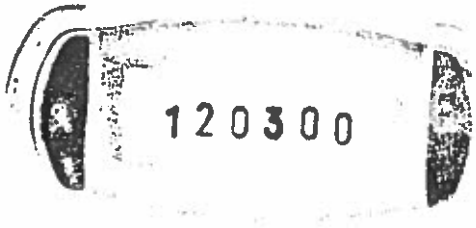
[redacted]



Dycer Creek, Yukon

Drilling Report

October 1, 2014

By
Kryotek Arctic Innovation Inc.
173-108 Elliott Street
Whitehorse, Yukon
Y1A 6C4

For
Steven Swaim
Plac-Tech

KRYOTEK

Table of Contents

Introduction

Setting and Location

Livingston Placer Area

Placer gold in the entire Livingston district is coarse and is often recovered attached to quartz. Gold in this area is likely telluride and free gold in small quartz veins which cross-cut local graphite schist bedrock (Stroink and Friedrich, 1992), (Lebarge 1996). Nuggets are found throughout alluvial materials but not in overlying glacial till. Purity of gold ranges from 860-895 fineness. This indicates a very close bedrock source to the current placer deposits. Bedrock source has been postulated to be small quartz veins, tellurides and stringers which strike north-south perpendicular to the main placer creeks (Stroink and Friedrich, 1992)

During the McConnell glaciation the glaciers moved perpendicular to Dycer Creek. Gold eroded out of the hillsides would have been trapped in the creek valley, then covered by till. Auriferous gravels and placer gold deposits in the valley bottoms were likely formed during the interglacial between the Reid and McConnell glaciations, covered by till and overridden by the McConnell ice sheets. During the McConnel deglaciation these gravels were exposed and reworked by melt-water erosion (Levson, 1992).

Dycer Creek Valley

The Dycer Creek valley is located cross-ways to the prevailing trend of the continental ice sheets during the McConnell Glaciation. This likely spared the lower part of the creek near the confluence with Mendocina Creek from direct glacial scour. Gold found in Dycer Creek is likely concentrated out of glacial till as well as being sourced directly from local bedrock. Quartz cobbles were found in the creek valley that contained visible pyrite.

Local bedrock consists of a green graphitic schist (Lebarge 1996, Colpron 2005). In the valley bottom this is extremely decomposed and weathered, cracked and separated along foliation planes. The schist further upslope is similar in composition but exhibits glacial scouring and striation. The upper watershed of Dycer Creek consists of black phyllite, with a granodiorite intrusion two kilometers upstream from the confluence of Mendocina and Dycer Creeks. The decomposed nature of the bedrock in the valley bottom and lack of glacial scour marks are evidence that the bedrock has not been recently affected by glaciation.

A granodiorite intrusion is located approximately 1.75 km upstream of the mouth of Dycer Creek (Colpron, 2005). This may be a source for the large granite boulders found in the creek bottom as well as a source of placer gold deposits.

Figure 1. Oblique view of Dycer Creek from southwest. Confluence of Dycer and Mendocina Creeks is at far lower left of image. The potential terminal moraine is indicated by a blue arrow. Location of granodiorite intrusion (potential gold source) is indicated by a line. Note the change in valley character upstream of the arrow. It becomes broader with a different drainage pattern on the valley walls. Downstream of the arrow it is steeply incised with till benches visible a quarter of the way upslope.

When viewed from the air the upper Dycer Creek valley exhibits the classic U-shape of a glaciated valley, while the lower part of the valley has a steep-sided V-shape. This is likely due to the continental ice sheet filling the valley with till, which was then cut into a V-shape by glacial outwash floods originating further up the creek.

Figure 2. Looking upstream along Dycer Creek. Note V-shaped nature of valley. Potential terminal moraine is located at the top end of photo (arrow).

Future sampling may be warranted of a terminal moraine that appears to cross the valley approximately 2.5 km upstream from the mouth of the creek. At this point the valley transitions from the distinctive U shape of a glaciated valley to the V-shape of a fluvially carved valley. This may indicate the presence of a valley glacier that could have pushed gold-bearing material downstream then depositing it in a concentrated area beneath to moraine. This may be a rich placer gold deposit and warrants further exploration.

Figure 3. Slumping of ice-rich silty till in terminal moraine.

Auriferous gravels are currently located in the creek bed in thicknesses of 6-12 feet. Till on the valley walls may be much thicker. Till is found high on the hillsides but not in the valley bottom. Drilling revealed concentrations of black sand in alluvial valley material but almost no black sand in the till further upslope. Magnetic black sands are strongly associated with placer gold in the Livingston district (Colpron, 2005).

Gold and Heavy Minerals Recovered

Gold was only found in one borehole near the camp trailer. Due to the small diameter of the boreholes and coarse nature of the gold (most gold in the Livingston area is >1 cm in diameter (Colpron 2005), this is not an indication that the other boreholes were not drilled in gold-bearing ground. However, magnetic black sands were located all along the test-pitted section of the creek. Garnets were found in boreholes in the lower section of the creek (see Figure 5) but were almost entirely absent in the upstream section. This is either due to a local bedrock source or preferential fluvial deposition in the lower section of the creek. Further sampling of creek gravels up the creek to see if garnets re-appear may indicate potential bedrock sources of gold.

