KRYOTEK

Geophysical Results
Summit Creek, YT
Whitehorse Mining District
Assessment Report for
Placer

Date: September 12, 2016
NTS Map Sheet: 105E
GPS Points: 61° 20' 42" N, 134° 23' 18" W

By
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For
Bill LeBarge of
Geoplacer Exploration Ltd.
Whitehorse, YT

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Introduction

Overview

Kryotek Arctic Innovation Inc. conducted a total of two (2) geophysics surveys, for Geoplacer Exploration Ltd. on the 2 mile Summit Creek Creek prospecting lease (Livingstone placer area), in the Whitehorse Mining District, YT. The survey lines were conducted throughout the property using a Lippmann 4-point Resistivity System. The surveys were conducted by James Coates and Kieran O'Donovan of Kryotek Inc. on August 18th, 2016.

Map of Project Area

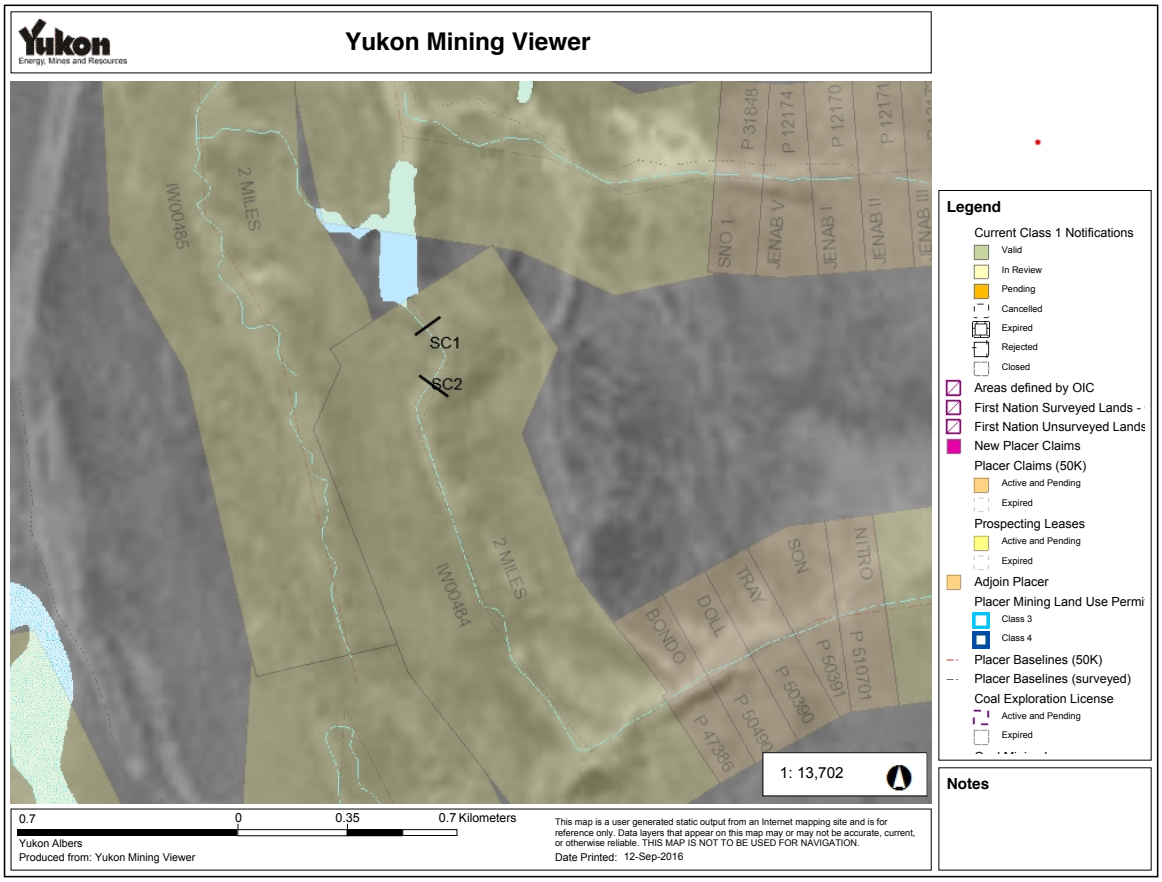

Figure 1– Location of Resistivity Surveys on Summit Creek Property, Yukon

Methodology

Resistivity was used for this area as the electrical properties of overburden, bedrock and mineralized fault systems are distinct and easily definable. A Lippmann 4- point Resistivity System was used. This system allows over 100 m of depth penetration.

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. Preliminary interpretations were conducted on the processed data.

