulk samples derived from the excavator pit, as was the case in the 2013 testing program.

It is evident that the relative coarseness of the gold in Candace Creek requires a bulk test of significant volume, in order to obtain a representative example of the amount of gold present. This sampling should target intervals along the entire stratigraphic section as well as the gravel/bedrock contact.

Therefore, bulk samples of no less than 250 cubic metres each are recommended to be processed at three locations, shown on Figure 12. The first two locations are located along the 2014 bulldozer trench, where depressions appear on the profile and a deeper anomaly of unknown origin appears (shown on the profile on Figure 11). The bulk samples should cover an area on bedrock of at least 10 metres by 10 metres. Given the expected thickness of 2.5 metres of gravel, each bulk sample would comprise a volume of 250 cubic metres. If time and equipment availability allows, these two initial bulk samples should be expanded across the valley floor to cover the entire length of the pre-stripped bulldozer trench.

The third location for a bulk sample is recommended to be along the Arctic Geophysics 2012 profile where there is an interpreted shallow paleochannel (shown in the profile on Figure 10), which is approximately 111 metres along the line from its southeast starting point. This bulk sample should also cover an area on bedrock of 10 metres by 10 metres.

In addition, since magnetite is a significant component of the heavy minerals present, a GPS-referenced, ground-based magnetometer or gradiometer geophysical survey is recommended for the area along the Candace Creek valley between the 2014 bulldozer trench and the Arctic Geophysics 2012 Resistivity line (Figure 12). This will allow for potential correlation of the magnetic geophysical response with the interpreted location of paleochannels as delineated by the resistivity geophysics. It will also provide a starting point for further bulk sampling should a good correlation exist between interpreted paleochannels from resistivity, magnetic geophysical anomalies and placer gold content in the creek gravels.

## Statement of Costs for 2014 Exploration Program

2014 Placer Exploration Program Candace Creek	Rate	Subtotal	GST	Total	Invoice #
Geoplacer Exploration Ltd.- Project management, field preparation, geological mapping, sample processing	7 days@\$500/day	\$3,500.00	\$175.00	\$3,675.00	# 2014-003
Geoplacer Exploration Ltd.- Truck, ATV and ATV trailer rental	6 days@\$106/day	\$636.00	\$31.80	\$667.80	# 2014-003
Geoplacer Exploration Ltd.- Data Compilation and Report Production	4 days@\$500/day	\$2,000.00	\$100.00	\$2,100.00	# 2014-004
La Tierra Resources Ltd. - Field assistance, equipment operation, sample processing	6 days@\$350/day	\$2,100.00	\$105.00	\$2,205.00	#2014-02
La Tierra Resources Ltd. - Demobilization Candace Creek to Whitehorse	700 km@0.62/km	\$434.00	\$21.70	\$455.70	#2014-02
Tatra Ventures Ltd. - Caterpillar 225 excavator rental	12 hours @\$120/hr	\$1,440.00	\$72.00	\$1,512.00	#620342
Bedrock Mining Company Inc. - Caterpillar D10N with operator	18 hours@\$395/hr	\$7,110.00	\$355.50	\$7,465.50	# 6
Kryotek Arctic Innovation Inc.	1 day@\$2000/day	\$2,000.00	\$100.00	\$2,100.00	#CC2014A
<b>Totals</b>		\$19,220.00	\$961.00	\$20,181.00	

## Statement of Qualifications – William LeBarge

I, William LeBarge, of 13 Tigereye Crescent, Whitehorse, Yukon, Canada, DO HEREBY CERTIFY THAT:

1. I am a Consulting Geologist with current address at 13 Tigereye Crescent, Whitehorse, Yukon, Canada, Y1A 6G6.
2. I am a graduate of the University of Alberta (B.Sc., 1985, Geology) and the University of Calgary (M.Sc., 1993, Geology – Sedimentology)
3. I am a Practicing Member in Good Standing (#37932) of the Association of Professional Engineers and Geoscientists of British Columbia (APEGBC).
4. I have practiced my Profession as a Geologist continuously since 1985.
5. I am author of the report entitled: “CANDACE CREEK PLACER PROPERTY, DAWSON MINING DISTRICT, YUKON TERRITORY; GEOLOGICAL & GEOPHYSICAL ASSESSMENT REPORT by William LeBarge, P. Geo., Geoplacer Exploration Ltd., for CANDACE CREEK MINING LTD.
6. I am President and a Shareholder of Candace Creek Mining Ltd., a Yukon Registered Company.
7. The aforementioned report is based on my personal observations and interpretation and compilation of previously existing data.

