



GroundTruth Exploration Inc.

Box 70, Dawson YT, Y0B 1G0 (867) 993-5612

Geophysical and Drone Imaging Report

on the

Upper Barker and Upper Ballarat Placer Prospecting Leases

Dawson Mining District

Upper Ballarat Lease No.: ID01359

Owner: Peon Chang 100%

Upper Barker Lease No.: ID01364

Owner: Allison Rippin Armstrong 100%

Prepared by: Isaac Fage

GroundTruth Exploration Inc.

Upper Barker Lease Location: 603700 6989000 NTS Mapsheet:115O/02

Upper Ballarat Lease Location: 603500 6987100 NTS Mapsheet: 115J/15

Surveyed on: June 2nd, November 19th, 2016

Report Date: November 22, 2016



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Summary

The Upper Barker and Ballarat placer leases were surveyed with UAV 'Drones to generate high resolution imagery and topographic models on June 2nd, 2016. Follow up ground geophysical surveys were conducted on focused targets deemed to be prospective for placer potential on November 19th, 2016. The upper Ballarat and upper Barker placer leases are located in the Dawson Mining District on NTS Mapsheets 115J/15 and 115O/02.

Ground Penetrating Radar (GPR) cross creek profiles were surveyed on the Upper Barker lease to assess depth to bedrock. A Ground Magnetic survey was run on the upper Ballarat survey to look for presence of magnetite bearing pay channels. The UAV drone survey was planned to cover the full extent of each lease. Full coverage was achieved on the Barker lease and partial coverage on the Ballarat lease was completed on the June 2nd survey.

The Upper Barker/Ballarat surveys were conducted by GroundTruth Exploration of Dawson, YT. on November 19th 2016. The property was accessed by helicopter from Dawson City. On lease IDO1364, six cross valley GPR profiles were surveyed. On lease IDO1359, six cross valley magnetic profiles were conducted. 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 GPR survey was done using a GroundRadar 30 MHz GPR system and Ground Magnetic survey was run using a GEM 19T Proton magnetometer. Aerial imaging was conducted with a Sensefly Ebee drone.

