ADDENDUM TO A REPORT ON THE RILEY GOLD PROSPECT, SKEENA MINING DIVISION, QUEEN CHARLOTTE ISLANDS, B.C.

on behalf of

HYCROFT RESOURCE AND DEVELOPMENT CORP.
VANCOUVER, BRITISH COLUMBIA

by

D.F. Symonds, B.Sc. (Geol.)

J.H. Montgomery, Ph.D., P.Eng.

Montgomery Consultants Ltd.

March 29, 1983

TABLE OF CONTENTS

APPENDICES

LIST OF FIGURES

1.0 INTRODUCTION

This report has been written as an addendum to a report written by J.H. Montgomery, Ph.D., P.Eng., and D.F. Symonds, B.Sc., entitled "Report on the Riley Gold Prospect, Skeena Mining Division, Queen Charlotte Islands, B.C." which was written on behalf of Hycroft Resource and Development Corporation of Vancouver, British Columbia and dated March 15, 1983.

This addendum describes field work carried out by the principal author, including a magnetic orientation survey and sampling of the Needles Creek showing, during the period of March 21 to March 22, 1983.

Recommendations are made for further magnetic surveys on the prospect. The cost estimate for this work has been included already in the main report.

Location, access, geology and claim information have been covered in the main report and will not be included in this addendum.

2.0 SUMMARY AND CONCLUSIONS

Magnetic orientation surveys and sampling of the Needles Creek showing were carried out on the Riley Gold Prospect, Skeena Mining Division, Queen Charlotte Islands, during the period of March 21 to March 22, 1983.

Magnetic survey lines in the area of the Needles Creek showing were successful in detecting a magnetic low (300 to 400 gammas below local background) from 80 to 120 meters in width, coincident with the major mineralized fault zone which transects the prospect.

Further magnetic surveys are recommended on the Riley Gold Prospect to aid in delineation of favourable structures on the prospect.

3.0 MAGNETIC ORIENTATION SURVEY

A total of approximately 2600 meters of magnetic orientation survey were carried out on the Riley gold prospect in an attempt to determine the suitability of the magnetic method for delineation of structures associated with mineralization on the prospect.

A Scintrex MBS-2 total field magnetic base station and a Scintrex MP-2 portable proton precession magnetometer were used in the survey. Diurnal variation over the period of the survey, as recorded by the base station, was $\mp$ 10 gammas maximum.

Locations of the five orientation lines ("A" through "E") are shown in Figure 3-1. Magnetic profiles along the lines are shown in Figure 3-2. Line "A" goes through the Needles Creek showing, a mineralized (gold) shear zone approximately 3.5 meters in width, trending approximately 130 degrees. Line "B" is 150 meters at 130 degrees from line "A". A magnetic low approximately 80 to 120 meters in width (shown as a dashed line in Figure 3-2) was detected on both lines, centred approximately 50 meters southerly from the baseline. This low appears to be coincident with the strike of the fault

zone which includes the Needles Creek showing and is 300 to 400 gammas below the local magnetic background.

Line "C", "D" and "E" were established in the area of the Riley "offset". A magnetic low on line "D", approximately 50 meters in width, centered at station 300 (southerly), could relate to the alteration zone projected through this area.

