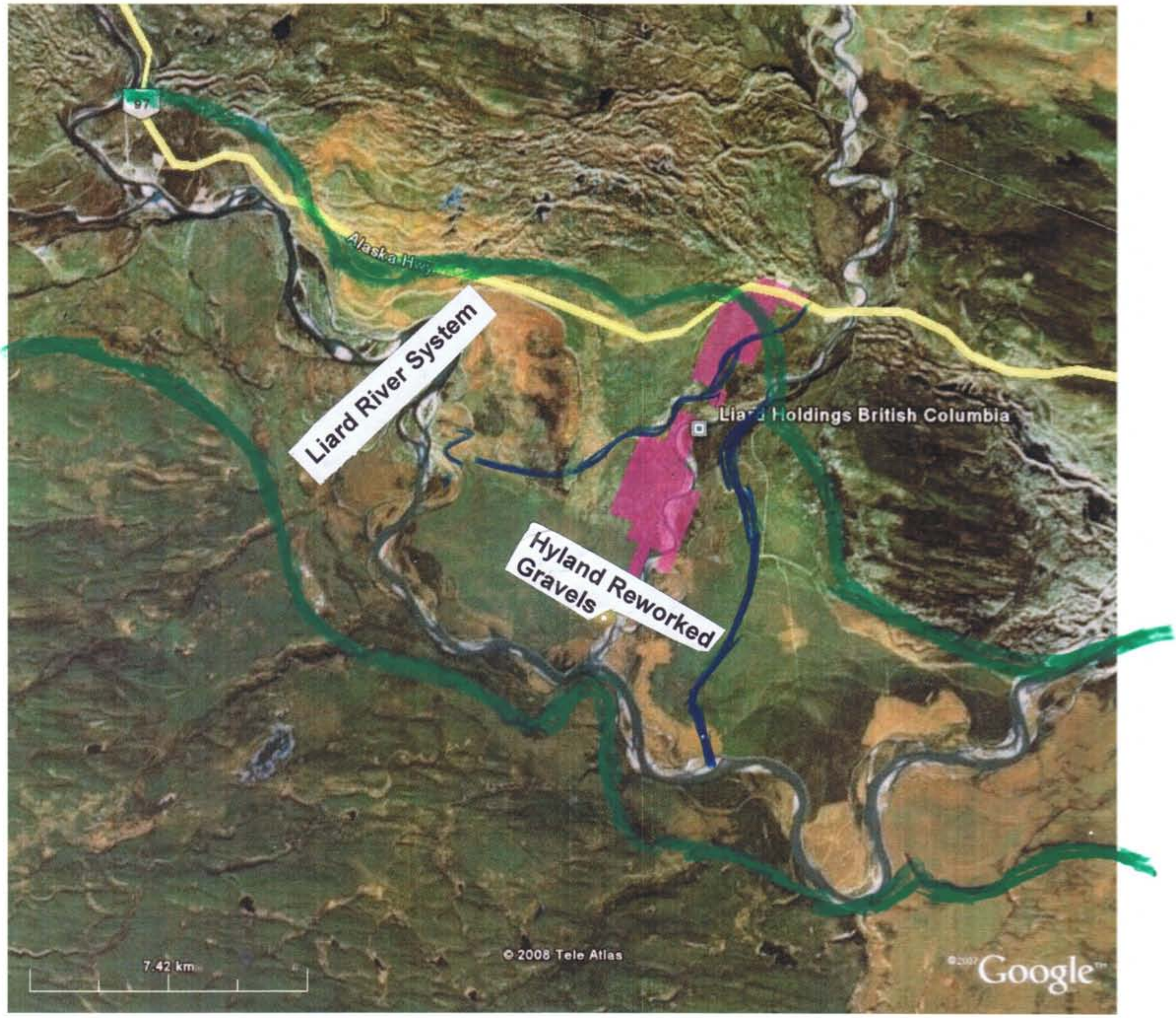




Frontispiece

# A REPORT ON THE EXPLORATION and EVALUATION OF DATA

# OF

# LIARD HOLDINGS CORP. OF THE HYLAND RIVER PROPERTY

# NEAR

# WATSON LAKE, YUKON TERRITORIES

UTM9: 544801, 6639750
128° 11' 58" W, 59° 53' 34" N

prepared for

Kenrich-Eskay Mining Corporation
C206 – 9801 King George Hwy, Surrey, BC, Canada
V3T 5H5
August 27, 2008`

by

**PEGASUS EARTH SENSING CORP**.
Ted F. H. Reimchen, M. Sc., P. Geol.
12-577 Butterworth Way NW
Edmonton, Alberta, T6R 2Y2

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**APPENDIX 1 Stratigraphy of Liard Holdings Corp.**

Excel sheets showing stratigraphy, location of Test Pits, Sample Location and Assay including raw sample weight, concentration ration, raw Miners gold weight, corrected value per metric tonne based on US price of $900/oz troy.

