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GroundTruth Exploration Inc.
Box 70, Dawson YT, Y0B 1G0 (867) 993-5612

Geophysical Report

on the

Independence Creek Prospecting Leases

Whitehorse Mining District

Lower Independence Lease No.: IW00437

Owner: Tao Henderson 100%

Independence Tributary Lease No.: IW00479

Owner: Jack Taforo 100%

Prepared by: Isaac Fage

GroundTruth Exploration Inc.

Lower Independence Lease Location: 62.949° N, 139.491 ° W
Independence Tributary Lease Location: 62.919° N, 139.493° W
NTS Mapsheet: 115J/13, 14
Surveyed on: September 28-29, 2016
Report Date: October 1, 2016

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Summary

A High Resolution DC Resistivity survey with coincident Ground Magnetic and Ground Penetrating Radar surveys were conducted on the Lower Independence and Independence Tributary 5 mile placer leases to map bedrock depth and classify overburden material. The lease are located approximately 125km South of Dawson City on Independence Creek which flows directly into the Yukon River (Figure 1).

The Independence tributary lease (IW00479) surveys were conducted by GroundTruth Exploration of Dawson, YT on September 28h, 2016 and Lower Independence lease (IW00437) surveys were conducted on September 29th, 2016. The property was accessed by helicopter based in Dawson City. On each lease, a total of two DC resistivity arrays were set up and read on a single cross creek profile and six Ground magnetic profiles were surveyed as well as six Ground Penetrating Radar profiles. The resulting dataset is being used to interpret depth to bedrock, depth of overburden horizons and look for potential of magnetite black sand pay channels

The DC Resistivity Survey was read using a Supersting R8 resistivity meter with 84 electrodes spaced at 3m on the Lower Independence lease, electrode spacing was set at 2m on the narrower Independence tributary lease. The GPR survey was done using a GroundRadar 30 MHz GPR system and Ground Magnetic survey was run using at GEM 19T Proton magnetometer. Mag and GPR profiles were run overlapping and adjacent to the DC Resistivity Survey, both in continuous read modes at a line spacing of 50m.

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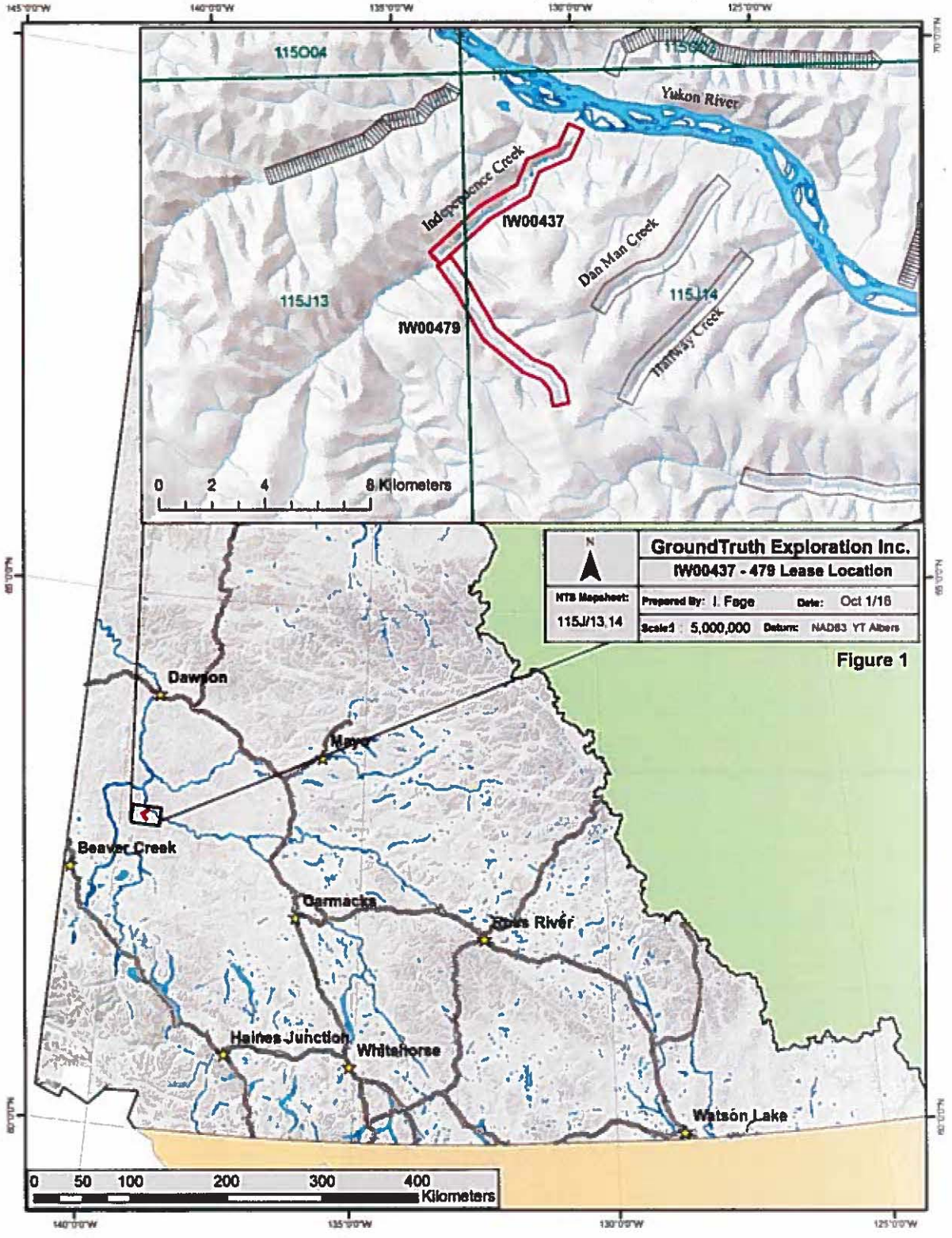