Dated this 09<sup>th</sup> day of December, 2014

William LeBarge, P. Geo.

A handwritten signature in blue ink that reads "William LeBarge". The signature is written in a cursive, flowing style.

## Statement of Qualifications – James Coates, President, Kryotek Arctic Innovation Inc.

### Education

- BSc. Physical Geography. University of Calgary
- MSc. Physical Geography. University of Ottawa
- PhD (incomplete) Civil Engineering. Universite Laval

### Geology, Prospecting and Exploration Experience

#### *Yukon Geological Survey*

- Bedrock mapping assistant to Project Geologist Maurice Colpron, Livingston area
- Geological assistant to Placer Geologist William LeBarge
- Bostock Core Library technician

#### *Kryotek Arctic Innovation Inc. - President*

- 10,000 meter shallow geochemical drilling program conducted in White Gold Area – Boulevard Property
- 2,000 meter shallow geochemical drilling program conducted in Stewart Area – Henderson Property
- Developed drilling and geophysics techniques and technologies

#### *Dark Side Drilling – Owner/Operator*

- Rio Tinto Minerals – Exploration/Drilling Contractor, Diavik Mine, Lac deGras NWT
- Geoplacer Exploration Ltd. – Exploration/Drilling, Patton Creek, Candace Creek, Nines Creek
- Golden Predator Minerals - Exploration/Drilling Contractor, Livingston, Yukon
- K-1 Mining – Exploration/Drilling Contractor, 60 Mile River, Yukon
- Western Copper Corporation – Drilling Contractor, Casino Minesite
- Casino Mining Corporation – Drilling Contractor, Casino Minesite
- XStrata Minerals – Drilling Contractor, Hackett River, Nunavut
- DeBeers Diamond Corporation – Exploration/Drilling Contractor, Churchill Manitoba
- Sector Resources Canada – Geophysics Contractor, Atlin, BC

#### *Independent Prospecting Experience*

##### Pelly River Placer Properties

- 2008 YMIP grant recipient
- Claims staked and prospected along Pelly River

##### McQuesten River Placer Properties

##### Whitehorse Copper Tailings Ponds Gold Property

- 2013 YMIP grant recipient

##### Atlin Placer Prospecting, Spruce Creek

## References

Colpron, M. and Nelson, J.L. (eds.), 2006. Paleozoic evolution and metallogeny of pericratonic terranes at the ancient Pacific margin of North America, Canadian and Alaskan Cordillera. Geological Association of Canada, Special Paper 45, 523 p.

Duk-Rodkin, A., 1999. Glacial Limits Map of Yukon Territory. Geological Survey of Canada, Open File 3694, Exploration and Geological Services Division, Yukon Region, Indian and Northern Affairs Canada, Geoscience Map 1999-2, 1:1 000 000 scale.

Gordey, S.P. and Ryan, J.J., 2005. Geology map, Stewart River area (115 N, 115-O and part of 115 J), Yukon Territory. Geological Survey of Canada, Open File 4970, 1:250 000 scale.

Hayward, N., Miles, W., and Oneschuk, D. 2012. Geophysical Series, Detailed Geophysical Compilation Project, Yukon Plateau, Yukon, NTS 115I, J, K, N, O, P and 116A and B; Geological Survey of Canada Open File 7279; scale 1:350 000.

Jackson, L.E., Jr., Shimamura, K., and Huscroft, C.A., 2001. Late Cenozoic geology, Ancient Pacific Margin NATMAP Report 3: A re-evaluation of glacial limits in the Stewart River basin of Stewart River map area, Yukon Territory. Geological Survey of Canada, Current Research, 2001-A3, 8 p.

Jackson, L.E., Jr., 2005a. Surficial Geology, Stewart River, Yukon Territory; Geological Survey of Canada, Open File 4583, scale 1:50 000.

Jackson, L.E., Jr. 2005b. Surficial Geology, Black Hills Creek, Yukon Territory; Geological Survey of Canada, Open File 4584, scale 1:50 000.

Kiss, F., 2012. First Vertical Derivative of the magnetic field, Aeromagnetic Survey of the Scroggie Creek and Wolverine Creek Areas, NTS 115O-6 and part of 115O-7, Yukon. Geological Survey of Canada, Open File 7184; Yukon Geological Survey Open File 2012-21, scale 1:50 000.

LeBarge, W.P., 2007. Yukon Placer Database—Geology and mining activity of placer occurrences, Yukon Geological Survey, 2 CD-ROMs.