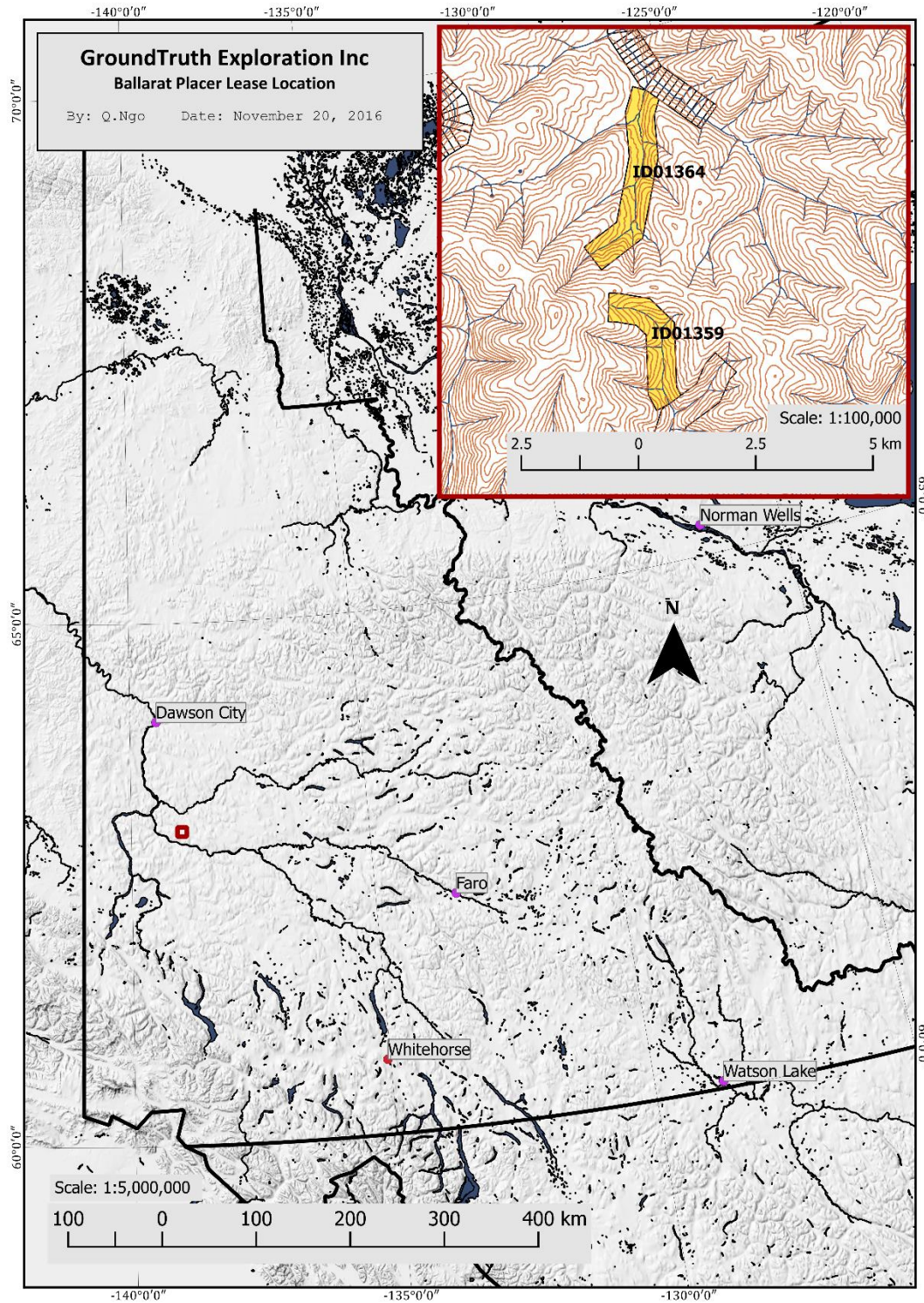


Figure 1: Overview

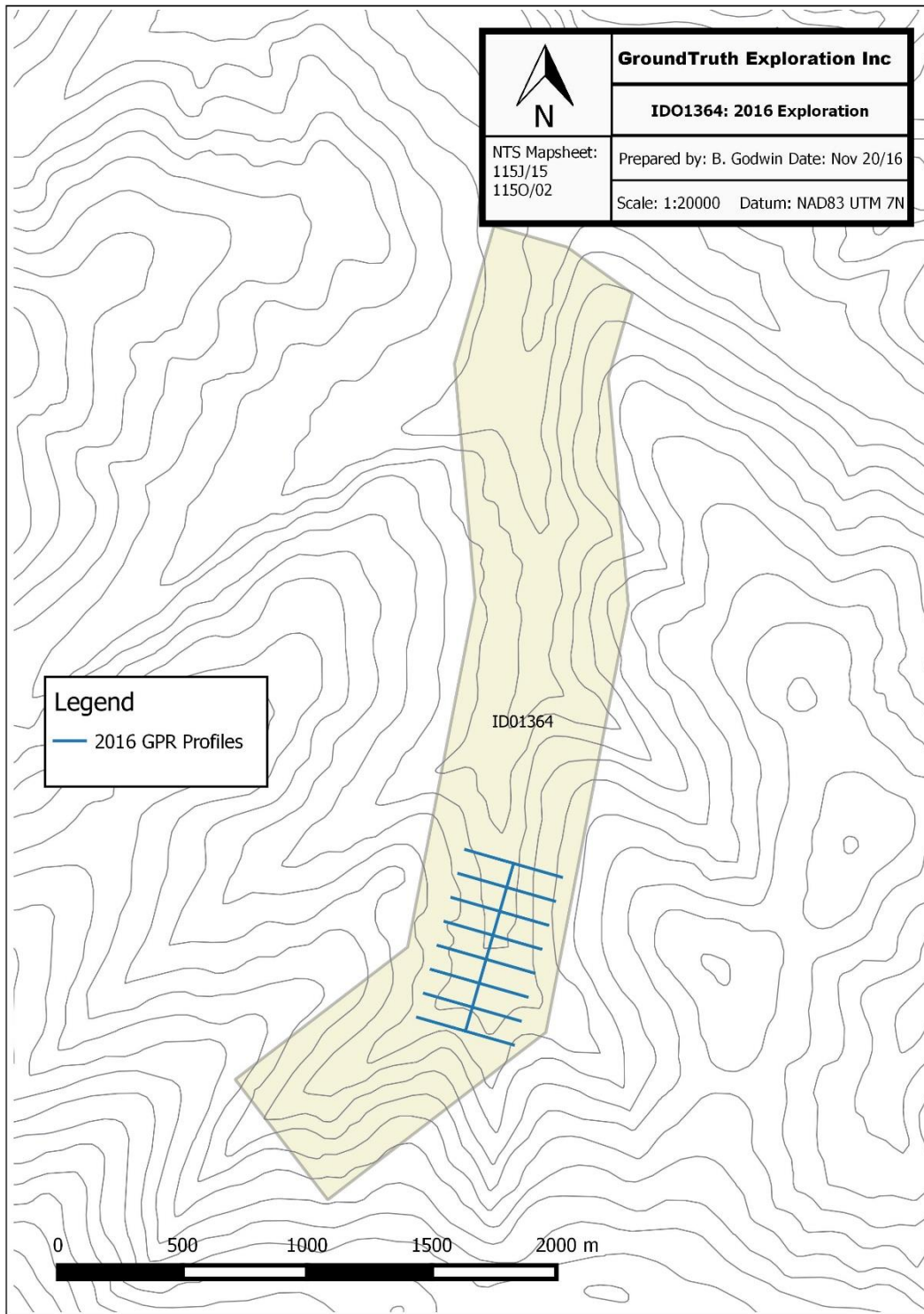


Figure 2 Layout of GPR profiles on ID01364

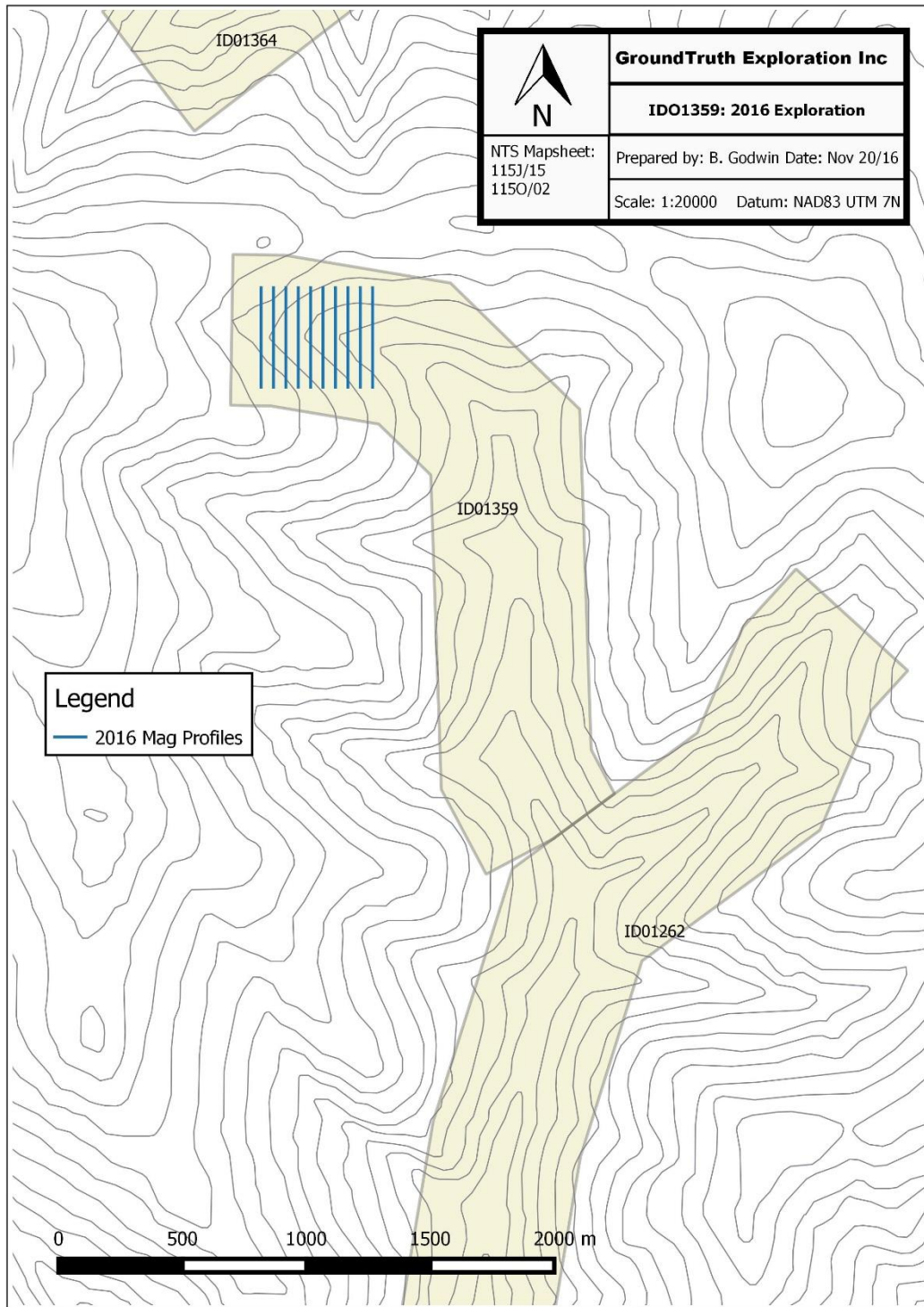


Figure 3 Layout of Ground Magnetic profiles on ID01359

1.1 Location and Access

The prospecting leases are located approximately 120km South-Southeast of Dawson City within the Yukon River drainage system in west-central Yukon Territory (figure 1). The Upper Barker Lease is centered at 603700N 6989000E NTS mapsheet 115O/02, the upper Ballarat Lease is centered at 603500 N 6987100E NTS mapsheet 115J/15. Access is available by helicopter from Dawson city. There is also fixed wing access to nearby Coffee, Ballarat, Scroggie and Thistle airstrips.

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. Upper Barker has a narrow and steeply sloping drainage. Upper Ballarat is a smaller drainage which has a valley floor width <100 m. Both leases are draining from headwaters that are associated with the Stakeholder Resources Corp.'s Ballarat claims.

The underlying bedrock from the headwaters of both creeks is mapped by YGS as Tonalite-Intermediate to mafic orthogneiss. Outcrop is not present on either of the leases.