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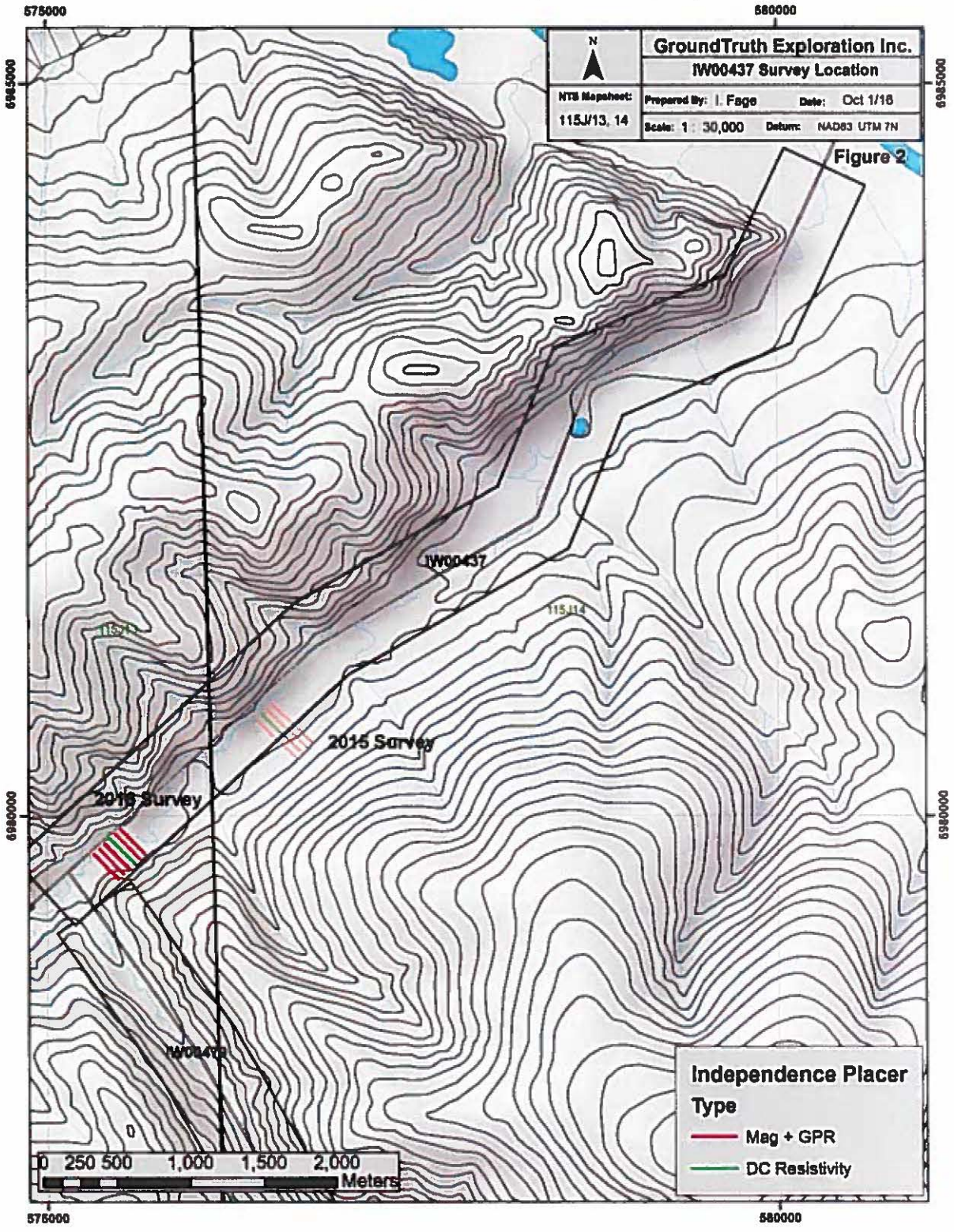