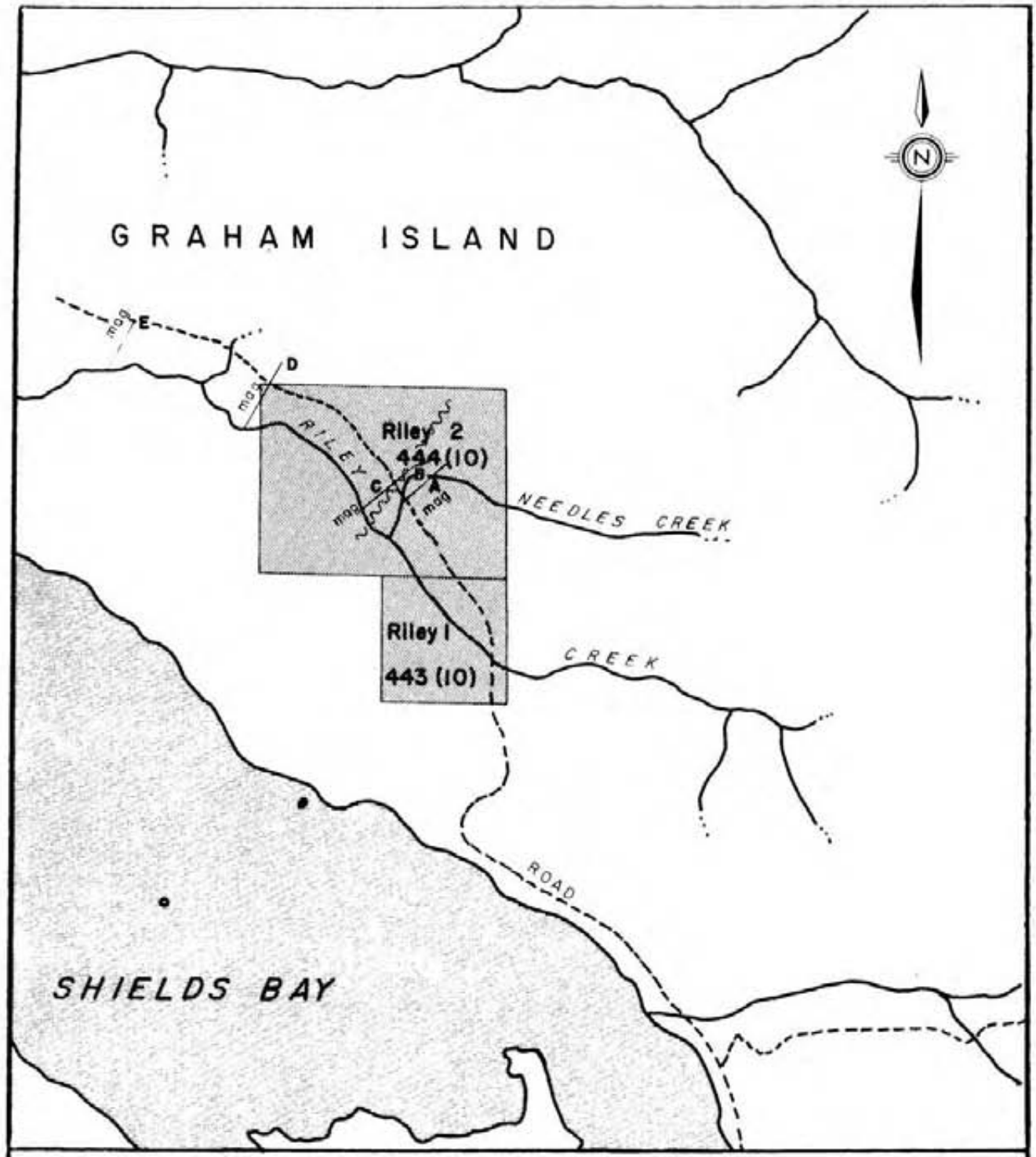

FIGURE Nº 3-1

HYCROFT RESOURCE & DEVELOPMENT CORP.