**APPENDIX 2 Location of Test Pits and Stratigraphy using a scale of 1:10,448**
Test Plant Terrace showing Test Plant location, EA10 and EA9
Camper Terrace showing EA8, Tp16 and TP15
North Bar Test Pits showing TP1-TP9, EA 6, EA8 and EA5
South Bar Test Pits showing TP10-Tp14

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## SUMMARY

There is now limited but positive evidence that that the Liard Holdings Corp. Hyland Project contains significant placer gold in some of the stratigraphic horizons. There is evidence to suggest that the values extend for several hundred meters to the west above the 580m Elevation. More test pits are needed to extend the values recovered between existing pits excavated in July 2008.

What is needed is second round of sampling of the various geological horizons, to determine spot values and grade both vertically and horizontally. The exact location and stratigraphic horizon must be plotted along with Elevation and head feed size. All information must be placed on cross sections and maps so that the data can be assimilated and evaluated as to overall economic significance.

## Introduction and Terms of Reference

Liard Holdings Corp. requested that the author supervise a testing program of its placer tenures on the Hyland River, British Columbia. The author was further instructed to supervise the collection and assay of samples and prepare an evaluation report of the work performed with recommendations.

This report focuses on the resources and is based on data acquired during the evaluation, published Literature, as well as the writer’s personal observations on the property in the period from June 27 to July 3, 2008.

The writer conducted a regional testing program gathering and processing 38 representative samples and supervised the chain of custody of those samples to the processing Laboratory in Tulameen, British Columbia. The samples were assayed and finished under the direction and control of the author.

## Location and Access

The Property is located in northern British Columbia on the west bank of the Hyland River, south of the Alaska Highway at Mile 605, 32 kilometers east southeast of Watson Lake, Yukon. The Hyland River project, located in the Liard Mining Division within the National Topographic Map System of 104P.089, .090, .099, and 104P.100 property is accessed off of the Alaska Highway by a gravel road which traverses the claim block throughout its extant (Figure 1).

## Tenure

The Liard Holdings Corp. Hyland River property consists of 1006.3 hectares contained in 11 Placer Claims. The claims are in ‘good standing” according to the British Columbia Mineral Titles Regulations (Figure 2 and Table 1).

# Liard Holdings British Columbia Location Map

**Liard Holdings British Columbia Location**

**BC Administrative Area Layers**

**Cities**

**BC Municipalities**

**Topographic Layers**

**Roads 1:6M**

Trunk Road

Major Roads

All Others

**Lakes 1:6M**

**Rivers 1:6M**

**BC Border Layers**

**BC Border 1:6M**


SCALE 1 : 16,250,013

200 0 200 400 600

MILES

N

# Liard Holdings, British Columbia Claim Map, July 2008

**Mineral Titles Layers**

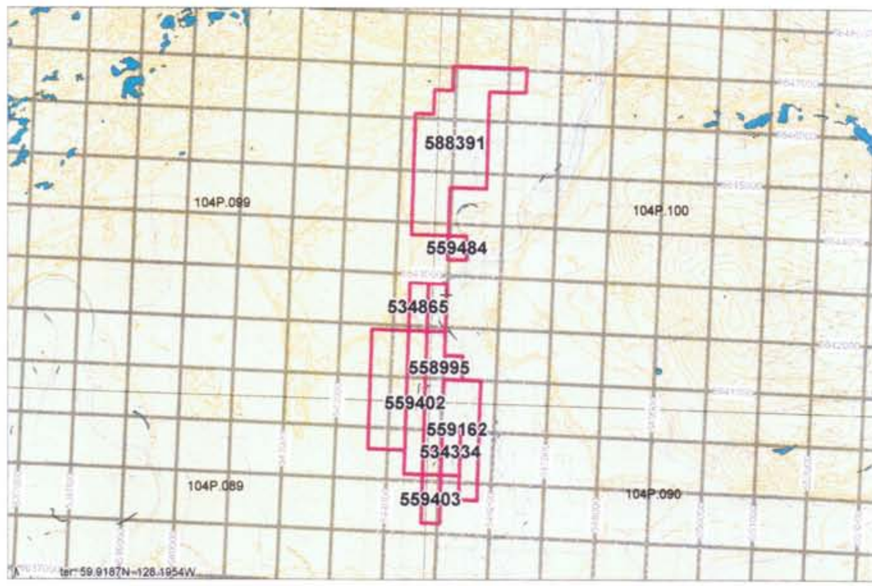
- Liard Holdings British Columbia Tenure
- All Mineral Tenures

**Topographic Layers**

- Railways 1:20K
- Roads 1:250K
- Contours west 1:20K (<100K)
- Lakes 1:20K
- Rivers 1:250K
- Rivers 1:20K