DC Electrical Resistivity Tomography

This technique injects a direct electrical current into the ground surface, and then measures the voltage that remains at a number of distances from the injection point. As different soils have different resistances to electrical current, a tomogram (subsurface diagram) of resistivity can be produced.

Earth Imager 2D Software

Earth Imager 2D software (Advanced Geosciences Inc.) was used to invert and process the geophysics data. This software produces two-dimensional tomograms of resistivity data. The images were processed using both smoothed and robust inversion parameters in order to clarify transitions between material types as well as resistivity properties of those materials.

Data Interpretation

The images were interpreted by James Coates and features such as thawed regions, ice-rich permafrost, competent bedrock, degraded bedrock and top of bedrock contours were identified. James Coates has ten years of experience performing geophysics surveys in permafrost areas commercially and academically at the doctoral level.

These are preliminary interpretations. The southern Yukon area is a unique landscape with complex and poorly understood surficial and bedrock geology. Best efforts were made to identify ground material types based on surface exposure, borehole and test pit data as well as experience in the area. Geophysical readings and interpretations are complicated by the presence of permafrost, which greatly alters geophysical properties of soil.

Interpretations are subjective and highly dependent on the experience of the interpreter. General principles and assumptions followed in the interpretation are as follows:

1. Fine-grained materials over 600 Ohm/m are generally frozen.
2. Frozen gravels and ice-rich materials have much higher resistivity (up to 100,000 Ohm/m).
3. Frozen granite bedrock (as well as granite boulders) has a relatively low resistivity, similar to the thawed overburden in the area. There is little difference between frozen and thawed granite.
4. Frozen schist can have a very high resistivity due to the presence of interstitial water.
5. High-induced polarization chargeability in bedrock can indicate mineralization and faulting.
6. Low induced polarization chargeability in bedrock appears to indicate massive buried ice.
7. Low resistivity can indicate thawed and saturated areas.
8. Contrasts between resistivity readings indicate transitions between materials and are more important than absolute values.
9. Resistivity is the primary tool. IP sections are only provided when it provides insights in addition to the findings from resistivity data. As a result only resistivity images will be labeled, with supplementary information on the IP sections where relevant.

Limitations

The electrical resistivity and induced polarizations method provide an estimate of subsurface conditions only at the specific locations where lines were conducted and only to the depths penetrated, and within the accuracy of the method. Data gathered represents a hemispherical cross-section extending downwards from the surface. Results are more accurate closer to the surface and become more general with increasing depths. The presence of permafrost is a major complicating factor and can cause changes in resistivity of up to several orders of magnitude.

These data are indirect and the interpreted features subjective in nature, with identified anomalies based on a visual assessment of the characteristic signatures in the data coupled with information from nearby boreholes and test pits.

Interpretation is largely based on the experience of the operator with the specific equipment and terrain types. Certain material types can be very similar in resistivity, resulting in ambiguous results.

Geophysical Disclaimer

Subsurface information shown on these drawings was obtained solely for use in establishing design controls for the project. The accuracy of this information is not guaranteed and it is not to be construed as part of the plans governing construction of the project. It is the client's responsibility to inquire of the owner if additional information is available, to make arrangements to review the same prior development to conduct whatever site investigation or testing may be required, and to make their own determinations as to all subsurface conditions.

James Coates and Kryotek Arctic Innovation Inc. accept no liability whatsoever for any use or application of this information by any and all authorized or unauthorized parties.

This is a preliminary report with limited analysis. Complete analysis and detailed interpretation of each geophysics image has not been conducted. This report should serve only as a guide to understanding ground conditions surrounding boreholes and/or test pits, and is not to be used for planning or construction purposes.

Geophysical Survey Locations

Line	Start	End	Length
SC1	61.359017° 134.350383°	61.359619° 134.349588°	70m
SC2	61.357833° 134.349217°	61.357789° 134.34882°	60m