RILEY GOLD PROSPECT

MAGNETIC SURVEY LINE LOCATIONS

scale 1 : 50,000

0 1 2 3 4 5 km

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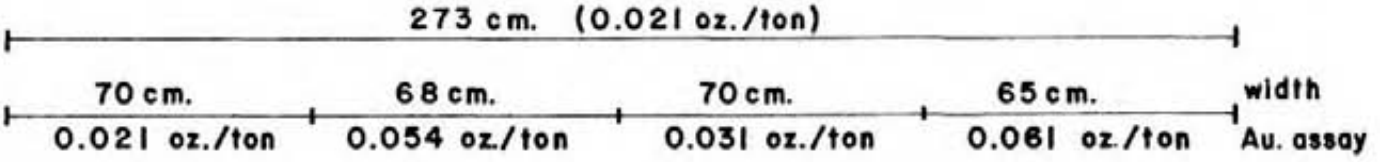
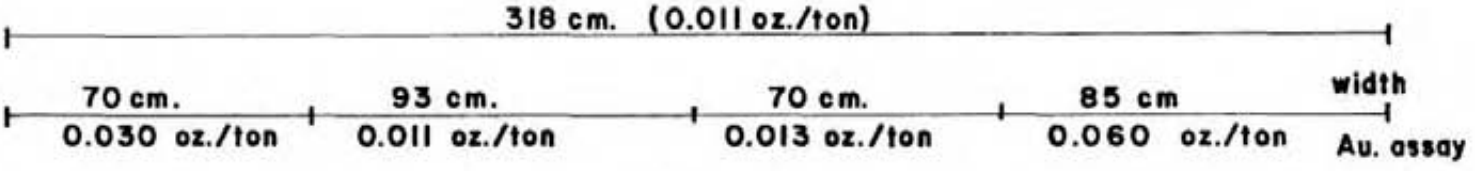
4.0 SAMPLING OF NEEDLES CREEK SHOWING

The Needles Creek showing was sampled by the author, before and after the face of the showing was blasted, with the following results:



PRE-BLAST SAMPLING (continuous chip)
(Looking 130°)



POST-BLAST SAMPLING (continuous chip)
(Looking 130°)

In addition, a sample 80 cm in width taken across a narrower shear zone approximately [illegible] meters westerly from the Needles Creek showing assayed 0.009 oz/ton Au.

5.0 RECOMMENDATIONS

In view of the apparent success of the magnetic method in detecting the major structural feature (fault with associated alteration and mineralization) on the Riley Gold Prospect, further magnetic surveying is recommended on the prospect.

6.0 CERTIFICATES

I, Douglas F. Symonds of #1 - 24 East Broadway Avenue Vancouver, British Columbia do hereby certify that:

1. I am a Geologist and a graduate of the University of British Columbia (B.Sc. 1972).

2. I have practiced my profession since 1972.

3. I have based the foregoing report on field work carried out personally during the period of March 21 to March 22, 1983.

4. I have not, nor do I expect to receive any interest, either direct, in any form, from Hycroft Resource & Dev. Corp. or any of tis affiliates.

DATED at Vancouver, B.C. this 29th day of March, 1983.

Douglas F. Symonds

D.F. Symonds
Geologist

I, J.H. Montgomery, of Vancouver, British Columbia hereby certify that:

1. I am a geological engineer and reside at 4153 West 11th Avenue, Vancouver, B.C.

2. I am a graduate of the University of British Columbia; B.Sc. in 1959, M.Sc. in 1960, Ph.D., in 1967.

3. I have practiced my profession since 1959.

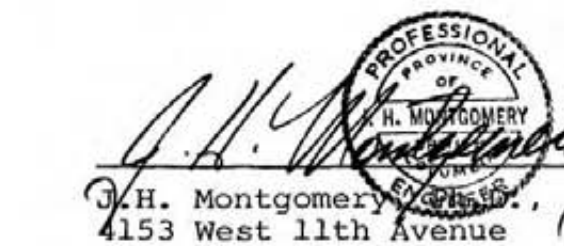
4. I am a member of the Association of Professional Engineers of British Columbia.

5. I have no interest, direct or indirect, in Hycroft Resource & Development Corp.

6. I have based this report on a study of all available literature concerning the Riley Gold Prospect. I visited the Riley Gold Prospect personally on January 19, 1983.

7. This report may be used by Hycroft Res. & Dev. Corp. or their agents for a Prospectus, Statement of Material Facts, Shareholders' newsletters, etc., in whole or in part.

DATED at Vancouver, British Columbia, this 29th day of March 1983.



J.H. Montgomery, Ph.D., P.Eng.
4153 West 11th Avenue
Vancouver, BC

APPENDIX I

Specifications

Resolution
1 gamma.