**Grid Layers**

- Grid 1:20K - labels




SCALE 1 : 144,227

2 0 2 4 6

MILES

N

**Table 1 Tenure of Liard Holdings Corporation, Hyland River Project, BC**

| Tenure Number | Tenure Type | Claim Name | Owner | Map Number | Good To Date | Area |
|---|---|---|---|---|---|---|
| 534334 | Placer | | 216214 (100%) | 104P | 2009/may/24 | 32.485 |
| 534557 | Placer | | 216214 (100%) | 104P | 2009/may/28 | 16.243 |
| 534865 | Placer | | 216214 (100%) | 104P | 2009/jun/04 | 32.462 |
| 558995 | Placer | | 216214 (100%) | 104P | 2009/may/22 | 64.941 |
| 559022 | Placer | | 216214 (100%) | 104P | 2009/may/22 | 32.462 |
| 559162 | Placer | | 216214 (100%) | 104P | 2009/may/25 | 146.164 |
| 559402 | Placer | | 216214 (100%) | 104P | 2009/may/29 | 97.429 |
| 559403 | Placer | | 216214 (100%) | 104P | 2009/may/29 | 32.493 |
| 559484 | Placer | | 216214 (100%) | 104P | 2009/may/30 | 16.227 |
| 574512 | Placer | | 216214 (100%) | 104P | 2009/jan/25 | 162.372 |
| 588391 | Placer | FAR WEST LIARD | 216214 (100%) | 104P | 2009/jul/17 | 373.009 |

## Climate, Local Resources, Infrastructure, Physiography, Land Tenure.

The climate is cold temperate with temperatures in summer reaching 35C and -40C in winter. Mining season begins in May and is curtailed when the water freezes on a regular basis, usually by early October. Watson Lake is available for minor supplies but Whitehorse (455km to the west) or Fort Nelson (530km to the southeast) would be the major supply points.

The property is situated on terraces cut into the left bank of the Hyland River several kilometers from the mouth of where the Hyland discharges into the Liard River. The Elevation of the claims ranges from 560 to 585m asl. Snowfall averages 197mm and rainfall averages 255mm annually.

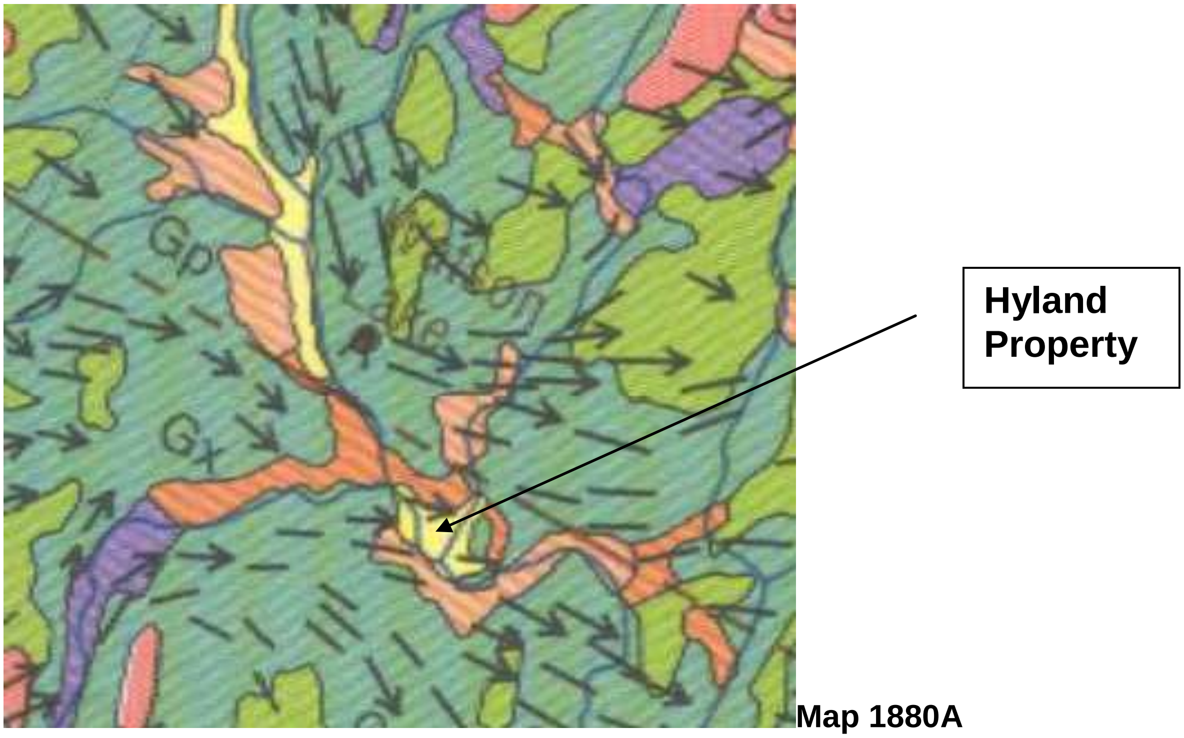
Watson Lake and the neighboring Upper Liard settlement are the home of the Liard River First Nation, a member of the Kaska Dena Council.

## Geology

Bedrock in the areas adjoining and underlying the Hyland River is composed of argillaceous rocks which outcrop east of the Alaska Highway Bridge and along the highway between Watson Lake and the bridge. The rocks are grey to black, fractured in several directions, folded, with well developed cleavage planes. No outcrops were seen along the Hyland River within the Claims.