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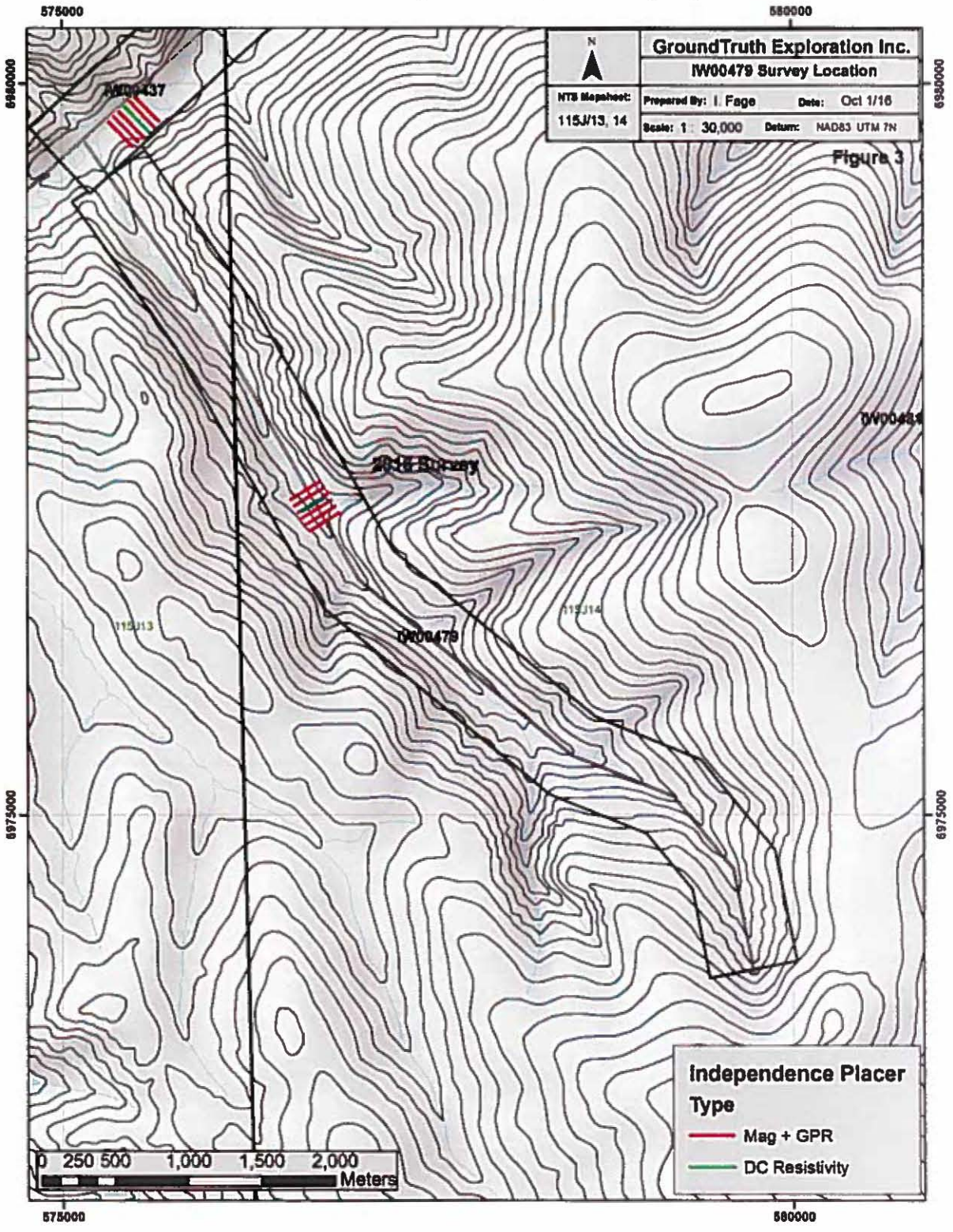

1.1 Location and Access

The prospecting leases are located approximately 125km South of Dawson City within the Yukon River drainage system in west-central Yukon Territory. The Lower Independence Lease is centered at 62.949° N, 139.491 ° W, the Independence Tributary Lease is centered at 62.919° N, 139.493° W. Post 1 for the Lower Independence lease is on NTS mapsheet 115J/14 (Figure 2). Post 1 for the Independence Tributary lease is found on NTS 115J/13 (Figure 3). It is accessible in winter on the Yukon River via snowmobile and accessible by helicopter year round. The adjacent Coffee Gold Camp has an airstrip that is accessible year round.

1.2 Physiology and Geology

The prospecting leases are located within the Yukon-Tanana Terrane. The landscape is composed broad valleys bordered by moderately sloped, tree covered hills ranging in elevations from 1200 to 5000 feet. The area experiences typical climatic conditions for central Yukon Territory with short, warm and dry summers and cold winters. Temperatures range from 0°C to -50°C in the winter and 0°C to +30°C in the summer.

Both drainages are characterized by incised valleys with steep hill slopes. Independence creek has a broad valley floor 400-1000m for the extent of the lease. The tributary creek holding the IW00479 lease is a smaller drainage which has a valley floor of <50m-300m. Both leases are draining from headwaters that are associated with the economically significant Coffee Gold deposits. The Independence Creek placer lease is completely underlain by a Devonian-Mississippian metamorphic unit. See Figure 4.