Methodology

Drilling

Two Kryotek personnel flew into Dycer Creek on September 16, 2014 using a Robinson R-44 helicopter. Drilling was conducted by Kryotek using a Dark Side Drilling Talon drill. This is a rotary-percussive drill, which combines a hammering action combined with a rotating auger. This drill can be carried in pieces by two people and flown in a R-44 helicopter.

The drill drills a 1 ¾" hole in overburden, bedrock and boulders. A three-foot (3') carbide-tipped auger pulverizes rock and transports cuttings up to the surface. Three-foot (3') extensions were added as the bit progressed. The drill is limited not by depth but by friction with the sides of the hole. In areas where large boulders are separated by thin layers of loose sand and cobbles the drill can jam and stick in the hole as material falls into the hole.

Bedrock appeared during drilling as sharp-edged green chips near the bottom of the hole. Boreholes were drilled to at least six foot (6') in depth or to bedrock as evidenced by green chips. Due to the large proportion of boulders in the valley, boreholes drilled more than two feet (2') into a boulder or boreholes where the bit jammed were abandoned and moved several feet then re-attempted.

Most boreholes were drilled to four- seven feet (4-7') in depth. Where bedrock or an impenetrable boulder were encountered before six feet (6') another borehole was drilled immediately to the side of the first to make at least six feet (6') of footage for every hole and retrieve a consistent sample volume per hole. 117 boreholes were drilled over a period of two 12-hour days using two human-portable drills for a total footage of 747 feet drilled. All boreholes were flagged and labeled on the ground.

Sampling and Processing

Samples were retrieved from boreholes and panned on site. Each borehole produced about a half-pan of sample. This was reduced to a few grams of heavy minerals.
The presence of gold, garnets and magnetic black sand were noted and recorded.

Borehole Locating

Boreholes were located using a Garmin GPX450 handheld GPS with an accuracy of +/- 3m. However some borehole locations may not be accurate as the steep north-facing valley wall blocked satellite reception.

KRYOTEK

Drill Results for Dycer Creek

Bore Hole	Latitude	Longitude	Gold	Black Sand	Garnets	Total Depth Drilled	Material
1	61.44562301	134.261509	No	Yes	No	7	Sand/gravel/ boulders
2	61.44714097	134.2508618	No	Yes	No	6	Sand/gravel/ boulders
3	61.44716587	134.2508394	1 small gold	Yes	Yes	7	Sand/gravel/ boulders
4	61.44720686	134.2508366	No	Yes	Yes	8	Sand/gravel/ boulders
5	61.44722077	134.2507996	No	Yes	Yes	8	Sand/gravel/ boulders
6	61.44719169	134.2507006	No	Yes	No	8	Sand/gravel/ boulders
7	61.44717861	134.2506278	No	Yes	Yes	8	Sand/gravel/ boulders
8	61.4472579	134.2507001	No	Yes	No	7	Sand/gravel/ boulders
9	61.44735103	134.250618	No	Yes	No	7	Sand/gravel/ bedrock
10	61.44737927	134.2506159	No	Yes	No	6	Sand/gravel/ bedrock
11	61.44734558	134.2505119	No	Yes	No	5	Sand/gravel/ bedrock
12	61.44570499	134.261761	No	Yes	No	4	Sand/gravel/ bedrock
13	61.44738137	134.2505127	No	Yes	No	7	Sand/gravel/ boulders
14	61.4473118	134.2502725	No	Yes	No	7	Sand/gravel/ boulders
15	61.44737802	134.2503142	No	Yes	No	7	Sand/gravel/ boulders
16	61.44714718	134.2498968	No	Yes	No	6	Sand/gravel/ boulders
17	61.44714852	134.2498801	No	Yes	No	7	Sand/gravel/ boulders
18	61.44704324	134.2497073	No	Yes	No	7	Sand/gravel/ boulders
19	61.44708767	134.2497193	No	Yes	Yes	7	Sand/gravel/ boulders
20	61.44712077	134.2497542	No	Yes	No	7	Sand/gravel/ boulders
21	61.44721398	134.2497207	No	Yes	Yes	6	Sand/gravel/ boulders

22	61.44527575	134.2616594	No	Yes	Yes	7	Sand/gravel/ boulders
23	61.4452931	134.2616956	No	Yes	Yes	7	Sand/gravel/ boulders
24	61.44528933	134.2617053	No	Yes	No	8	Sand/gravel/ boulders
25	61.44530718	134.2617535	No	Yes	No	6	Sand/gravel/ boulders
26	61.44531313	134.2617949	No	Yes	Yes	7	Sand/gravel/ boulders
27	61.44534742	134.2618128	No	Yes	No	6	Sand/gravel/ boulders
28	61.44536594	134.2618944	No	Yes	No	7	Sand/gravel/ boulders
29	61.44537424	134.2618907	No	Yes	No	6	Sand/gravel/ boulders
30	61.44538379	134.2618799	No	Yes	No	6	Sand/gravel/ boulders
31	61.44540383	134.2619047	No	Yes	No	4	Sand/gravel/ bedrock
32	61.44543232	134.2619002	No	Yes	No	4	Sand/gravel/ bedrock
33	61.44548781	134.261937	No	Yes	No	6	Sand/gravel/ boulders
34	61.44551639	134.2619891	No	Yes	No	6	Sand/gravel/ boulders
35	61.44553358	134.2620095	No	Yes	No	6	Sand/gravel/ boulders
36	61.445563	134.2620631	No	No	No	7	Sand/gravel/ boulders
37	61.44557163	134.262103	No	Yes	No	7	Sand/gravel/ boulders
38	61.4455692	134.2621799	No	No	No	6	Sand/gravel/ boulders
39	61.44558881	134.262271	No	Yes	No	6	Sand/gravel/ boulders
40	61.44560147	134.2622613	No	No	No	6	Sand/gravel/ boulders
41	61.44561782	134.2623035	No	Yes	No	6	Sand/gravel/ boulders
42	61.44639968	134.2591579	No	Yes	No	6	Sand/gravel/ boulders
43	61.4463856	134.2591491	No	No	No	7	Sand/gravel/ boulders
44	61.44641133	134.2578577	No	Yes	No	6	Sand/gravel/ boulders
45	61.44643874	134.2578265	No	Yes	No	6	Sand/gravel/ boulders