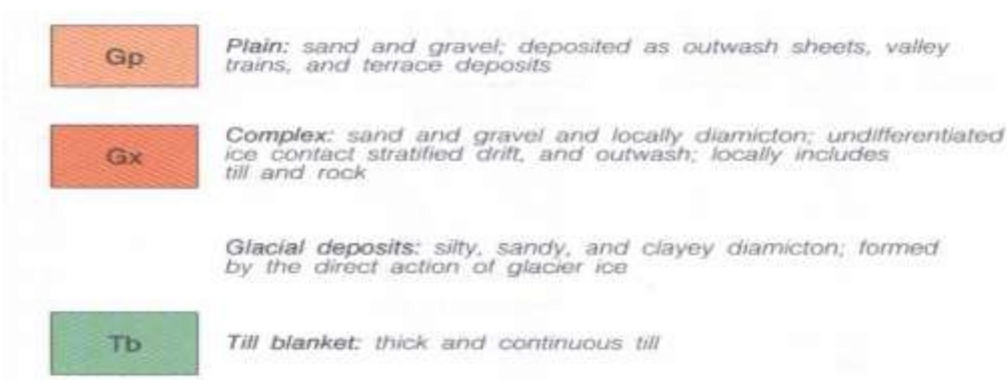
Glaciation began in the mountains of the west coast of North America, about 6 million years ago (Flint, 1971; Monroe and Wicander, 1998).

**Pleistocene – Recent** The Pleistocene (1.8my to today) is heralded as the time of widespread Glaciation in North America. The most recent glaciers in the Hyland River area moved from west to east as shown in Figure 4. Drumlins or aligned hills, easily seen in 'google maps' clearly show that ice moved across the landscape,




**Map 1880A**
**Surficial Materials of Canada, 1995 Compiled by R.J. Fulton**

**Dashed line is Boundary between Yukon/British Columbia.**




**Arrows show last glacial movement from west to east. Yellow color is recent alluvium. The Liard and Dease Rivers join near Watson Lake and flow eastward collecting the Hyland River flow (yellow). The large orange map units are glacial outwash in the form of plains and terraces and a large sinuous esker complex which crosses the terrain just north of the Liard Holdings Corp. (see Frontispiece). The Hyland River dissects the esker complex in a narrow canyon where the Alaska Highway Bridge is located (see Frontispiece).**

**Figure 4**

Superimposed on the glacial till are outwash sand and gravel deposits of varying thicknesses but estimated to be more than 100m thick in places. A sinuous esker complex can be seen in the Frontispiece crossing the area from left to right. The esker complex has been dissected by the Hyland River through a narrow valley just upstream of the Alaska Highway Bridge.

Although Rice (ibid) suggests that there was only one recognizable advance of ice, elsewhere in British Columbia and Alberta there is now evidence of several periods of glacial dominance separated by interglacial time periods >100,000 years long. We can even say that we are in an Interglacial Period today as it has only been 10,000 years since the last continental Glacier melted in Canada.

The intervening periods between Glaciations were times of intense erosion in some areas and deposition in others, similar to today and sediments on the valley slopes and within the valleys themselves would have been reworked by rivers several times. One can safely say that each Glaciation scoured the sediments released by erosion during previous Interglacial periods incorporating them into the glacial ice for transport and later re-depositing these sediments on the upland and into the surrounding valleys. In some cases alpine glaciers did not erode to bedrock leaving remnant gravels and sands with concentrations of placer minerals. Traditionally the richest placers have been found along the bedrock of the streams and rivers with lesser amounts in higher benches. *This statement based on the July 2008 test pitting does not seem to be true for the Hyland River.*

**Ice Movement** Figure 4 taken from the Geological Survey of Canada Surficial Materials Map1880A shows that the last ice movement was from west to east. The Frontispiece clearly shows glacial till (NW cornor and right central) that is linear. These are drumlins clearly showing the ice movement direction (Figure 4).

**Outwash Esker Complex** Also in the Frontispiece one can clearly see a series of intersecting linear features which are composed of gravel and sand and in geology terms are called an 'esker complex'. The gravels within these river systems formed both under the melting glaciers in tunnels with ice walls and bottoms and also in open channels with ice banks.

The esker system begins about 10km west of the junction of the Dease and Liard Rivers (Lower Post) and continues 50km to the east. The esker complex formed during melting ice will have a variety of stratigraphy as it is called 'ice contact' and will contain large boulders to clay size materials that is generally very mixed. The hills are a result of complete melting of the ice with collapse of previously deposited sands and gravels being lowered as the underlying ice melts. Thus the layers vary from horizontal to vertical and also contain large boulders next to sand size material.

**Early Liard River System** The present Liard River flows in an active channel a mere 500m wide. There is clear evidence on the Frontispiece, that the early channels of the Liard River ranged from 7000m at Lower Post up to 11000m wide near the Hyland River. The north bank of this large river system was the esker complex or ice boundary. The south bank of the river was the drumlinized till ridges. The Liard River gravels and sand occur as far north as Test Pit 16, just north of North Bar (Appendix 2—Camper Terrace).

**Early Hyland River System** The large meanders of the Liard river system have been dissected by the Hyland River. This stream from the north was initially small and really just a tributary to the Liard (Figure 5). Based on Elevations it can readily be observed that the extensive outwash gravels that occur south of the esker complex west of the Hyland had already been deposited and reworked by the early Liard River system. The Hyland River cut through the esker complex carving a valley 500m wide and discharged into the Liard River system at about Test Pit 16 or about 5km south of the Alaska Highway Bridge.