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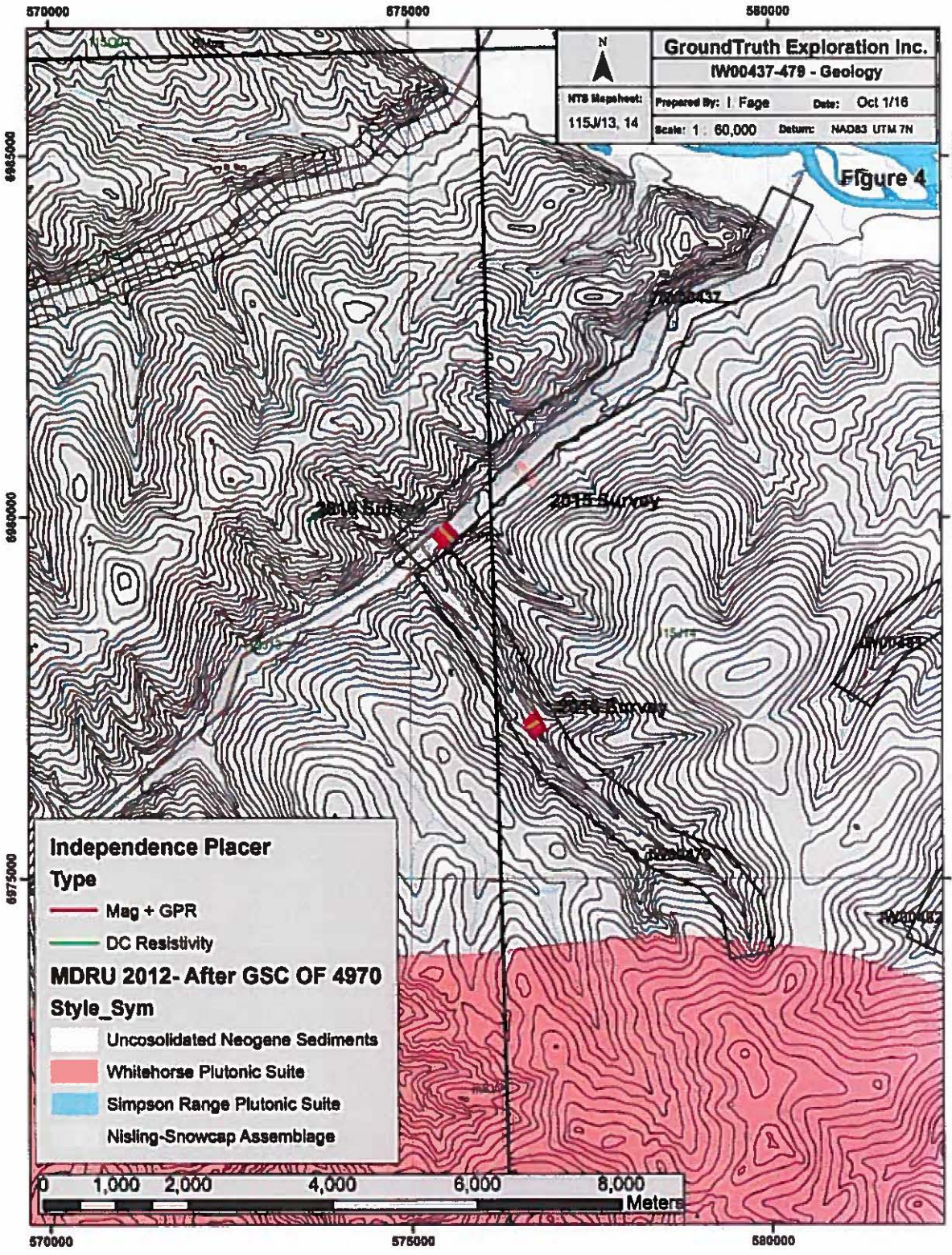

2.0 Survey description and Procedures

2.1 DC Resistivity Survey

GroundTruth Exploration Inc., of Dawson YT conducted the resistivity survey on the Independence Tributary Lease on Sept 28/16, the Lower Independence lease survey was run on Sept 29/16. The crew accessed both leases by helicopter based from Dawson City. The resistivity profile on the Lower Independence Lease was positioned 0.5km downstream from the end of the lease. The DC Resistivity survey on the Independence Tributary Lease was conducted 2.6km upstream from the start of the lease.

The DC Resistivity survey was completed using Advanced Geoscience Inc., Supersting instrument (instrument specs in appendix) .The instrument is placed at a center point of the traverse; referred to as electrode #42, with 42 electrodes on either side. The Supersting gathered apparent Resistivity and Induced Polarization, using the -following arrays:

1. **Inverse Schlumberger** SI Array (with expanding AB and MN dipoles) A=3m
2. **Dipole Dipole** DD Array (with expanding AB and MN)

The traverse was surveyed with a ProMark3 DGPS units and post processed using GNSS Solutions to obtain accurate horizontal and vertical position.

Field Survey Operating Procedures:

- A crew of 5 is deployed to run survey.
- The midpoint of a traverse is located and the line is sighted-in using a DGPS.
- Minimal brush is cut along line to sight pickets and lay cables
- Crew places electrode at 3m spacing with measuring tape
- Electrodes are hammered to a depth of 30cm (10% of electrode spacing)
- Cables are laid and attached to the electrodes
- Contact resistance test is conducted
- Calcium Chloride (25% solution) added to all electrodes >2k ohms. CRT reread.
- Extra electrodes added to high CR electrodes. CRT reread.
- With satisfactory Contact Resistance, Resistivity survey is Read.
- Operator surveys the traverse using DGPS and marks the traverse with pickets every 10 electrodes.