46	61.44650496	134.257807	No	No	No	7	Sand/gravel/ boulders
47	61.44652977	134.2577797	No	Yes	No	7	Sand/gravel/ boulders
48	61.44664862	134.2562385	No	Yes	No	7	Sand/gravel/ boulders
49	61.4466617	134.2562433	No	Yes	No	6	Sand/gravel/ boulders
50	61.44668802	134.2562353	No	Yes	No	6	Sand/gravel/ boulders
51	61.4466964	134.2562324	No	Yes	No	6	Sand/gravel/ boulders
52	61.44671576	134.2562472	No	Yes	No	7	Sand/gravel/ boulders
53	61.44677846	134.2562685	No	Yes	No	6	Sand/gravel/ boulders
54	61.44679028	134.256288	No	Yes	No	6	Sand/gravel/ boulders
55	61.44681064	134.2562791	No	Yes	No	6	Sand/gravel/ boulders
56	61.44682565	134.2562735	No	No	No	6	Sand/gravel/ boulders
57	61.44667829	134.2555842	No	No	No	7	Sand/gravel/ boulders
58	61.44670059	134.2555938	No	No	No	6	Sand/gravel/ boulders
59	61.44672054	134.2555699	No	Yes	No	6	Sand/gravel/ boulders
60	61.446757	134.255577	No	Yes	No	7	Sand/gravel/ boulders
61	61.4467865	134.255608	No	Yes	No	7	Sand/gravel/ boulders
62	61.44681559	134.2555913	No	Yes	No	6	Sand/gravel/ boulders
63	61.44683545	134.2556339	No	Yes	No	7	Sand/gravel/ boulders
64	61.44685079	134.2556501	No	Yes	No	6	Sand/gravel/ boulders
65	61.44669355	134.2550366	No	No	No	6	Sand/gravel/ boulders
66	61.44671677	134.2550561	No	No	No	6	Sand/gravel/ boulders
67	61.44674216	134.2550604	No	Yes	No	6	Sand/gravel/ boulders
68	61.44676806	134.2551204	No	Yes	No	6	Sand/gravel/ boulders
69	61.44679715	134.2551313	No	Yes	No	6	Sand/gravel/ boulders

70	61.44685348	134.2551195	No	Yes	No	6	Sand/gravel/ boulders
71	61.44689145	134.2551143	No	Yes	No	6	Sand/gravel/ boulders
72	61.44718314	134.2527571	No	Yes	No	6	Sand/gravel/ boulders
73	61.44717484	134.2527916	No	No	No	7	Sand/gravel/ boulders
74	61.44713813	134.2527516	No	No	No	7	Sand/gravel/ boulders
75	61.4471087	134.2527774	No	No	No	7	Sand/gravel/ boulders
76	61.44709471	134.2528015	No	Yes	No	6	Sand/gravel/ boulders
77	61.44707811	134.2528443	No	No	No	7	Sand/gravel/ boulders
78	61.44705724	134.2528288	No	No	No	6	Sand/gravel/ boulders
79	61.44704324	134.2527884	No	No	No	6	Sand/gravel/ boulders
80	61.44701701	134.2528128	No	No	No	6	Sand/gravel/ boulders
81	61.44698205	134.2528228	No	No	No	6	Sand/gravel/ boulders
82	61.44696856	134.2528054	No	No	No	6	Sand/gravel/ boulders
83	61.44694123	134.2528606	No	Yes	No	6	Sand/gravel/ boulders
84	61.44692766	134.2528408	No	No	No	6	Sand/gravel/ boulders
85	61.44691776	134.2528378	No	Yes	No	7	Sand/gravel/ boulders
86	61.44703025	134.2514878	No	Yes	No	6	Sand/gravel/ boulders
87	61.44706864	134.2514344	No	Yes	No	7	Sand/gravel/ boulders
88	61.44708431	134.2514384	No	Yes	No	6	Sand/gravel/ boulders
89	61.44709714	134.2514303	No	Yes	Yes	6	Sand/gravel/ boulders
90	61.44712865	134.2513975	No	Yes	No	6	Sand/gravel/ boulders
91	61.44715564	134.251415	No	Yes	No	6	Sand/gravel/ boulders
92	61.44718029	134.2514033	No	Yes	No	7	Sand/gravel/ boulders
93	61.4471978	134.2514064	No	No	No	6	Sand/gravel/ boulders