**Existing Liard and Hyland River Systems** Following deglaciation, isotatic rebound or uplifting of the land surface occurred which lowered the base level of erosion causing the Hyland and Liard Rivers to dissect their generally horizontally bedded channel deposits. The uplifting of the land surface was not level, higher in some areas than others and the Liard River channel was moved southward traversing its former terraces to it present position. Likewise, the Hyland River cut through the ‘Autobahn' level' in a series of meander channels moving its channel eastward dissecting previously deposited sand and gravel of the Liard complex.

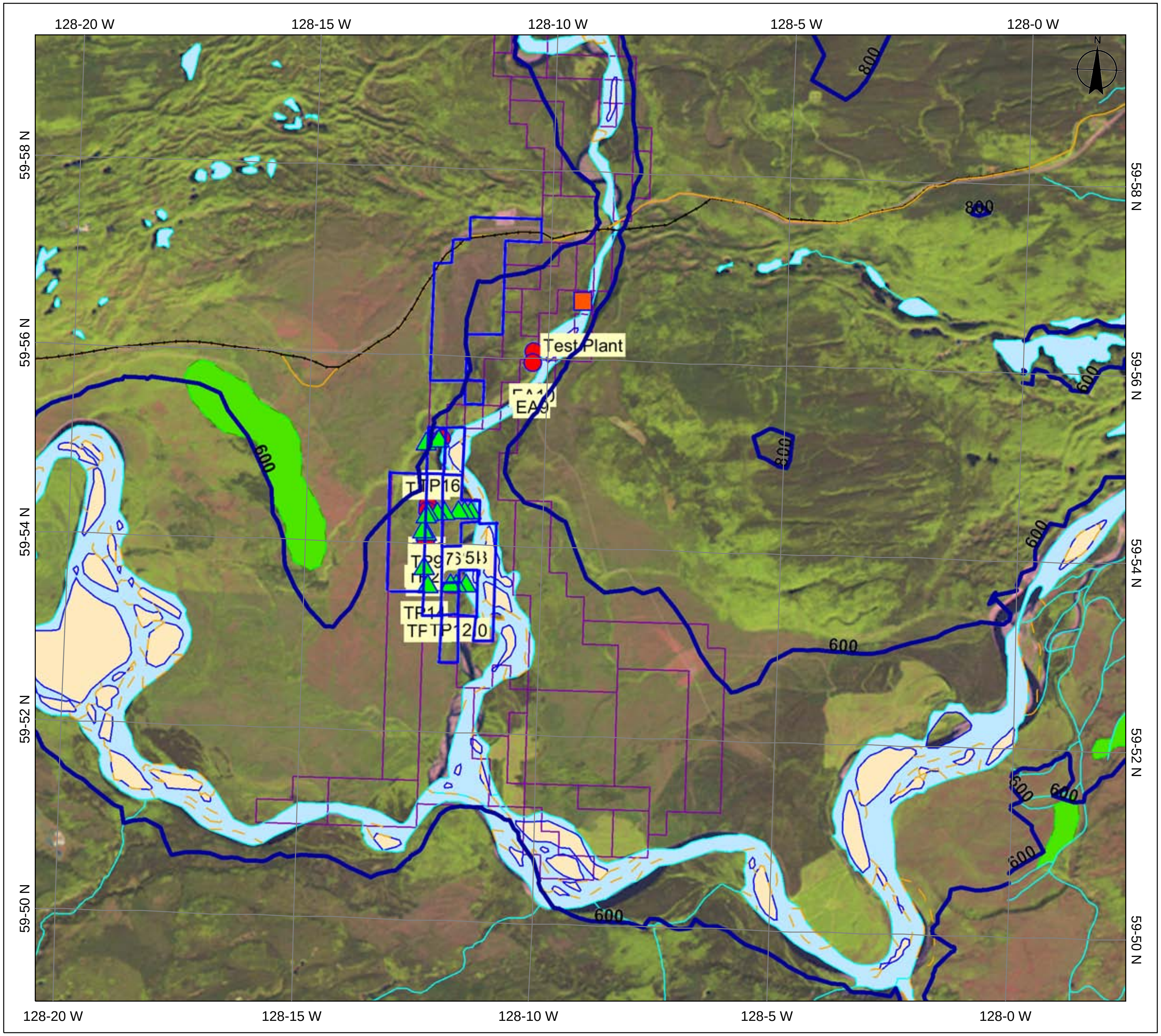
The gravels were not reworked extensively as the bedload was great (what I mean is that there was a large supply of sand and gravel and not much water or velocity to winnow out the fines).

Thus the Liard and Hyland Rivers are entrenched into their present channels. Their gradient today is steeper than during formation of the extensive terrace systems which occur at higher levels.