Data Processing:

The collected data is downloaded in the field after every array and checked for integrity. This allows any field errors to be identified before moving the equipment. The RES data is processed daily by the lead operator using EarthImager2D software provided by Advanced Geosciences Inc. Resistivity data-misfits are removed and the cleaned data-set is inverted. The same process is done with the IP data. Terrain corrections collected using a differential GPS are applied to the inversions. The DGPS data is processed using GNSS Solutions software. A .csv is created containing the DGPS traverse points collected. All instrument raw data from the DGPS and SuperSting are archived. An ESRI shape file is created containing the traverse points collected.

Survey Results:

IW00437: Lower Independence

Results from the Survey are currently being processed, finals with interpretation will be submitted as addendum to this report.

IW00479: Independence Tributary

Results from the Survey are currently being processed, finals with interpretation will be submitted as addendum to this report.

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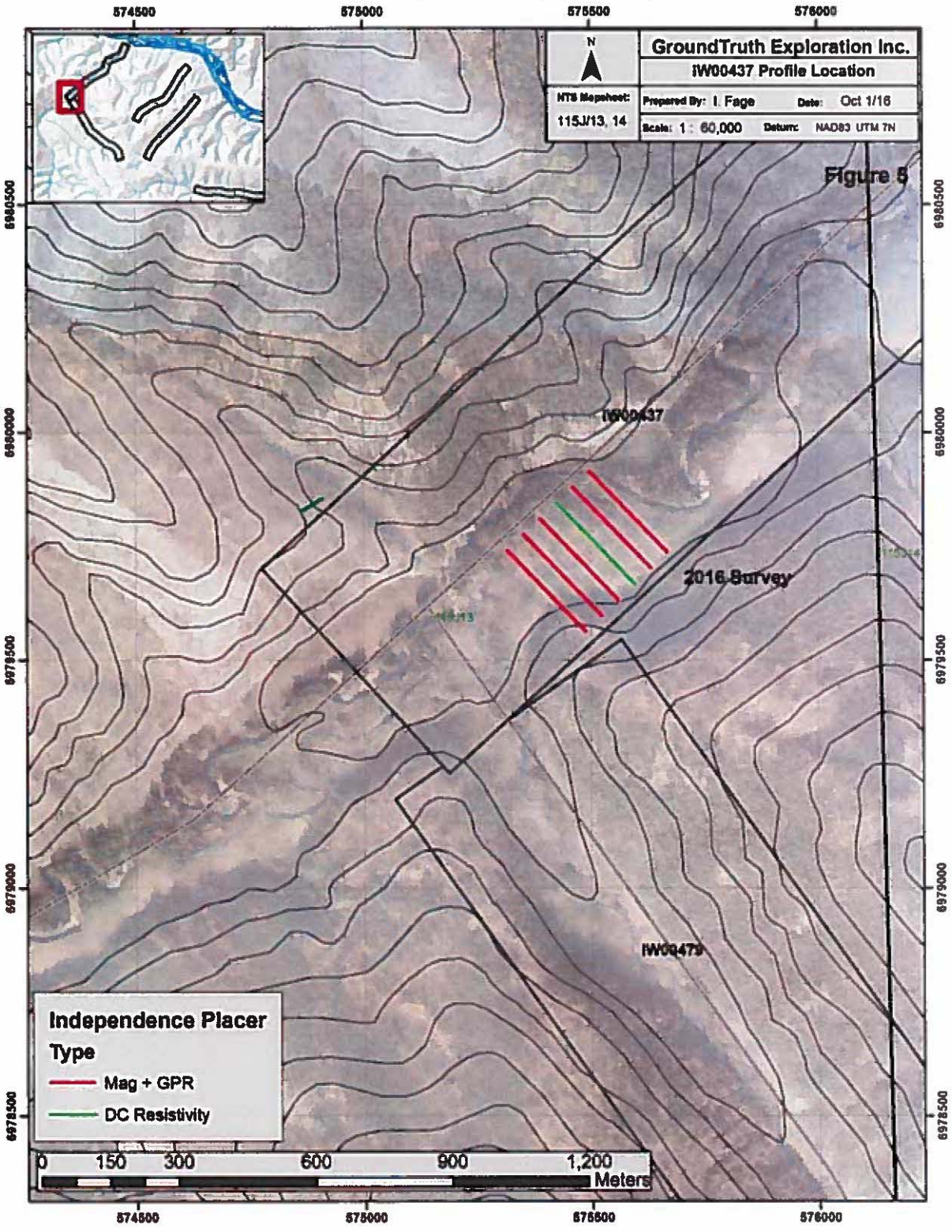