94	61.44719663	134.2514053	No	No	No	6	Sand/gravel/ boulders
95	61.44723443	134.2513943	No	No	No	6	Sand/gravel/ boulders
96	61.4471191	134.2508892	No	No	No	6	Sand/gravel/ boulders
97	61.44570264	134.2617553	No	No	No	6	Sand/gravel/ boulders
98	61.4457065	134.2617967	No	Yes	No	6	Sand/gravel/ boulders
99	61.44562251	134.2615272	No	No	No	7	Sand/gravel/ boulders
100	61.44561463	134.2615948	No	Yes	No	7	Sand/gravel/ boulders
101	61.4456158	134.2615884	No	No	No	6	Sand/gravel/ boulders
102	61.44562167	134.2616193	No	No	No	6	Sand/gravel/ boulders
103	61.44563902	134.2616615	No	Yes	No	7	Sand/gravel/ boulders
104	61.44565268	134.2616956	No	Yes	No	7	Sand/gravel/ boulders
105	61.44569702	134.26169	No	Yes	No	7	Sand/gravel/ boulders
106	61.44570247	134.2617381	No	No	No	7	Sand/gravel/ boulders
107	61.44735103	134.250618	No	Yes	No	7	Sand/gravel/ boulders
108	61.44737927	134.2506159	No	Yes	No	6	Sand/gravel/ boulders
109	61.44734558	134.2505119	No	Yes	No	7	Sand/gravel/ boulders
110	61.44738137	134.2505127	No	Yes	No	6	Sand/gravel/ boulders
111	61.4473118	134.2502725	No	Yes	No	6	Sand/gravel/ boulders
112	61.44737802	134.2503142	No	Yes	No	6	Sand/gravel/ boulders
113	61.44714718	134.2498968	No	Yes	No	6	Sand/gravel/ boulders
114	61.44714852	134.2498801	No	Yes	No	6	Sand/gravel/ boulders
115	61.44704324	134.2497073	No	Yes	No	6	Sand/gravel/ boulders
116	61.44708767	134.2497193	No	Yes	No	6	Sand/gravel/ boulders
117	61.44712077	134.2497542	No	Yes	No	7	Sand/gravel/ boulders