## 2008 Test Pitting and Stratigraphy

During the time available 16 test pit sites were selected to represent the Claims. The test pits were placed in an effort to sample at 90 degrees to the deposition of the materials. Samples varied from 10s of meters to hundreds of meters across. Maps of the locations and stratigraphy of the Test Pits as well as EA stratigraphic holes can be seen in Appendix 1 and 2. Appendix 1 presents Excel sheets with stratigraphy, location of Test Pits, Sample Location in UTM and Assay including raw sample weight, concentration ration, raw Miners gold weight, corrected value per metric tonne based on US price of $900/oz troy.

The samples were gathered using a Cat Excavator with a 3cu m bucket (Plates 2 and 13, Appendix 3). The sample locations were selected to be as representative of a certain topographic area. The top soil was stripped, and the various stratigraphic layers




BRITISH COLUMBIA

## Surficial Geology w 600m contour

*Legend*

(1:250,000) Water - Lakes, Large Rivers, etc. - Colour Themed

- Island - Definite
- River or Stream - Definite
- Reservoir - Definite
- Flooded Land - Inundated Indefinite
- Quarry (Water-filled)
- Lake - Definite
- Lake - Indefinite
- Lake - Intermittent
- Marsh
- Lake - Marshy Indefinite
- Lake - Marshy

(1:250,000) Water - Ocean - Colour Filled

Placer Tenures - Outlined

Contours (1:250,000)

(1:250,000) Water - Rivers, Creeks, Shorelines, etc.

- Icemass - Debris Covered Ice
- Conduit - Aboveground
- Conduit - Electrical - Underground
- Canal - Irrigation
- Falls
- Penstock
- Rapids

0 1.5 3 km.

**Scale: 1:109,987**



Datum/Projection: NAD83, Albers Equal Area Conic

Key Map of British Columbia

placed on the ground in separate piles. After excavation and field descriptions the Test Pits were closed. 20l buckets were then taken of the cone of sample so as to fairly represent the material. Each cone would have from 8 to 10 -20l(5gal) pails taken. The samples were lifted onto the back of a pickup truck and transported to the test plant site by the author of this Report (Plates 2, 3, 6, 8, 12 and 13; Appendix 3). The samples were handed off to Ryan Jones for weighing and processing through the Knelson Concentrator.

**Lowest Terrace levels <580m Elevation**

The claims overlay a series of cutoff and dissected meanders of a former river system. Generally, the stratigraphy exposed in road cuts, previous test pits as well as the present study clearly shows that the Hyland River reworked previously deposited sand to boulders. The surface of the meanders is flat to gently rolling with low relief. Overbank sediments are common (generally composed of flood silts and sands with numerous organic debris) and can easily be seen in Plates 3c, 8b, 11c and 14 in Appendix4. Overbank deposits also occur at depth in discontinuous layers, usually only about 0.5m thick. They reflect an earlier meander which may only have been in existence only a few years. These layers were encountered in several of the Test Pits at about 4m depth (TP 1, 2, 5, 6, 7, 8, 9, 10). The overbank deposits occur in fomer cutoff meander channels. Modern meanders are being infilled with organic sediments as in Plates 8b and 8d.

Horizontally bedded gravel or sandy gravel, in all cases, exists below overbank deposits and represents the bed of the meander channel. If the river flowed with some velocity during formation of this meander channel by dissection of previous channels then boulders will be more common just below the overbank layer as can be seen in Test Pits 1,7, 8. If the river flowed slowly and then the channel was cut off from the main body of the river then overbank deposits would overly fine sandy materials as observed in 5,6 and 10.

The EA test pits, previously dug by Liard Holdings were mapped for stratigraphy.

**Highest Terrace Levels >580m Elevation**

Test Pits 11 to 16, were taken above the 580m contour on the terrace level locally known as the ‘autobahn’. The upper terrace levels are considered to be a low to medium energy deposit consisting of medium sand to boulders less than 30cm in long diameter (Test Pits 7 to 16 in Appendix 1 and for location in Appendix 2) .

**Placer Gold**

Sookochoff (2008) has provided a comprehensive review of previous exploration work done by others to date. The work involved prospecting, test pitting, panning, drilling, magnetic surveys and gold amalgamation—all with mixed results. There have also been values ranging from 0.5gm to 1.5gm per cubic yard (in Sookochoff ibid). The 2007 sampling program showed that gold values ranged from 0.07g to 16.93gm per screened yard using a method of determination that is not customary for placer evaluation. There is no mention of gold Fineness or Miners Gold value so these values should be discounted at least 15% as the Fineness historically in this area is 850F. Nevertheless, the samples were taken from the North Bar area which can be seen in Appendix 2.