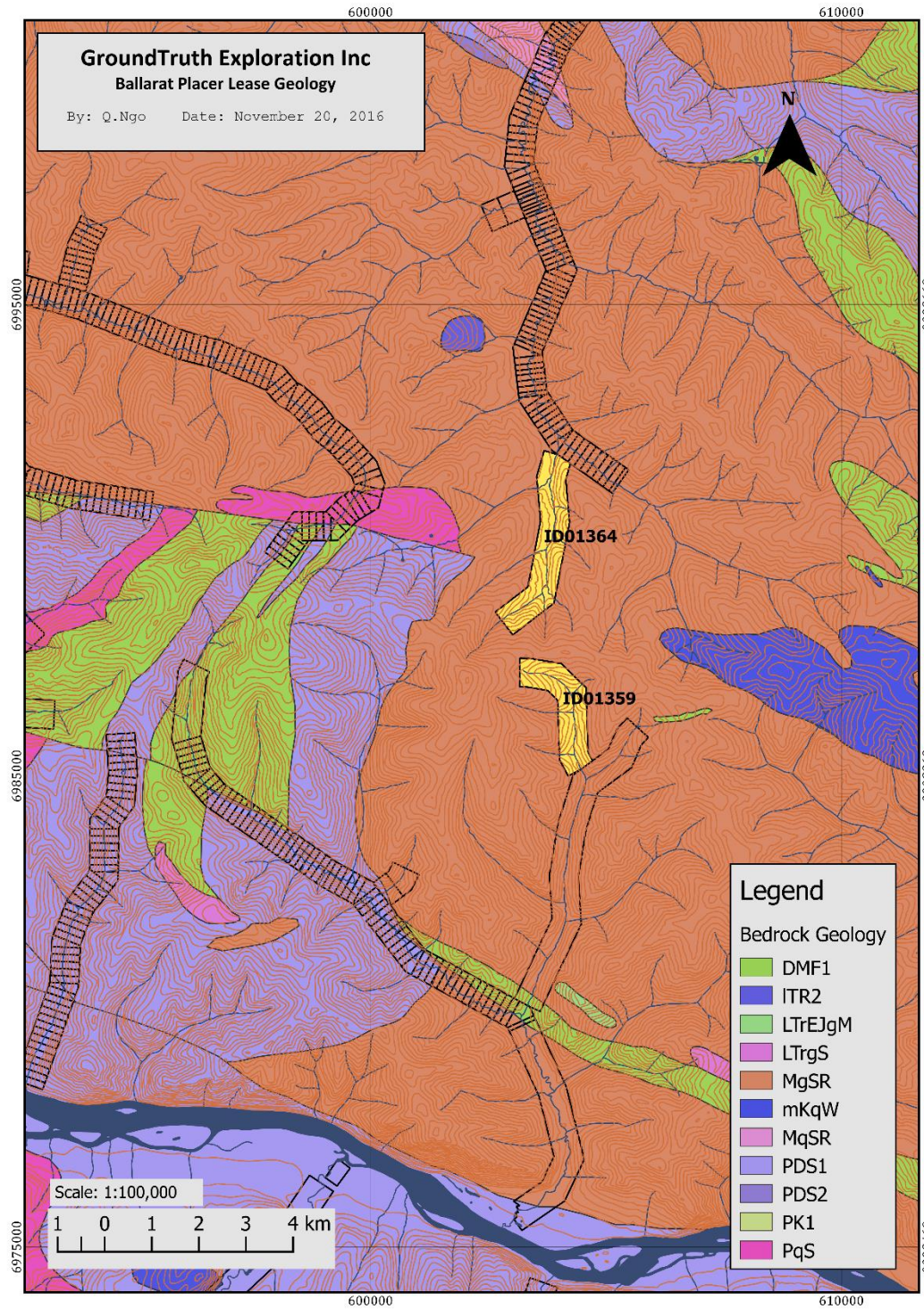


Figure 4: Geologic setting



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2.0 Survey description and Procedures

Groundtruth exploration conducted UAV flights over the leases in conjunction with GPR and ground magnetic surveys on November 19 2016. GPR consisted of 8 cross valley profiles and 1 valley bottom profile. Line spacing was 50 meters. The Magnetic survey consisted of 8 cross valley profiles and the line spacing was 50 meters. The UAV survey failed to totally image the Upper Ballarat lease due to equipment problems associated with the cold ambient temperatures.

2.1 UAV Drone Survey

The Drone survey is typically conducted by one trained operator and one spotter. The lead operator is responsible for coordinating efficient operation of survey and ensuring optimal data quality, the spotter is responsible for maintaining visual contact with the drone, monitoring the radio, and looking for flight path conflicts.

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

UAV Drone:	Ebee UAV 'Drone' with internal GPS and radio link
Camera:	Cannon 16 megapixel camera
Base Station:	Panasonic Toughbook laptop with radio link
Power Generation:	1000watt Honda generator (for battery charging)
GPS units:	2x Promark3 GPS receivers (if GCPs are collected)
Radios:	VHF radio with aircraft frequencies
Processing:	Laptop computer with adequate RAM
Software:	Emotion software for flight planning/monitoring Postflight Terra3D for image Orthorectification

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

- Survey is planned using Emotion software prior to departing for field.
- Spatial resolution, footprint, number of planned flights and launch location is determined.
- Operator arrives onsite and sets up base station, UAV unit and ensures adequate launch and landing path is available.
- Prior to launch, operator calls out on Aircraft frequencies to notify Drone survey in progress. Through duration of survey, operator calls out every 5 minutes to notify aircraft of survey in progress.
- Operator Hand launches aircraft and flies survey as planned with number of required flights and maintains visual contact with the UAV
- Data is downloaded from drone after each flight and inspected for quality.
- After survey, all imagery and drone data files are Orthorectified using Postflight Terra 3D software package.

The collected data is downloaded in the field after every flight and checked for integrity. This allows any low quality imagery to be identified and resurveyed while onsite. The drone imagery data is processed every evening by the lead operator in the field using Postflight Terra 3D software provided by Sensefly. The initial orthorectified image product is generated by an automated process. This image is then cleaned up manually within the Postflight software by visually checking for low quality portions of the image and selecting another overlapping image for that location. The final cleaned image and DEM product is the result of this manual QC



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process. The final Image and DEM are georeferenced to NAD83 UTM projection. A final QC report is generated automatically with the final cleaned product.