Total Field Accuracy
±1 gamma over full operating range.

Operating Range
20,000 to 100,000 gammas in 25 overlapping switch selectable steps.

Gradient Tolerance
Up to 5,000 gammas/meter.

Sensor
Shielded, noise-cancelling dual coil.

Sampling Rate
Internal Control: Switch selectable every 2, 4, 10, 30 seconds or 1, 2, 10 minutes.

External Control: Manual command or by external clock at any rate longer than 2 seconds. For external trigger, a positive transition from 0 to +4V or greater initiates one reading.

Clock Accuracy and Stability
±10 ppm over full temperature range.

Visual Outputs
5-digit light emitting diode numerical display lasting 0.1 seconds in automatic recycle mode and 1.7 seconds in manual mode.

Internal strip chart recorder with 65 mm chart width and 100 or 600 mm/h chart speed. Inkless recording. Switch selectable at 10, 100 or 1000 gammas full scale.

External Outputs
5-digit, 1-2-4-8 BCD, DTL, TTL compatible (2 loads) with 0.5 msec, 5V pulse for synchronization of MBS-2 and external recorder.

Analog recorder output of 1V at 1 mA max. Switch selectable for 10, 100 or 1000 gammas full scale.

Time Marker
A 1.5 second pulse every 10 minutes generates a time mark on the internal or on external analog recorders.

For an external analog recorder, a switch to ground is provided (NPN transistor, 40V max, 250 mA max). No side pen is required for continuously writing recorders as the pen returns to zero at every event mark.

Sensor Cable
50 m length is standard.

Power Requirement
The internal batteries of the MP-2 (8 "D" cells) are used to power all functions of the MBS-2. This power source lasts approximately 80 hours at 25°C and a once per minute sampling interval.

An external 10 to 32 V DC supply may alternatively be used.

Current drain is approximately 0.9 A during polarize time and 35 mA during standby, depending upon supply voltage.

Battery Test
Digital readout of normalized internal battery voltage activated by touching switch.

Operating Temperature Range
Console: 0 to 50°C.
Sensor : -35 to 50°C.

Dimensions
Console: 140 mm x 310 mm x 390 mm.
Sensor : 80 mm diameter x 150 mm length.
Tripod : 130 mm extended length.

Weights
Console: 7.7 kg.
Sensor with Cable: 5.5 kg.
Tripod: 1.5 kg.

APPENDIX II

2.0 Specifications

The MP-2 has the following specifications:

Resolution	1 gamma
Total Field Accuracy	±1 gamma over full operating range
Range	20,000 to 100,000 gammas in 25 overlapping steps.
Internal Measuring Program	A reading appears 1.5 seconds after depression of the Operate Switch and remains displayed for 2.2 seconds for a total of 3.7 seconds per single reading. Recycling feature permits automatic repetitive readings at 3.7 second intervals.
External Trigger	External trigger input permits use of sampling intervals longer than 3.7 seconds.
Display	5 digit LED (light emitting diode) readout displaying total magnetic field in gammas or normalized battery voltage.
Data Output	Multiplied precession frequency and gate time outputs for base station recording using interfacing optionally available from Scintrex.
Gradient Tolerance	Up to 5000 gammas/meter.
Power Source	8 alkaline "D" cells provide up to 25,000 readings at 25°C under reasonable signal/noise conditions (less at lower temperatures). Premium carbon-zinc cells provide about 40% of this number.
Sensor	Omnidirectional, shielded, noise-cancelling dual coil, optimized for high gradient tolerance.
Harness	Complete for operation with staff or back pack sensor.
Operating Temperature Range	-35°C to +60°C
Size	Console, with batteries: 80 x 160 x 250 mm Sensor: 80 x 150 mm Staff: 30 x 1550 mm (extended) 30 x 660 mm (collapsed)
Weights	Console, with batteries: 1.8 kg Sensor: 1.3 kg Staff: 0.6 kg

APPENDIX III

MIN-EN Laboratories Ltd.