### Test Plant and Processing   Report by Ryan Jones. Plate 12

***R. Jones & Associates***
***1282 High Street, White Rock, BC Canada V4B 3N5***
***Tel: (604)536-7798 Fax: (604)536-0186 Cell: (604)818-0704 E-mail: rvjones@telus.net***
*28th August, 2008.*

*Kenrich-Eskay Mining Corporation.*
*C206 – 9801 King George Highway,*
*Surrey, BC V3T 5HJ5*

*Attn: W. E. Boguski, President.*

*Dear Sir:* *Re: Chain of Custody and Processing of Samples*

***General***

*As approved by you, the writer travelled by road and BC Ferries from his home in White Rock, BC to Watson Lake, Yukon arriving there on 29th June with a Knelson Exploration Trailer in tow. On the following day, 30th June the latter equipment was sited on the west bank of the Hyland River approximately 2 km south of the Highway bridge and adjacent to the log buildings built by Brycon Resources. The writer was assisted by two local labourers in operating the exploration equipment. The latter equipment was self contained and consisted of a Model KC–MD7.5VS Knelson Concentrator, generator, 1½" pump and necessary hoses and ancillary equipment to concentrate and bag ~ 3 pounds of minus 3/16" sample concentrates of sand and gravel.*

*The 38 samples of about 400 lbs were chosen by the supervising geologist, Ted Reimchen of Pegasus Earth Sensing Corp. and delivered to the processing site by him in 5 gallon plastic pails. After processing the concentrates were double bagged and identified with the raw sample weight by the supervising geologist. After air drying the concentrates were loaded into 5 gallon pails and locked in the box of the writer's truck. The samples remained in his custody until delivered to the securely locked laboratory trailer in Tulameen, BC and where they were assayed by mercury amalgamation.*

***Amalgamation methodology***

*The bagged concentrates were carefully emptied into a series of tumblers with their identified bags set under the tumbler frames for identification purposes and agitated in a dilute nitric acid ($HNO_3$) solution for one hour. Before adding 1.5 grams of elemental mercury to the tumbler the pH of the solution was raised to 7 with sodium hydroxide (NaOH). The concentrates were then tumbled for two hours. After tumbling the concentrates were introduced to a "Genie" spiral wheel and the amalgam and any free Hg was parted from the gangue materials. The amalgam was then placed in a 600 ml beaker containing 400 ml of distilled water and 40 to 50 ml of nitric acid. The beaker was then placed on a hot plate at medium temperature until the mercury was leached into the nitric acid solution. The waste solution was placed in a separate container and safely stored. The residue of particulate gold in the beaker was washed with distilled water and the solution added to the other waste liquid. The gold in the beaker was then dried on the hot plate, weighed on an analytical balance, placed in a vial, identified and delivered to the supervising geologist. All the accumulated waste was safely stored until the mercury could be precipitated with zinc or aluminum foil and reused. All processing was supervised by Ted Reimchen, P. Geol of Pegasus Earth Sensing Corp.*

***Cont.***

***Page 2***

***Safety***

*The mercury was always handled with care in or over water as was the nitric acid by the writer or his assistant wearing gloves and safety goggles. An eye wash facility was on hand in the hazardous material handling area and only experienced adults had access to the processing laboratory*

*Ryan V. Jones Sr.Partner.*
*R. Jones & Associates.*

## Results and Interpretation

Appendix 1 which shows the stratigraphy of the test pits, also presents the location of samples as well as the amount of gold recovered from each test pit. One could observe small pieces of gold in all of the samples but they were extremely small with a high aspect ratio (platey).

The electronic balance was correct to 2 decimals or 0.01gm. 'Trace' means that one could see gold but it was insufficient to move the balance and based on our formulas (Calculations based on US900/pztroy=$28.94/g; Miners Gold=850Fine=$24.64/g and 0.01g would calculate to $0.24/mt.)

Test Pit 6 at 576m Elevation on the North Bar road returned a value of 0.046g/mt or $1.15/mt taken from 2.5-4m below the surface (Appendix 1).

Test Pit 10 at 562m Elevation from South Bar, near the Hyland River returned a value of 0.30g/mt or $0.75/mt taken from 0.2 to 2m below the surface.

Test Pit 11 at 575m Elevation from the side of the dissected terrace belonging to the 'autobahn' level (Appendix 1,2 and Plate 4 in Appendix 3). The coarse pebbles to boulders were sampled at 3 to 6m below the surface and returned a value of 1.602g/mt or $39.48/mt.

Test Pit 12 at 578m Elevation taken about 120m west of Test Pit 11 also belongs to the 'autobahn' level (Appendix 1,2 and Plate 5 in Appendix 3). Sample 12b returned a value of 3.927g/mt or $96.71/mt. The cobble to boulder layers were similar in lithology having arkose, white quartz and grey quartzite and also argillite within.

Test Pit 13 at 585m Elevation taken about 450m west of Test Pit 12 also belongs to the 'autobahn' level (Appendix 1,2 and Plate 5 in Appendix 3). Sample 13b returned a value of 0.018g/mt or $.45/mt. The cobbles to boulder layers were similar in above lithology.

Test Pit 14 at 583m Elevation taken about 350m north of Test Pit 13 and 600m northwest of Test Pit 12 also belongs to the 'autobahn' level (Appendix 1,2). Sample 14a, a surface sample returned a value of 2.684g/mt or $41.49/mt. The cobbles to boulder layers were similar in lithology to Test Pits 11-13.