LeBarge, W.P., and Nordling, M.G., 2011. Yukon Placer Mining Industry 2007-2009. Yukon Geological Survey, 151 p.

MacKenzie, D., Craw, D., and Mortensen, J.K., 2008. Structural controls on orogenic gold mineralisation in the Klondike goldfield, Canada. *Mineralium Deposita*, vol. 43, p. 435-448.

MacKenzie, D.J. and Craw, D., 2010. Structural controls on hydrothermal gold mineralization in the White River area, Yukon. *In: Yukon Exploration and Geology 2009*, K.E. MacFarlane, L.H. Weston and L.R. Blackburn (eds.), Yukon Geological Survey, p. 253-263.

MacKenzie, D. and Craw, D., 2012. Contrasting structural settings of mafic and ultramafic rocks in the Yukon-Tanana terrane. *In: Yukon Exploration and Geology 2011*, K.E. MacFarlane and P.J. Sack (eds.), Yukon Geological Survey, p. 115-127.

Moll, P. 2012. Geophysical Survey with 2D Resistivity/IP, Maisy May Creek, Yukon, Line 01 Lease ID00933. Unpublished assessment report.

Queenstake Resources, 1987. Exploration Incentives Program Scope of Work for Exploration Drilling and Bulk Sample Excavation in the Maisy May Creek Placer Deposit. Placer assessment report 87-007, volume 1.

Wainwright, A.J., Simmons, A.T., Finnigan, C.S., Smith, T.R. and Carpenter, R.L., 2011. Geology of new gold discoveries in the Coffee Creek area, White Gold District, west-central Yukon. *In: Yukon Exploration and Geology 2010*, K.E. MacFarlane, L.H. Weston and C. Relf (eds.), Yukon Geological Survey, p. 233-247.

# Appendix A – Placer Drill Logs



Date Stamp

# Placer Drill Log

Date: August 30, 2014

Driller: Dark Side Drilling

Type of Drill: Quad mounted auger

Inside Diameter of Drill: 6 inch

Location: Candace Creek/UNLL Trib Maisy May Lease or Grant Numbers: Van 2 P 508834

Drill Hole Number	Interval	Thickness	Materials Encountered	Remarks: Samples/Results
CAN14BH-01	0-5 ft.	5 ft.	Modern organic layer and muck	
CAN14BH-01	5-12 ft.	7 ft.	Sandy silt mixed with gravel	3 – 5 gal. pails material
CAN14BH-01	12-13ft. EOH	1 ft.	Bedrock or large boulder	
	Total thickness 13 ft.			

Date: \_\_\_\_\_

Signature (Driller or Representative): \_\_\_\_\_



Date Stamp

# Placer Drill Log

Date: August 30, 2014

Driller: Dark Side Drilling

Type of Drill: Quad mounted auger

Inside Diameter of Drill: 6 inch

Location: Candace Creek/UNLL Trib Maisy May Lease or Grant Numbers: Van 2 P 508834

Drill Hole Number	Interval	Thickness	Materials Encountered	Remarks: Samples/Results
CAN14BH-02	0-7 ft.	7 ft.	Modern organic layer and muck	Located on Arctic Line @117m
CAN14BH-02	7-11 ft.	4 ft.	Sandy gravel	1 – 5 gal. pail material
CAN14BH-02	11-12.5ft. EOH	1.5 ft.	Bedrock - decomposed schist	
	Total thickness 12.5 ft.			

Date: \_\_\_\_\_

Signature (Driller or Representative): \_\_\_\_\_



Date Stamp

## Placer Drill Log

Date: August 30, 2014

Driller: Dark Side Drilling

Type of Drill: Quad mounted auger

Inside Diameter of Drill: 6 inch

Location: Candace Creek/UNLL Trib Maisy May Lease or Grant Numbers: Van 2 P 508834

Drill Hole Number	Interval	Thickness	Materials Encountered	Remarks: Samples/Results
CAN14BH-03	0-9 ft. EOH	9 ft.	Sand and gravel with bedrock	1 – 5 gal. pail material
			fragments throughout	
				Located on Arctic Line near hill
				at approximately 140m
	Total thickness 9 ft.			