705 WEST 15th STREET,
NORTH VANCOUVER, B.C., CANADA V7M 1T2
TELEPHONE (604) 980-5814

ANALYTICAL REPORT

Project 83QC2 Date of report April 4/83.

File No. 3-157 Date samples received March 28/83.

Samples submitted by: D.Symonds

Company: Montgomery Consultants

Report on: Geochem samples

11 Assay samples

Copies sent to:

1. Montgomery Consultants, Vancouver, BC
2.
3.

Samples: Sieved to mesh Ground to mesh -100

Prepared samples stored ☒ discarded ☐

rejects stored ☒ discarded ☐

Methods of analysis: Au-Fire Assay.

Remarks:

SPECIALISTS IN MINERAL ENVIRONMENTS

MIN-EN LABORATORIES LTD.
705 WEST 15TH STREET, NORTH VANCOUVER, B.C. V7M 1T2
PHONE: (604) 980-5814 OR (604) 988-4524

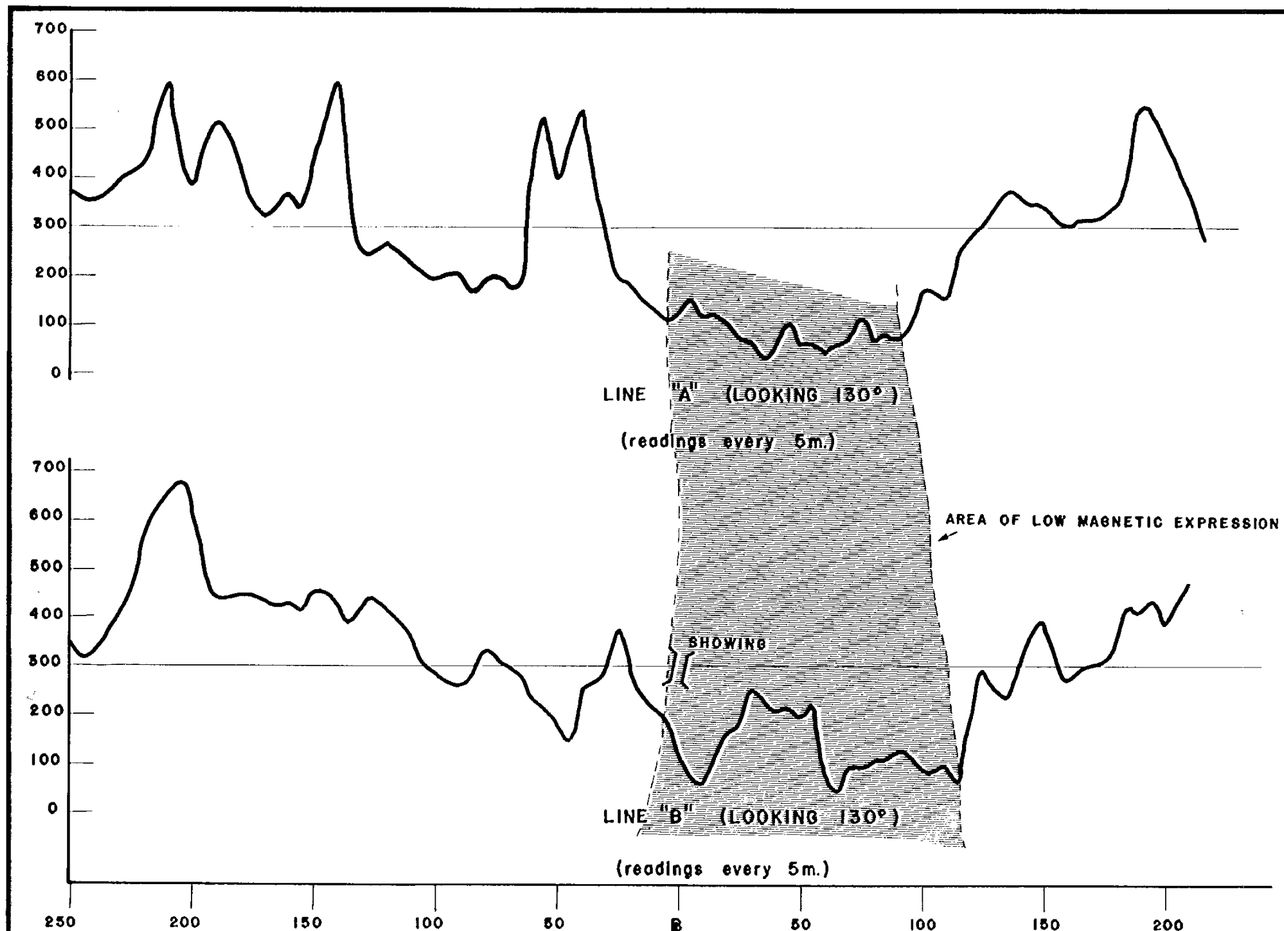
Certificate of Assay

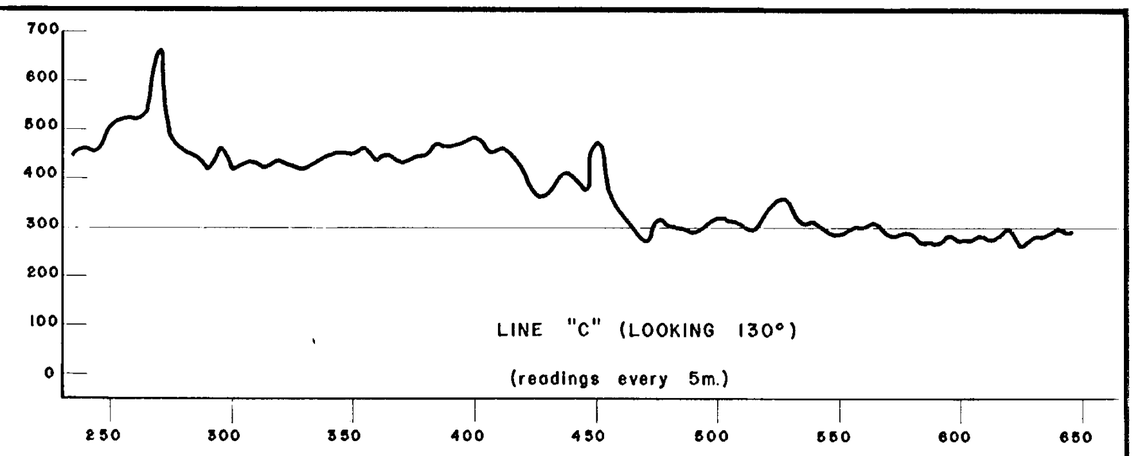
TO: Montgomery Consultants,
203-2786 W. 16th Ave.,
Vancouver, B.C.