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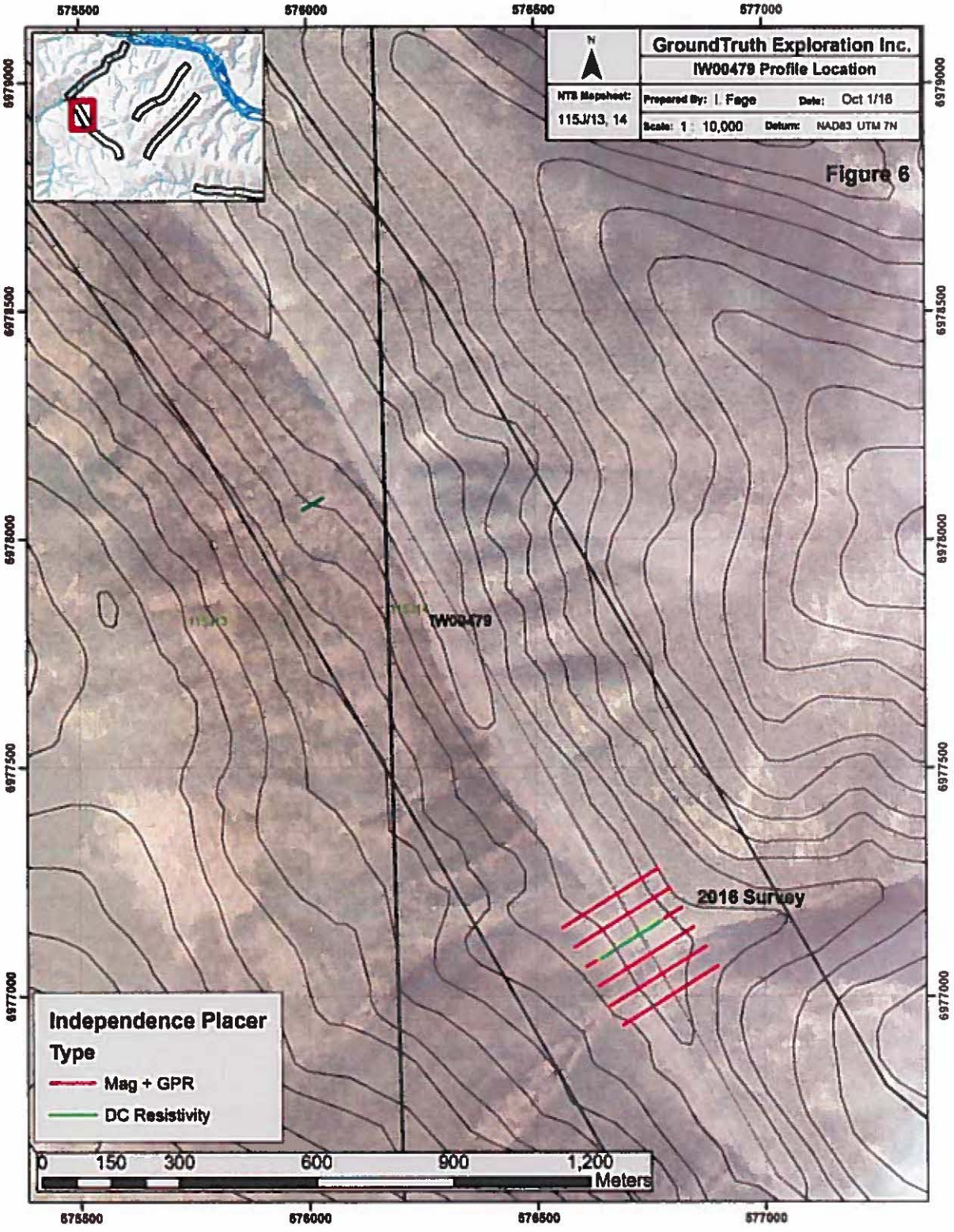

2.2 Ground Penetrating Radar Survey

GroundTruth Exploration conducted GPR surveys on September 28, 2016 on IW00479 and on September 29, 2016 on IW00437. The survey consisted of 6 cross creek profiles. The lines spacing was 50m. The overlapping GPR/DC Resistivity provides a good opportunity to evaluate agreement between the surveys. This method was tested and deemed useful on the location of the 2015 survey on the Lower Independence lease.

GPR system and basic principle

Ground penetrating radar(GPR) works like seismic, in that it is based on transmitting energy to the ground and measuring the time taken for the energy to be reflected back at geological targets, be they localised ore-bodies or geological interfaces/boundaries. Instead of seismic or shock waves, GPR transmits electromagnetic energy of high frequency compared to other geophysical methods. It is a very high resolution technique that is very site specific, for example it works very well where the target is within a host rock that has a higher electrical resistivity compared to the target itself, and where there are no conductive surficial layers to absorb radar energy before reaching the target. Another important factor is that radar energy can be scattered and not captured optimally if the reflecting geology or target is not consolidated or of a certain geometry. In conducive settings GPR is a fast high resolution method, can be operated by a single person and can supplement other geophysical methods very well. For this particular project, the 30MHz UltraGPR supplied by Groundradar (see www.groundradar.com) was used. The system works together with a differential GPS (RTK-DGPS) for data positioning and a portable data logger.