Date: \_\_\_\_\_

Signature (Driller or Representative): \_\_\_\_\_



Date Stamp

# Placer Drill Log

Date: August 30, 2014

Driller: Dark Side Drilling

Type of Drill: Quad mounted auger

Inside Diameter of Drill: 6 inch

Location: Candace Creek/UNLL Trib Maisy May Lease or Grant Numbers: Van 3 P 508835

Drill Hole Number	Interval	Thickness	Materials Encountered	Remarks: Samples/Results
CAN14BH-04	0-11 ft.	11 ft.	Muck	
CAN14BH-04	11-12 ft.	1 ft.	Gravel	1 – 5 gal. pail material
CAN14BH-04	12-12.5 ft. EOH	0.5 ft.	Bedrock or boulder	
	Total thickness 12.5 ft.			

Date: \_\_\_\_\_

Signature (Driller or Representative): \_\_\_\_\_



Date Stamp

# Placer Drill Log

Date: August 30, 2014

Driller: Dark Side Drilling

Type of Drill: Quad mounted auger

Inside Diameter of Drill: 6 inch

Location: Candace Creek/UNLL Trib Maisy May Lease or Grant Numbers: Van 3 P 508835

Drill Hole Number	Interval	Thickness	Materials Encountered	Remarks: Samples/Results
CAN14BH-05	0-5 ft.	5 ft.	Muck	
CAN14BH-05	5-9 ft.	4 ft.	Gravel	2 – 5 gal. pail material
CAN14BH-05	9-9.5 ft. EOH	0.5 ft.	Bedrock	
	Total thickness 9.5 ft.			

Date: \_\_\_\_\_

Signature (Driller or Representative): \_\_\_\_\_



Date Stamp

# Placer Drill Log

Date: August 30, 2014

Driller: Dark Side Drilling

Type of Drill: Quad mounted auger

Inside Diameter of Drill: 6 inch

Location: Candace Creek/UNLL Trib Maisy May Lease or Grant Numbers: Van 4 P 508836

Drill Hole Number	Interval	Thickness	Materials Encountered	Remarks: Samples/Results
CAN14BH-06	0-4 ft.	4 ft.	Muck	
CAN14BH-06	4-8 ft.	4 ft.	Gravel	2 – 5 gal. pail material
CAN14BH-06	8-9 ft. EOH	1 ft.	Bedrock	
	Total thickness 9 ft.			

Date: \_\_\_\_\_

Signature (Driller or Representative):6 \_\_\_\_\_



Date Stamp

# Placer Drill Log

Date: August 30, 2014

Driller: Dark Side Drilling

Type of Drill: Quad mounted auger

Inside Diameter of Drill: 6 inch

Location: Candace Creek/UNLL Trib Maisy May Lease or Grant Numbers: Van 4 P 508836

Drill Hole Number	Interval	Thickness	Materials Encountered	Remarks: Samples/Results
CAN14BH-07	0-5 ft.	5 ft.	Muck	
CAN14BH-07	5-6 ft.	1 ft.	Gravel	2 – 5 gal. pail material
CAN14BH-07	6-6.5 ft. EOH	0.5 ft.	Bedrock	
	Total thickness 6.5 ft.			

Date: \_\_\_\_\_

Signature (Driller or Representative): 6



Date Stamp

# Placer Drill Log

Date: August 31, 2014

Driller: Dark Side Drilling

Type of Drill: Quad mounted auger

Inside Diameter of Drill: 6 inch

Location: Candace Creek/UNLL Trib Maisy May Lease or Grant Numbers: Van 2 P 508834

Drill Hole Number	Interval	Thickness	Materials Encountered	Remarks: Samples/Results
CAN14BH-08	0-6 ft.	6 ft.	Muck	
CAN14BH-08	6-21 ft. EOH	15 ft.	Loess mixed with rock	½ - 5 gal. pail material
	Total thickness 21 ft.			

Date: \_\_\_\_\_

Signature (Driller or Representative): \_\_\_\_\_

**Appendix B – Invoices/Receipts**



Bedrock Mining Company Inc.

Box 40  
Elmworth, AB.  
T0H 1J0

# Invoice

Date	Invoice #
8/31/2014	6

Invoice To
Candace Creek

P.O. No.	Terms	Project

Qty	Description	Rate	Amount
18	D10 GST On Sales	395.00 5.00%	7,110.00 355.50
<b>Total</b>			\$7,465.50

GST/HST No. 864545207

# Kryotek Arctic Innovation Inc.

Kryotek Arctic Innovation Inc.  
173-108 Elliott Street  
Whitehorse YT Y1A6C4

8673361597  
agrawehr@kryotekinc.com  
http://www.darksidedrilling.ca

## Invoice

Date	Invoice No.
15-Sep-2014	CC2014A
Terms	Due Date
Net 30	15-Oct-2014

Invoice To
Candace Creek Mining Ltd.