Maps of Borehole Locations

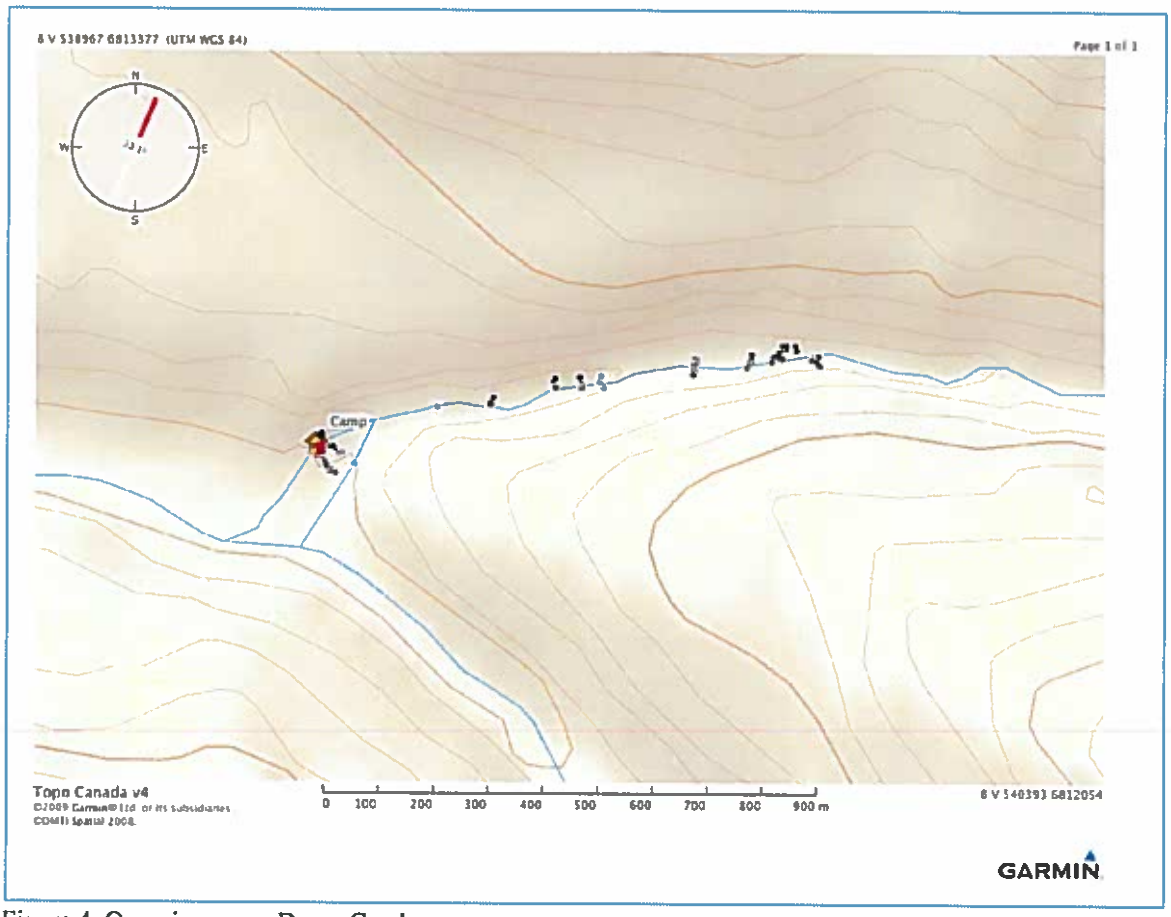


Figure 4. Overview map, Dycer Creek

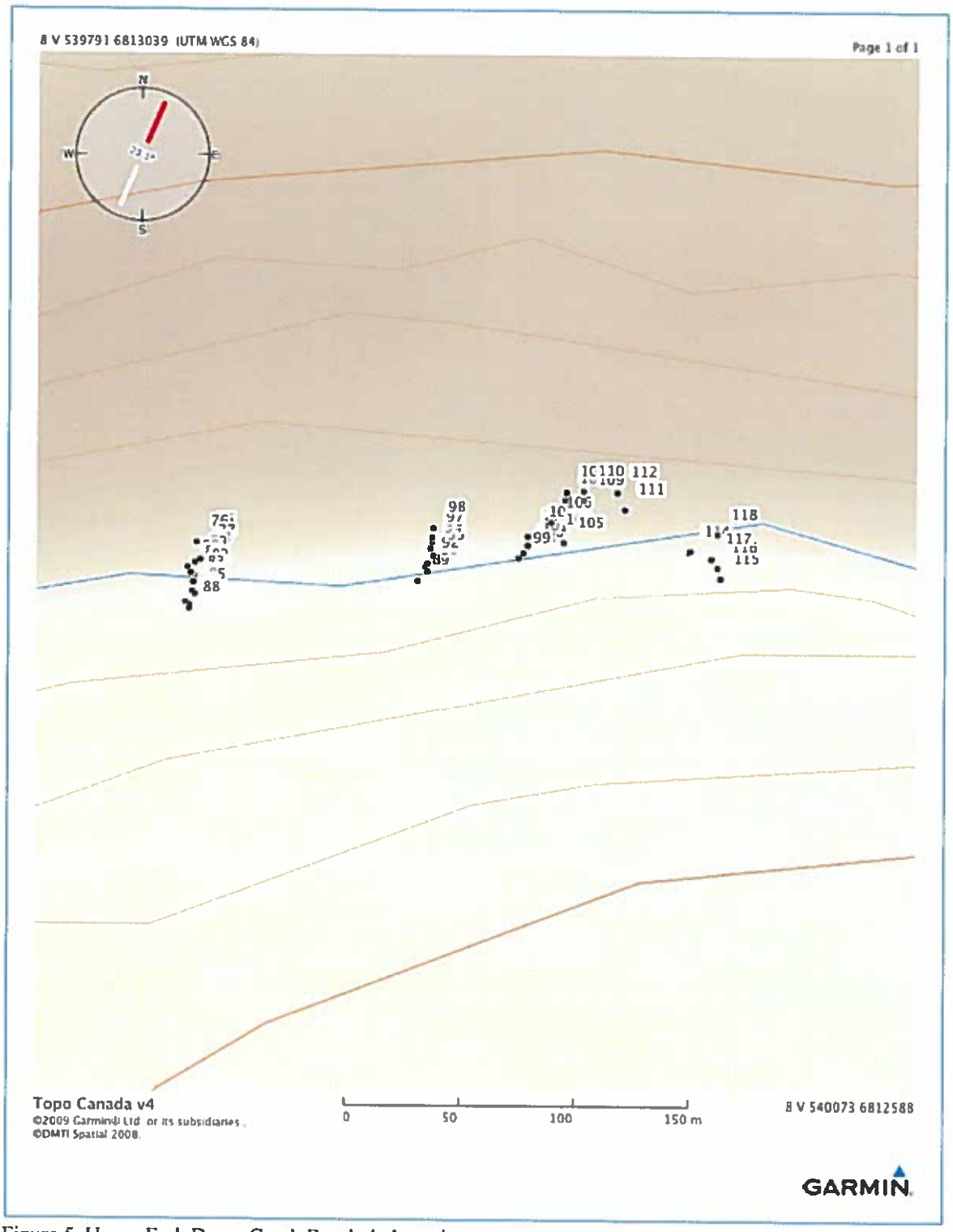


Figure 5. Upper End, Dycer Creek Borehole Locations

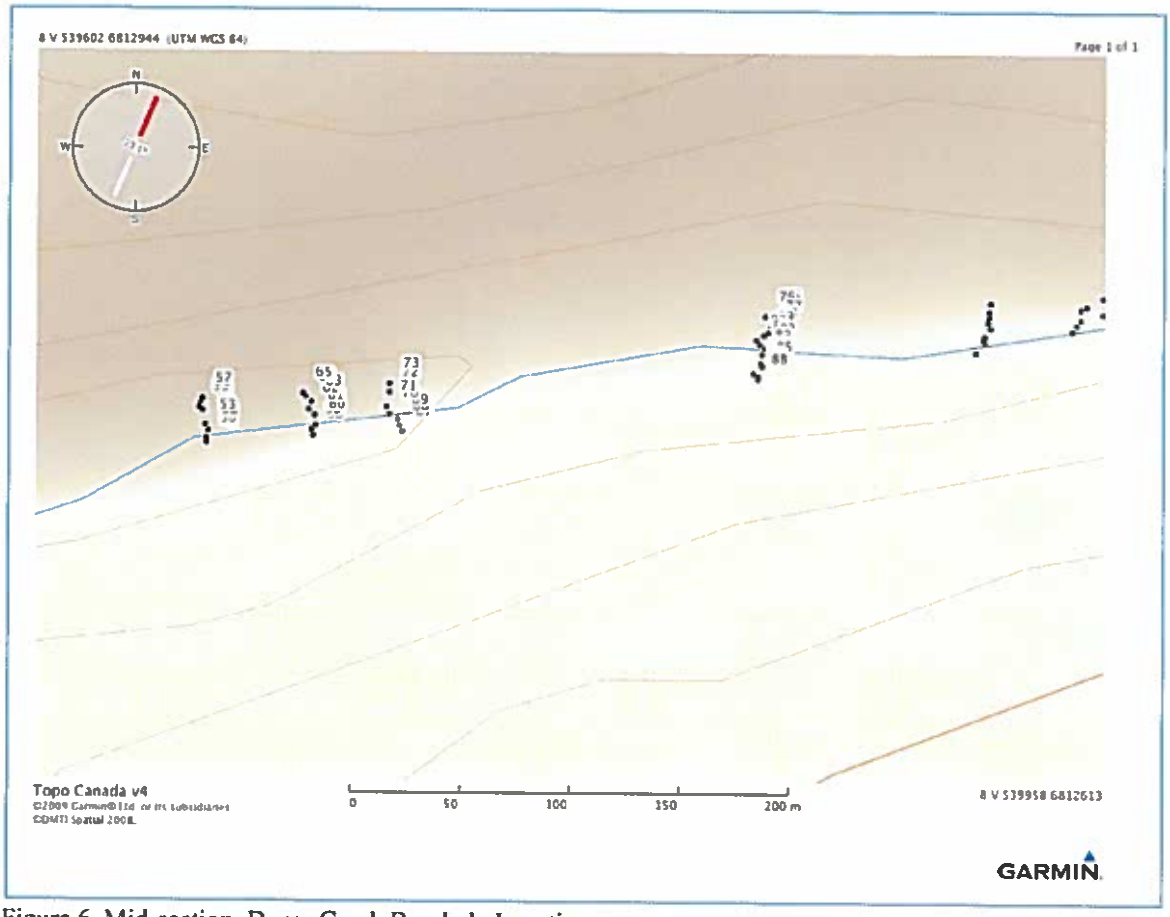


Figure 6. Mid-section, Dycer Creek Borehole Locations

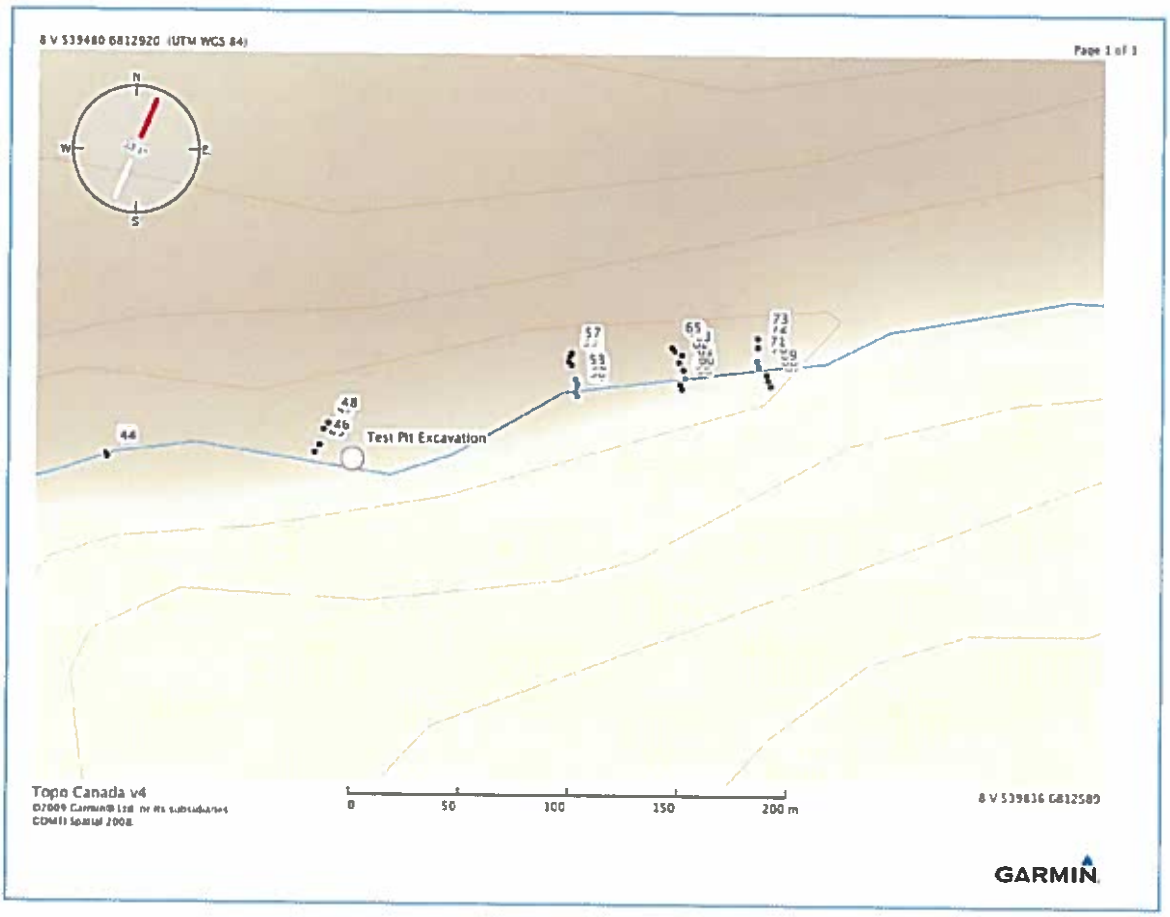


Figure 7. Test-pit section, Dycer Creek Borehole Locations

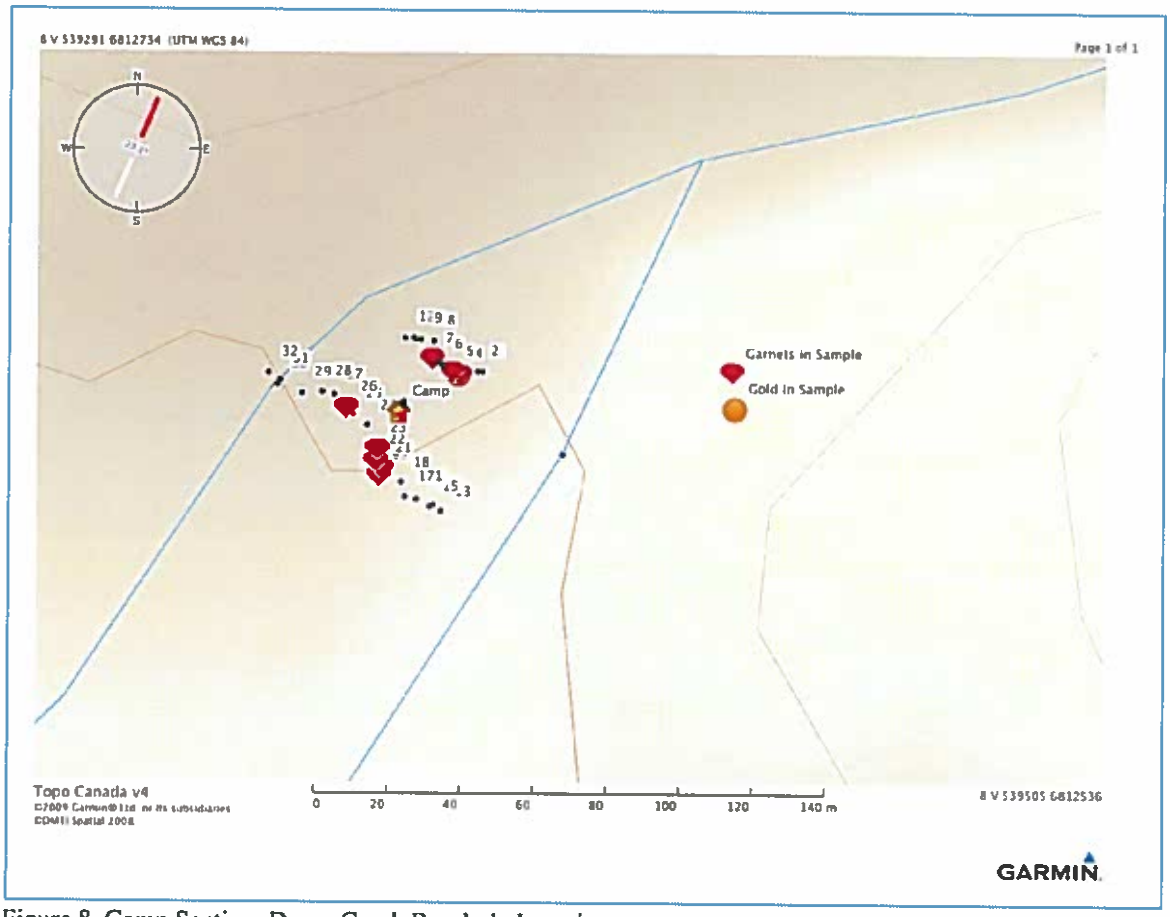


Figure 8. Camp Section, Dycer Creek Borehole Locations

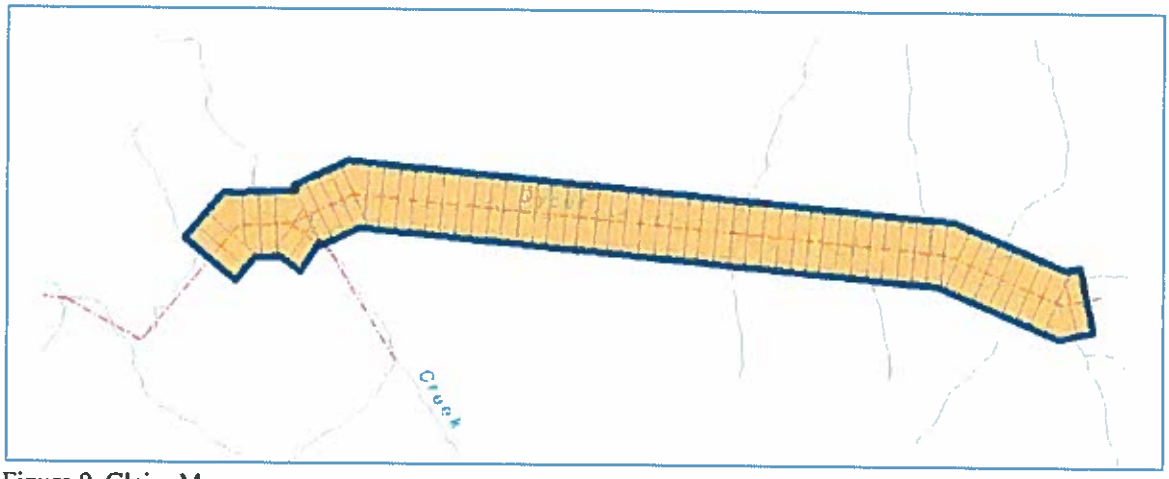


Figure 9. Claim Map

KRYOTEK

Statement of Qualifications

Jim Coates, President Kryotek Arctic Innovation Inc.

Education

- BSc. Physical Geography. University of Calgary
- MSc. Physical Geography. University of Ottawa

Geology, Prospecting and Exploration Experience

Yukon Geological Survey

- Bedrock mapping assistant to Maurice Colpron, Livingston area
- Placer assistant to Bill 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 – Exploration/Drilling, Candace Creek, Nines Creek, Mines Creek, Maisy May Creek, Patton Creek, Mila Creek