Figure 5 EBEE drone

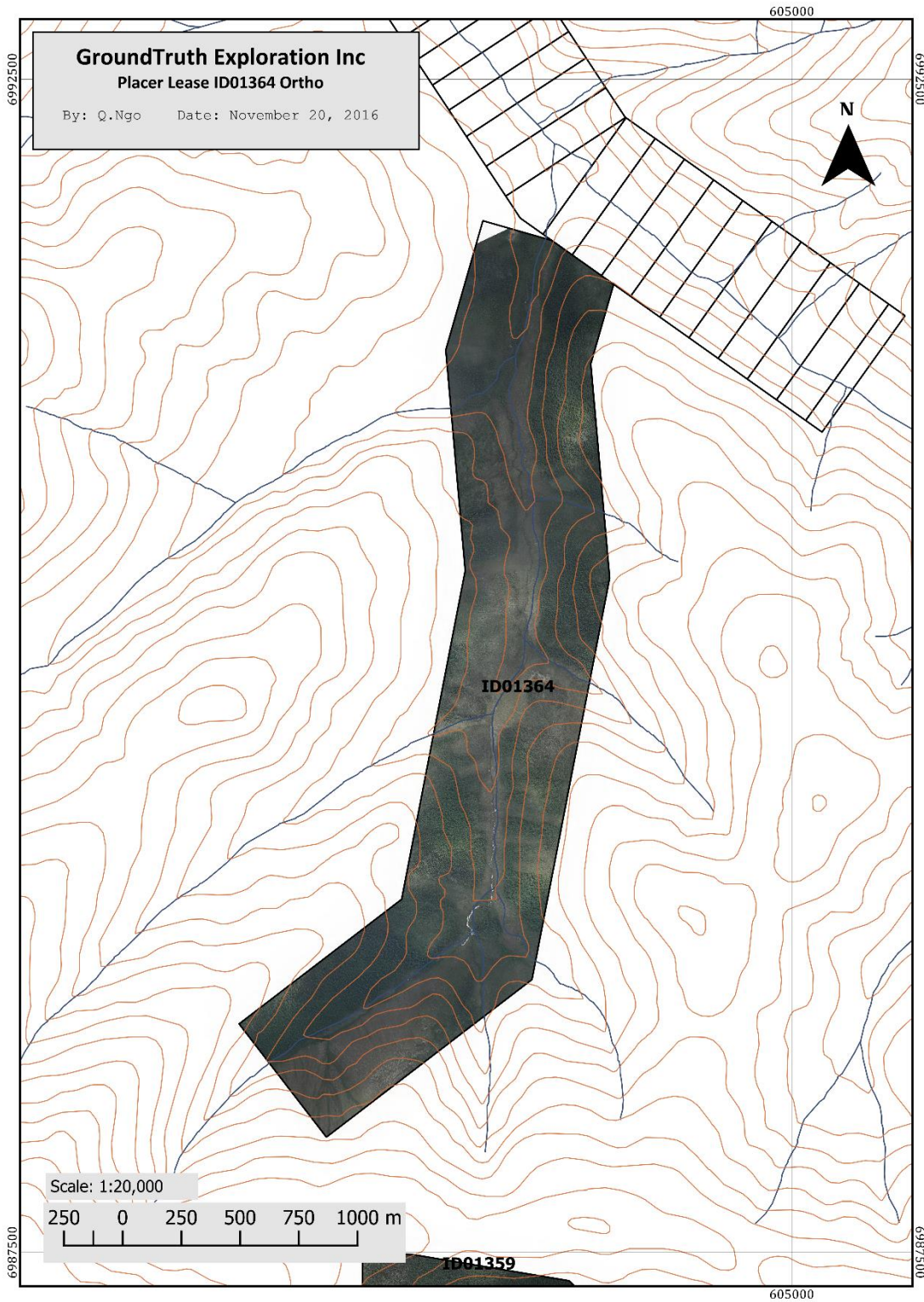


Figure 6 Orthomosaic ID01364

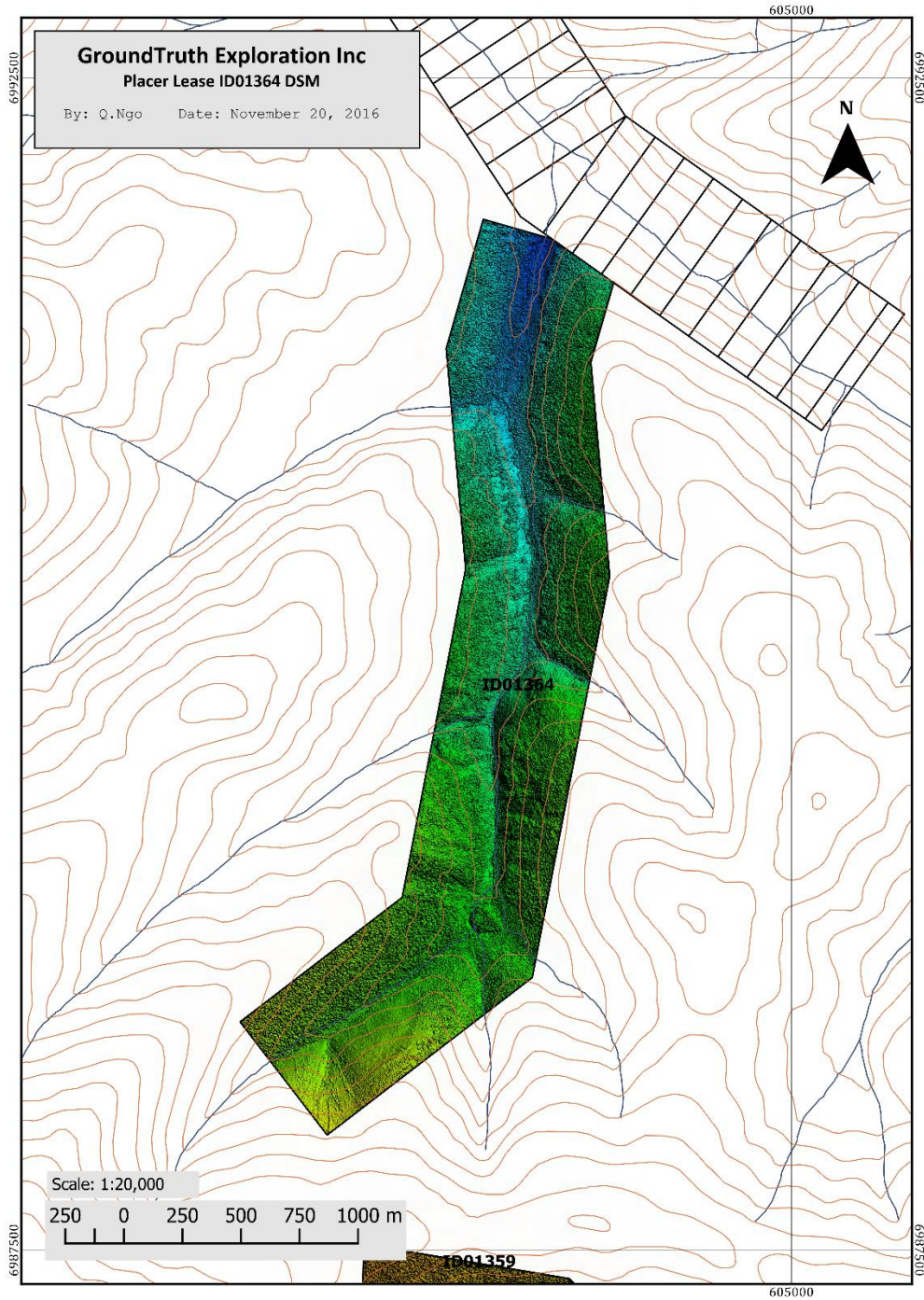