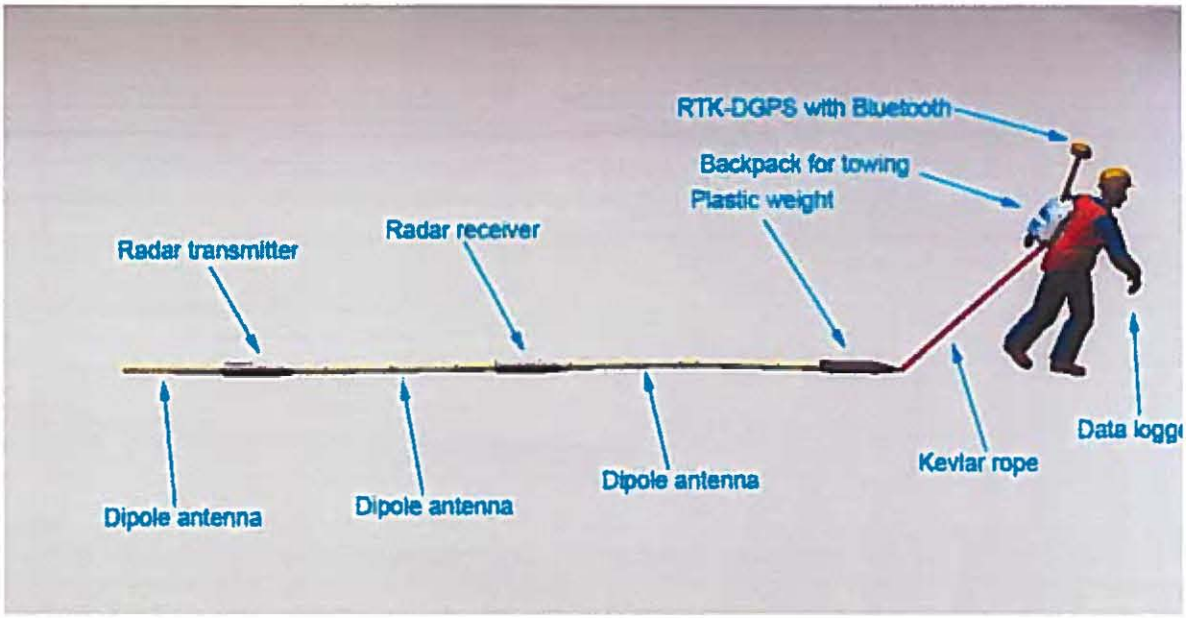

Diagram- UltraGPR 30MHz system

GPR Results:

** Survey Data has been sent to GroundRadar Inc. for processing and finals/interpretation will be sent as an addendum to this report upon receipt.

2.3 Proton Magnetometer Survey

GroundTruth Exploration conducted ground magnetic surveys on September 28, 2016 on IW00479 and on September 29, 2016 on IW00437. The survey consisted of 6 cross creek profiles. The lines spacing was 50m. The overlapping Mag/DC Resistivity provides a good opportunity to look for correlations of mag highs with interpreted resistivity bedrock troughs.

The Total Field Ground survey is typically conducted with one operator only. No grid is required as all magnetic readings are read with corresponding GPS location. The operator is responsible for efficient operation of survey and ensuring optimal data quality. The operator downloads, corrects with base and plots all data nightly to ensure ongoing consistency throughout the survey.

The following equipment was used for the completion of the survey:

Magnetometer Field Unit:	GEM Systems GSM-19T Proton Magnetometer
Base Station:	GEM Systems GSM-19T Proton Magnetometer
Processing:	Laptop computer
Software:	GEM Link software for mag upload/download Mapinfo-Discover for diurnal correction/plotting

Survey Specifications

The magnetometer survey was conducted according to the following specifications:

Field Magnetometer Observation Frequency: 1 reading per 0.5 of a second.

Base Station Magnetometer: Set to record an observation every 10 seconds for the duration of the survey.

Datum: 57500 nT

Levelling: None required

Magnetic Field Theory Applied to Placer Exploration

In a placer setting, magnetite derived from bedrock weathering is concentrated in the main channel of a creek or river where the water flow has the highest velocity and the greatest turbulence. As a result, minerals with high specific gravity (magnetite, ilmenite, gold, etc.) are

preferentially concentrated in this region of the stream as material with lower specific gravity in winnowed from the sediment. High concentrations of "black sand" (magnetite, ilmenite, chromite) are often recorded in auriferous pay streaks where the stream bed has remained relatively immobile for some period, permitting hydraulic concentration to build up a significant volume of these materials.

The materials comprising black sand are magnetically susceptible. Magnetite has a very high magnetic susceptibility of 1200-19200 x 10 -3 SI units, ilmentie ranges from 300-3500 x 10-3 SI units, and chromite measures from 3-1100 x 10-3 SI units. Average magnetic susceptibilities for sedimentary, igneous (excluding ultramafic) and metamorphic rocks are: 0-10, 3-160 and 0-70 x 10-3 SI units respectively. Fluvial sediments register magnetic susceptibility in the range of 0-2 x 10-3 SI units. There is consequently a significant susceptibility contrast between gravels enriched with black sand and average gravels/ underlying bedrock.

Field Survey Operating Procedures

The survey is completed in the field according to the following procedure:

Field Magnetometer Observation Frequency: 1 reading per 0.5 of a second.
Base Station Magnetometer: Set to record an observation every 20 seconds for the duration of the survey.
Operator uploads survey grid endpoints to Field magnetometer unit
The base station is established in an accessible location that will not be disturbed on or near the survey site.
Base station site is marked with a picket and location recorded for future use.
Operator runs survey with internal GPS recording position and navigates survey lines using internal mag GPS.
At end of day each survey day, Operator downloads Field and Base magnetometers, processes diurnal corrections and plots survey to assess data quality.

Data Processing

The Total Field Magnetic survey data is georeferenced to NAD83 UTM projected coordinates using the internal GPS in the field magnetometer. Base and rover magnetometers are synchronized to GPS time prior to each survey day. Temporal geomagnetic variation is removed by linear interpolation using the base station data. Corrected data is screened for noisy or erroneous values and is then plotted.