Amount Due	Enclosed
\$2,100.00	

Date	Activity	Details		Location	Project Name
		Quantity	Rate	Canadace Creek, YT	Placer Investigations
				Sales Tax	Amount
15-Sep-2014	Drilling and Geophysics	1	2,000.00	GST	2,000.00

GST Registration No.: 817746712

SubTotal	2,000.00
GST @ 5%	100.00
<b>Total</b>	<b>\$2,100.00</b>

*Payment is due October 15, 2014. 2% interest will be charged on accounts later than 30 days.*



# Invoice

13 Tigereye Crescent, Whitehorse, Yukon Y1A 6G6

Date:  
Invoice #:  
Customer ID:

September 10, 2014  
2014-003  
Candace Creek Mining Ltd.

To: Candace Creek Mining Ltd.  
13 Tigereye Crescent  
Whitehorse, Yukon  
Y1A 6G6

Payment Terms	Date
Amount due on receipt	September 10, 2014

Description	Dates	Days	Rate/Details	Subtotal
Project management, field preparation, geological mapping, sample processing	August 19; August 28-Sept 2, 2014	7.0	\$ 500.00	\$ 3,500.00
Truck, ATV and ATV Trailer rental	August 28-Sept 2, 2014	6.0	\$ 106.00	\$ 636.00
<b>Subtotal for Services</b>				\$ 4,136.00
<b>GST on Services</b>				\$ 206.80
<b>Total for Services</b>				\$ 4,342.80

Please pay in Canadian Funds to Geoplacer Exploration Ltd.  
13 Tigereye Crescent, Whitehorse, YK Y1A 6G6 (867) 334-1461 wlebarge@gmail.com  
GST #829278712RT0001

**Bank Wiring Information:**  
**Bank customer: Geoplacer Exploration Ltd.**  
**Account number 99010-310-99015003619**  
**Swift Code CUCXATCAL**  
**First Nations Bank of Canada**  
**103-9016 Quartz Road**  
**Whitehorse, Yukon Y1A 2Z5**  
**bank email: fnbcservice@fnbc.ca**  
**bank phone: 1-888-456-3622**

INVOICE NUMBER La Tierra 2014 – 02

Date: September 12, 2014

To: Candace Creek Mining Ltd.  
13 Tigereye Crescent  
Whitehorse, Yukon  
Y1A 6G6

From: La Tierra Resources Ltd.  
Box 304 – 211 Elliott street  
Whitehorse, Yukon  
Y1A 2A1

Re: Candace Creek Placer Project – 2014 Dawson Mining District

Description: Sample Collection and Equipment Operator (Excavator 225)

Period: August 28 through September 2, 2014

6 days at \$ 350.00 per day ..... \$ 2,100.00 \*

De-Mob Candace Creek to Whitehorse  
700 Kilometres @ \$0.62 / Km ..... 434.00 \*

Gst Item \* (#130269103RT0001) ..... 126.70

=====

Balance Due ..... \$ 2,660.70

Thank you.



D.R. (Bud) Davis  
La Tierra Resources Ltd.



# Invoice

13 Tigereye Crescent, Whitehorse, Yukon Y1A 6G6

Date:

September 18, 2014

Invoice #:

2014-004

Customer ID:

Candace Creek Mining Ltd.

To: Candace Creek Mining Ltd.  
13 Tigereye Crescent  
Whitehorse, Yukon  
Y1A 6G6

**Payment Terms****Date**

Amount due on receipt

September 18, 2014

**Description****Number of Days****Rate/Details****Subtotal**

Data Compilation, Final Report Production		4.0	\$ 500.00	\$ 2,000.00
<b>Subtotal for Services</b>				\$ 2,000.00
<b>GST on Services</b>				\$ 100.00
<b>Total for Services</b>				\$ 2,100.00

Please pay in Canadian Funds to Geoplacer Exploration Ltd.

13 Tigereye Crescent, Whitehorse, YK Y1A 6G6 (867) 334-1461 wlebarge@gmail.com

GST #829278712RT0001

**Bank Wiring Information:**

**Bank customer: Geoplacer Exploration Ltd.**

**Account number 99010-310-99015003619**

**Swift Code CUCXATTCAL**

**First Nations Bank of Canada**

**103-9016 Quartz Road**

**Whitehorse, Yukon Y1A 2Z5**

**bank email: fnbcservice@fnbc.ca**

**bank phone: 1-888-456-3622**