Figure 7 Digital Elevation model ID01364

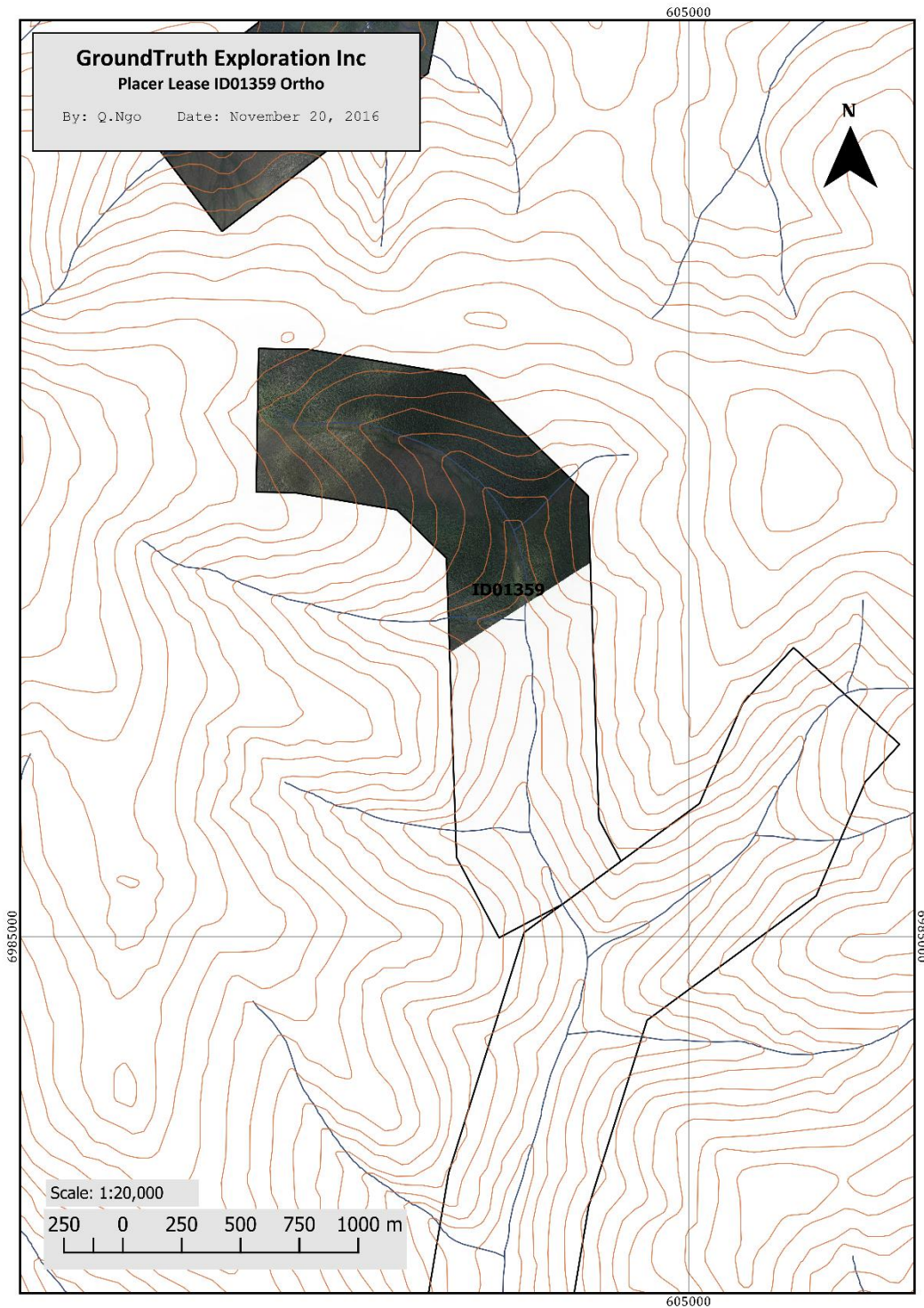


Figure 8 Orthomosaic ID01359

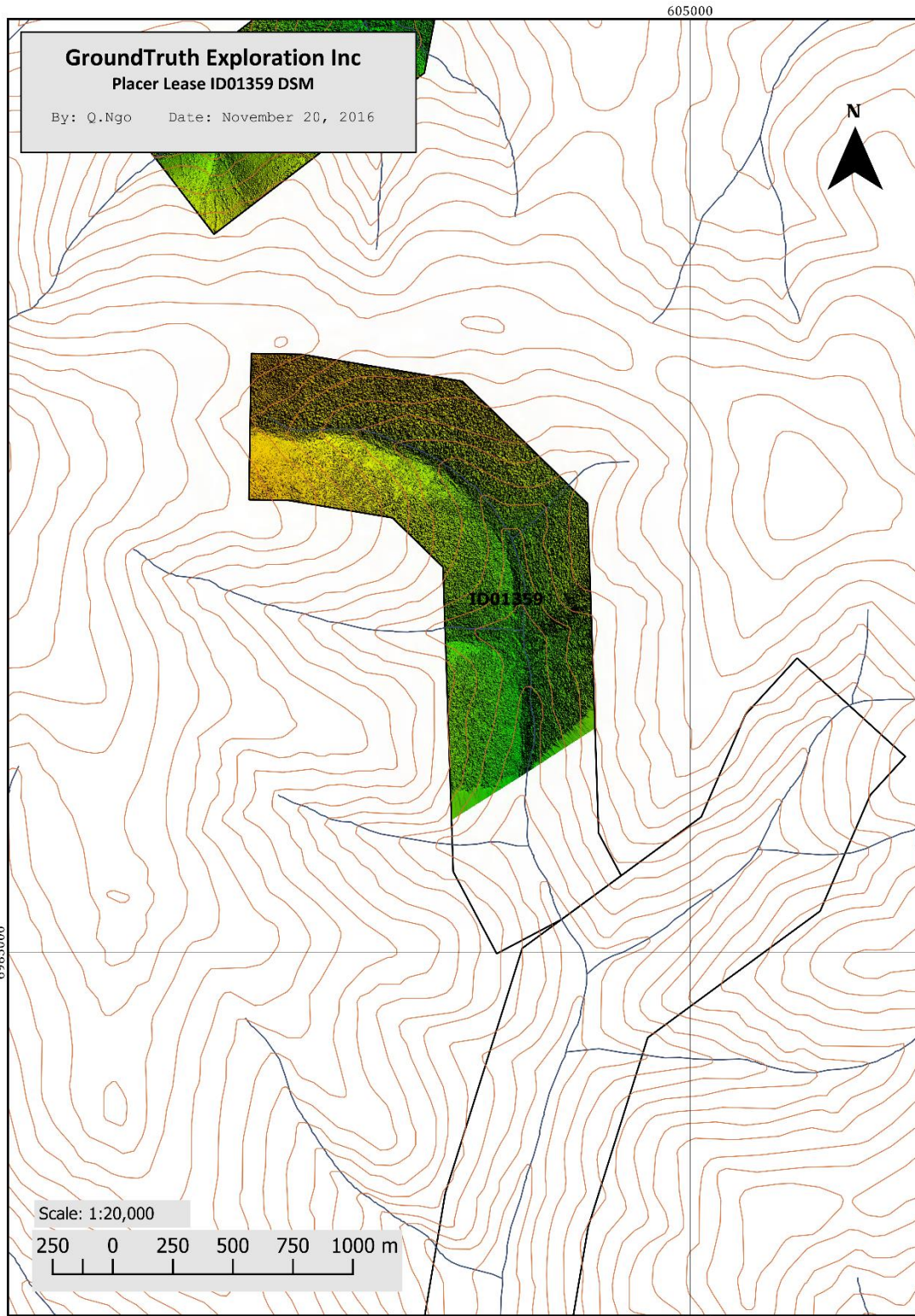


Figure 9 Digital Elevation Model ID01359

2.2 GPR Description and Procedure

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.