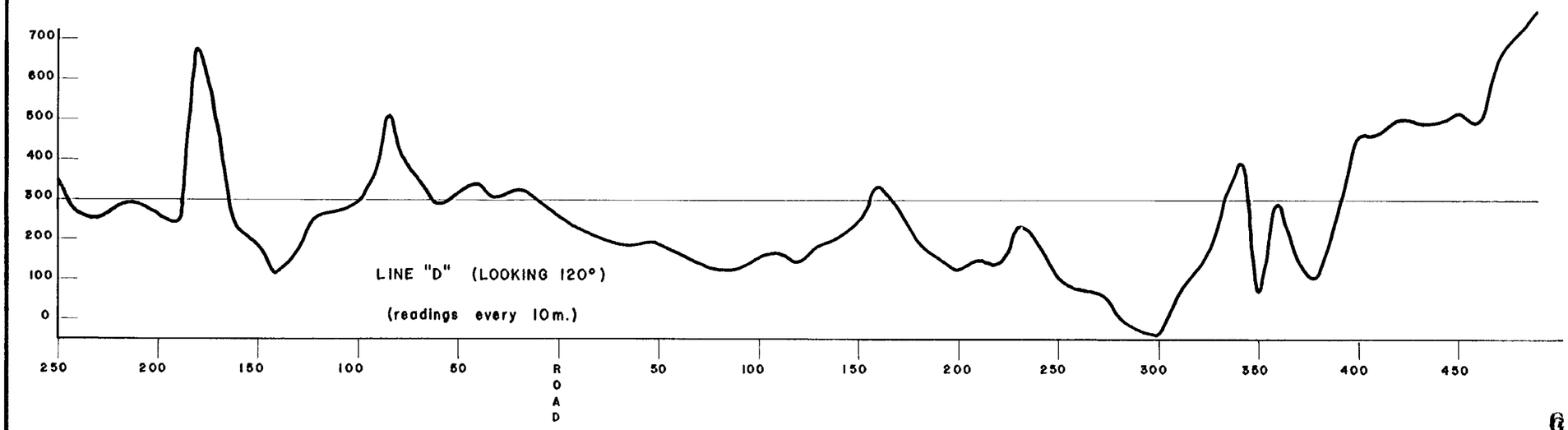
PROJECT No. 830C2
DATE: Apr. 4/83.
File No. 3-157

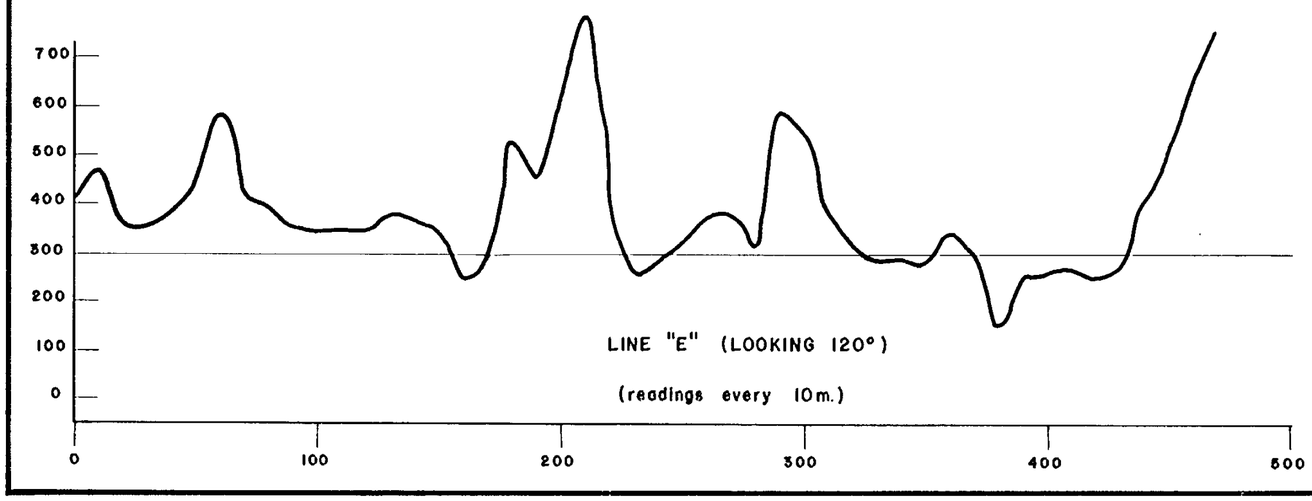
SAMPLE No.	Au oz/ton
6663	.061
64	.031
65	.054
66	.021
67	.021
68	.060
69	.013
70	.011
71	.030
72	.011
6673	.009

MINE-EN Laboratories Ltd.
CERTIFIED BY:









NOTE : 56,000 SUBTRACTED FROM READINGS.

FIGURE Nº 3-2

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RILEY GOLD PROSPECT
MAGNETIC SURVEY PROFILES

SCALE 1:2000
0 50 100 150 200 m.

MONTGOMERY CONSULTANTS LTD. | DATE: March 29, 1983