Table 1. GPS Co-ordinates for geophysical lines

Geophysical Results

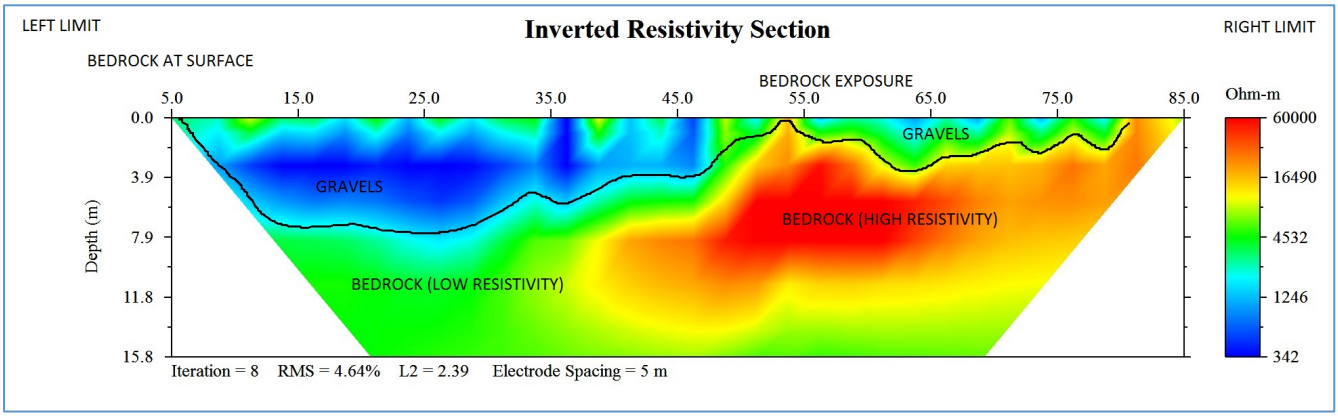

Figure 2– Line SC 1

This survey runs west-east across Summit Creek several hundred meters before it enters Summit Lake. Bedrock was exposed in canyon walls at each end of the survey. The valley bottom was flat and swampy with a potential bedrock rise in the valley center. A high and low resistivity (red and green coloured) bedrock appear to contact in the center of the valley, indicating a fault.

The main channel is closer to the left limit and is roughly 20 feet deep and 60-70 feet wide with indications of fluvial scouring and a small secondary channel 12 feet deep on the right limit.

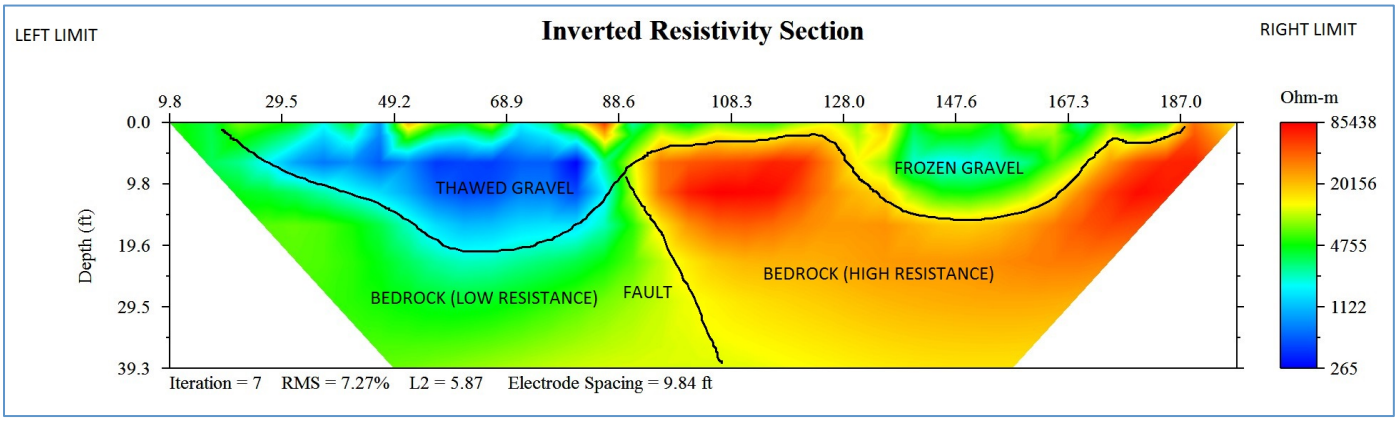

Figure 3– Line SC 2

This survey runs west-east across the Summit Creek valley several hundred meters upstream of SC1. The valley walls are steep bedrock with canyon cliffs. A highly defined fault is present in bedrock at 88 feet on the horizontal scale extending from near-surface to past the base of the survey. Permafrost is present at the surface near the right limit.

There are two-well-defined channels, one 20 feet deep on the left limit and the other 15 feet deep on the right limit. The left limit channel is thawed and the right limit channel is frozen. A thin layer of silt 3-5 feet thick may be present over the fluvial gravels.

Statement of Qualifications

I, James Coates of 173-108 Elliott Street, Whitehorse, Yukon, Canada
DO HEREBY CERTIFY THAT:

1. I am a Consulting Geomorphologist with current address at 173-108 Elliott Street, Whitehorse, Yukon, Canada, Y1A 6C4.
2. I am a graduate of the University of Calgary (B.Sc., 2004, Geography) and the University of Ottawa (M.Sc., 2008, Geography)
3. I have practiced my Profession as a Geomorphologist continuously since 2008.
4. I am President and shareholder of Kryotek Arctic Innovation Inc., a Yukon Registered Company.