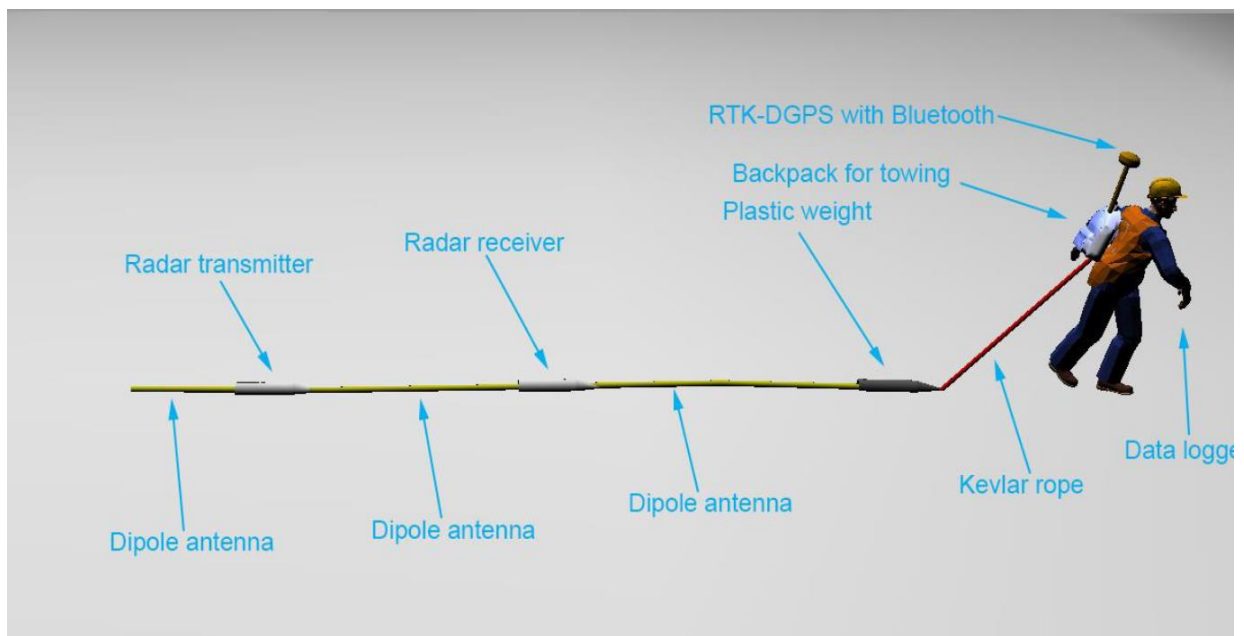


Figure 10 UltraGPR 30MHz system

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.**



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2.3 Proton Magnetometer Survey

GroundTruth Exploration conducted ground magnetic surveys on November 19 2016 on ID01349. The survey consisted of 8 cross creek profiles. The lines spacing was 50m.

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 is 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 $1200-19200 \times 10^{-3}$ SI units, ilmenite ranges from $300-3500 \times 10^{-3}$ SI



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units, and chromite measures from $3-1100 \times 10^{-3}$ SI units. Average magnetic susceptibilities for sedimentary, igneous (excluding ultramafic) and metamorphic rocks are: 0-10, 3-160, and 0-70 $\times 10^{-3}$ SI units respectively. Fluvial sediments register magnetic susceptibility in the range of 0-2 $\times 10^{-3}$ 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.

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.**



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3.0 Project Expenses

Drone/Magnetic/GPR Surveys by GroundTruth Exploration Inc.:

June 2/16 (UAV), November 19/16 (magnetic): IDO1349

June 2/16 (UAV), November 19/16 (GPR): IDO1364

Invoice per lease below:

Schedule 'A' GroundTruth Exploration Inc.: Invoice				
Placer Exploration - Upper Ballarat 2 mile Placer Lease: ID001359				
Overview:				
1 Day survey on Upper Ballarat Creek Lease, with Drone imagery/topo acquisition and cross creek Ground Mag profiles.				
Interpretation and Assessment Report by GroundTruth Exploration.				
Survey work was conducted on November 19, 2016.				
Ground Magnetic and UAV Drone Surveys:				
	Chargeout	Units	Costs	
DC Resistivity Wages				
1 Geophysical Operator	\$ 550.00	1	\$ 550.00	
Field Assistant(s)	\$ 385.00		\$ -	\$ 550.00
GPR Survey Equipment and Processing				
GEM 19T Proton Magnetometer Walk and Base Unit	\$ 300.00	1	\$ 300.00	
3rd Party Mag Processing - 2h @ \$75/hr	\$ 75.00	2	\$ 150.00	\$ 450.00
UAV Drone Survey Wages				
1 UAV Drone Operator	\$ 500.00	1	\$ 500.00	
1 Assistant Operator/DGPS Surveyor			\$ -	\$ 500.00
UAV Drone Survey Equipment and Processing				
Sensefly Ebee UAV with Base Station	\$ 500.00	1	\$ 500.00	
Imagery Processing and Finals (\$100/flight)	\$ 100.00	4	\$ 400.00	\$ 900.00
Interpretation and Reporting:				
Assessment Report (\$75/hr)	\$ 75.00	5	\$ 375.00	\$ 375.00
			Ground Magnetic and UAV Drone Survey Total: \$ 2,775.00	



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Schedule 'A' GroundTruth Exploration Inc.: Invoice

Placer Exploration - Upper Barker 3 mile Placer Lease: ID001364

Overview:

1 Day survey on Upper Barker Creek Lease, with Drone imagery/topo acquisition and cross creek GPR profiles.
 Interpretation and Assessment Report by GroundTruth Exploration.
 Survey work was conducted on November 19, 2016.

Ground Penetrating RADAR and UAV Drone Surveys:	Chargeout	Units	Costs	
DC Resistivity Wages				
1 Geophysical Operator	\$ 550.00	1	\$ 550.00	
Field Assistant(s)	\$ 385.00		\$ -	\$ 550.00
GPR Survey Equipment and Processing				
GroundRadar 30Mhz GPR System	\$ 300.00	1	\$ 300.00	
3rd Party GPR Processing at \$100/profile	\$ 100.00	8	\$ 800.00	\$ 1,100.00
UAV Drone Survey Wages				
1 UAV Drone Operator	\$ 500.00	1	\$ 500.00	
1 Assistant Operator/DGPS Surveyor			\$ -	\$ 500.00
UAV Drone Survey Equipment and Processing				
Sensefly Ebee UAV with Base Station	\$ 500.00	1	\$ 500.00	
Imagery Processing and Finals (\$100/flight)	\$ 100.00	6	\$ 600.00	\$ 1,100.00
Interpretation and Reporting:				
Assessment Report (\$75/hr)	\$ 75.00	5	\$ 375.00	\$ 375.00
Ground Penetrating RADAR and UAV Drone Survey Total:			\$ 3,625.00	

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 Upper Ballarat and Upper Barker creek placer leases.

Dated this 22nd day of November, 2016 in Dawson, YT.

5.0 Conclusions and recommendations

Imagery from the Drone survey will help to direct future work on the leases. The combination of imagery from the drone survey overlain 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



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potential on these leases. Utilization of the drone imagery to place 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. Follow-up drilling with a heliportable, track mounted drill is recommended to evaluate gold grades..

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ifage", is positioned above the name Isaac Fage.

Isaac Fage