- HC Mining – Placer Exploration Drilling. Henderson, Tenderfoot Creeks, Yukon
- Bedrock Mining – Placer Exploration Drilling, Maisy May Creek
- CAW Mining – Placer Exploration Drilling, Barlow 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
- McQueston River Placer Properties

- Whitehorse Copper Tailings Ponds Gold Property
    - 2013 YMIP grant recipient

- Atlin Placer Prospecting, Spruce Creek

References

BOSTOCK, H.S. 1948. Physiography of the Canadian Cordillera, with Special Reference to the Area North of the Fifty-fifth Parallel. Geological Survey of Canada Memoir 247 (Report and Map 922 A). 106 p.

BOSTOCK, H.S. 1966. Notes on Glaciation in Central Yukon Territory. Geological Survey of Canada Paper 65-36 (Report, 1 figure and 7 plates). 18 p.

Colpron, M., 2005. Preliminary investigation of the bedrock geology of the Livingstone Creek area (NTS 105E/8), south-central Yukon. In: Yukon Exploration and Geology 2004, D.S. Emond, L.L. Lewis and G.D. Bradshaw (eds.), Yukon Geological Survey, p. 95-107.

LeBarge, W.P. 1996a. Placer Deposits of the Yukon: Overview and Potential for New Discoveries, *In*: LeBarge W.P. (ed.), 1996. Yukon Quaternary Geology Volume 1, Exploration and Geological Services Division, Northern Affairs Program, Yukon Region, p. 1-12.

LEVSON, V. 1992. The sedimentology of Pleistocene deposits associated with placer gold- bearing gravels in the Livingstone Creek area, Yukon Territory. *In*: Yukon Geology Volume 3, Exploration and Geological Services Division, Northern Affairs Program, Indian and Northern Affairs Canada, p. 99-132.

SMITH, C.A.S., TARNOCAI, C., and HUGHES, O.L. 1986. Pedological investigations of Pleistocene glacial drift surfaces in the central Yukon. Geographie physique et Quaternaire, vol. XL, no. 1, p. 29-37.