The diurnally corrected and filtered data is then Reduced to Pole (RTP) based on the International Geomagnetic Reference Field (IGRF)

A high pass filter is applied to the RTP grid, followed by a Tilt Derivative filter being applied to the high pass filter grid.

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Magnetic Survey Results

** Survey Data has been sent to GroundTruth contract geophysicist for processing and finals/interpretation will be sent as an addendum to this report upon receipt.

3.0 Project Expenses

DC Resistivity/GPR/Drone Surveys by GroundTruth Exploration Inc.:

Sept 28, 2016: IW00479

Schedule 'A' GroundTruth Exploration Inc.: Invoice

Placer Exploration - Trib of Independence Creek 5 mile Placer Lease: ID00479

Overview:

1 Day survey on Tributary of Independence Creek Lease with a crew of 5, 1 profile DC Resistivity surveyed with overlapping and surrounding coverage of ground magnetics and ground penetrating Radar. Interpretation and Assessment Report by GroundTruth Exploration. Survey work was conducted on September 28, 2016.

DC Resistivity - Ground Mag - GPR:	Chargeout	Units	Costs	
DC Resistivity Wages				
1 DC Resistivity Operator/Forman	$ 550.00	1	$ 550.00	
2 Geophysical Operators - Mag/GPR	$ 475.00	2	$ 950.00	
2 DC Resistivity Field Assistant(s)	$ 385.00	2	$ 770.00	$ 2,270.00
DC Resistivity, Mag and GPR Survey Equipment and Processing				
Supersting R8 DC Resistivity System	$ 600.00	1	$ 600.00	
GEM Systems 19T Proton Magnetometer (Walk and Base Units)	$ 300.00	1	$ 300.00	
GroundRadar 30Mhz GPR System	$ 300.00	1	$ 300.00	
Field Laptop/Software for nightly download	$ 50.00	1	$ 50.00	
Handheld data logger/GPS/Camera/InReach (per man-day)	$ 25.00	5	$ 125.00	
3rd Party GPR Processing at $100/profile	$ 100.00	6	$ 600.00	
DC Resistivity Inversion finals 2h per surveyed profile	$ 75.00	2	$ 150.00	
Ground Mag Finals 2h per survey day	$ 75.00	2	$ 150.00	$ 2,275.00
Interpretation and Reporting:				
Assessment Report ($75/hr)	$ 75.00	8	$ 600.00	$ 600.00
			DC Resistivity, Ground Magnetic and GPR Survey Total:	$ 5,145.00

I. Foge, Oct 1/16

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Sept 29, 2016: IW00437

Schedule 'A' GroundTruth Exploration Inc.: Invoice

Placer Exploration - Lower Independence Creek 5 mile Placer Lease: ID00437

Overview:

1 Day survey on Tributary of Independence Creek Lease with a crew of 5, 1 profile DC Resistivity surveyed with overlapping and surrounding coverage of ground magnetics and ground penetrating Radar. Interpretation and Assessment Report by GroundTruth Exploration. Survey work was conducted on September 29, 2016.

DC Resistivity - Ground Mag - GPR:	Chargeout	Units	Costs	
DC Resistivity Wages				
1 DC Resistivity Operator/Forman	$ 550.00	1	$ 550.00	
2 Geophysical Operators - Mag/GPR	$ 475.00	2	$ 950.00	
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DC Resistivity Inversion finals 2h per surveyed profile	$ 75.00	2	$ 150.00	
Ground Mag Finals 2h per survey day	$ 75.00	2	$ 150.00	$ 2,275.00
Interpretation and Reporting:				
Assessment Report ($75/hr)	$ 75.00	8	$ 600.00	$ 600.00
			DC Resistivity, Ground Magnetic and GPR Survey Total:	$ 5,145.00

I. Fage, Oct 1/16

4.0 Statement of Qualifications

I, Isaac Fage have been president of GroundTruth Exploration in Dawson City since May 2010. I have overseen the collection of 400,000 + soil samples, numerous geophysical, UAV drone and drill programs across numerous projects in Yukon Territory. I have worked continuously in Mineral Exploration since 2004. I hold an advanced diploma in Remote Sensing from the Centre of Geographic Sciences in Lawrencetown, Nova Scotia.

I have overseen the survey work described in this report on the Lower Coffee and Dan Man Creek placer leases.

Dated this 1st day of October, 2016 in Dawson, YT.

Respectfully submitted

Isaac Fage

5.0 Conclusions and recommendations

The surveys conducted will produce a coherent interpretation of the subsurface. DC Resistivity has been determined as an effective tool to map overburden interfaces and depth to bedrock on past adjacent surveys in this area. The combination of DC Resistivity with Mag and GPR will be interpreted when data returns from processing geophysicists to evaluate the relationship of GPR reflectors and magnetic signature to determine if these tools are effective in building confidence for targeting on placer potential on these leases. Acquiring full drone coverage prior to future DC Resistivity surveys will assist in evaluating placer potential with topography and precise placement of profile lines to avoid unsuitable ground or vegetation conditions. Followup drilling with a heliportable, track mounted drill is recommended on the targets identified in this report.