STROINK, L., and FRIEDRICH, G. 1992. Gold- sulphide quartz veins in metamorphic rocks as a possible source for placer gold in the Livingstone Creek area, Yukon Territory, Canada. *In*: Yukon Geology Volume 3, Exploration and Geological Services Division, Northern Affairs Program, Indian and Northern Affairs Canada, p. 87-98.

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.
22-Sep-2014	SS2014A
Terms	**Due Date**
Net 30	22-Oct-2014

Invoice To

Steven Swaim
Plac-Tech
737 Downie Street
Kamloops BC V2B 5T1

Amount Due	Enclosed
$10,001.25	

Details	Location	Project Name
Drill & Test Samples	Dycer Creek, YT	Placer Investigations

Date	Activity	Quantity	Rate	Sales Tax	Amount
22-Sep-2014	Drilling ($15/ft)	1	5,000.00	GST	5,000.00
22-Sep-2014	Testing Samples ($10/sample)	117	10.00	GST	1,170.00
22-Sep-2014	Camp Fee	1	200.00	GST	200.00
22-Sep-2014	Reporting	1	655.00	GST	655.00
22-Sep-2014	Helicopter Mobilization/Demobilization	1	2,500.00	GST	2,500.00

GST Registration No.: 817746712

SubTotal	9,525.00
GST @ 5%	476.25
Total	$10,001.25

Payment is due October 22, 2014. 2% interest will be charged on accounts later than 30 days.