**Table 2 Free gold and calculated grade in Liard Holdings Corp. Samples**

| Sample # | Head Feed kg | Concentration Ratio | Wt of gold mg | mg/mt | $usd/mt |
|---|---|---|---|---|---|
| Tp1 | 190.5 | 5.25 | <.01 | Trace | |
| Tp2a | 245 | 4.08 | <.01 | Trace | |
| Tp2b | 175.5 | 5.7 | <.01 | Trace | |
| Tp3a | 139.7 | 7.16 | <.01 | Trace | |
| Tp3b | 141.9 | 7.05 | <.01 | Trace | |
| Tp4a | 222.7 | 4,49 | <.01 | Trace | |
| Tp4b | 134.3 | 7.45 | <.01 | Trace | |
| Tp4c | 143.3 | 6.98 | <.01 | Trace | |
| Tp5a | 132 | 7.58 | <.01 | Trace | |
| Tp5b | 130.2 | 7.68 | <.01 | Trace | |
| Tp5c | 162.8 | 6.14 | <.01 | Trace | |
| Tp6a | 161 | 6.21 | <.01 | Trace | |
| Tp6b | 122.9 | 8.14 | 0.008 | 0.046 | $1.15 |
| Tp6c | 171 | 5.85 | <.01 | Trace | |
| Tp6c | 174.6 | 5.73 | <.01 | Trace | |
| Tp7a | 165.1 | 6.06 | <.01 | Trace | |
| Tp7b | 197.3 | 5.07 | <.01 | Trace | |
| Tp8a | 161.5 | 6.19 | <.01 | Trace | |
| Tp8b | 169.6 | 5.9 | <.01 | Trace | |
| Tp9a | 155.1 | 6.45 | <.01 | Trace | |
| Tp9b | 161 | 6.21 | <.01 | Trace | |
| Tp10a | 163.7 | 6.11 | 0.005 | 0.30 | $0.45 |
| Tp10b | 177.4 | 5.64 | <.01 | Trace | |
| Tp11a | 156 | 6.41 | <.01 | Trace | |
| Tp11b | 162.9 | 6.14 | 0.261 | 1.602 | $39.48 |
| Tp12a | 152 | 6.58 | 0.005 | .032 | $0.81 |
| Tp12b | 167.9 | 5.96 | 0.659 | 3.927 | $96.71 |
| Tp13a | 153.3 | 6.52 | <.01 | Trace | |
| Tp13b | 162.8 | 6.14 | 0.003 | .018 | $0.45 |
| Tp14a | 124.7 | 8.02 | 0.21 | 1.684 | $42.49 |
| Tp14b | 161.5 | 6.19 | <.01 | Trace | |
| Tp14c | 173.3 | 5.77 | <.01 | Trace | |
| Tp15a | 154.2 | 6.49 | <.01 | Trace | |
| Tp15b | 169.6 | 5.9 | <.01 | Trace | |
| Tp16a | 156.5 | 6.39 | <.01 | Trace | |
| Tp16b | 166.9 | 5.99 | <.01 | Trace | |
| Tp16c | 173.7 | 5.76 | 0.009 | .051 | $1.28 |

None of these values are mineable by themselves as they are only points in space. Interesting enough, they all come from the highest terraces in the area; all are from the ‘autobahn’ level with a somewhat unique lithology of arkose, white quartz, grey quartzite and argillite. This is a good start in that the values appear to be restricted to a certain time line of deposition and Elevation

**Recommendations**

The following tasks are recommended and costed:

1 Excavate 20 test pits to 6m deep 100m north of TP 11,12, 13 and continue to the west to the edge of the embankment at 200m intervals across the property sampling the appropriate layers and process 0.25tonnes from each site through a 7.5" Knelson Concentrator. If this program were to take place in 2008 it would be necessary to place the samples in 100l (22g) barrels and transport the samples to a processing laboratory that is knowledgeable with Knelson concentrators and the amalgamation process. Approximate cost of $30,000 including machinery.

2 Make a comprehensive map of the Surficial geology of an area from Lower Post to the Alasks Highway Bridge and along the Liard and Hyland River. Plot the information on an topographic map and prepare cross sections every 500m in a N-S direction, correct to 2m in AutoCAD and coordinates in UTM with an approximate cost of $8000. To be done the same time as test pitting.

3 Amalgamate the concentrate from the above 7.5"KC for particulate gold and part the amalgam on spiral or Gold Genie with an approximate cost of $180/sample. Approximate cost based on 20samples of $2000.

4 Based on the test pits and geological mapping it may be necessary to bring in a CSR or deep auger drill to augment the thickness information, say 10 to 15 holes for a total of 500m. with an approximate cost of $15,000.

5 Management and Report preparation with an approximate cost of $12,000.

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1965 Flint R. F. Glacial and Quaternary Geology, John Wiley and Sons, 892pp.

1998 Monroe, J. S. and R. Wicander Physical Geology, Exploring the Earth, Michigan University, 645pp.

2008 Sookochoff L. 43-101 Liard Holdings Corp. Evaluation Report on the Hyland River Property; March 6, 2008

## STATEMENT OF QUALIFICATIONS AND CONSENT

I, Ted H.F. Reimchen, a consulting geologist of 12-577 Butterworth Way NW, Edmonton, Alberta, T6R 2Y2, hereby certify that:

a) I have the following degrees:

| | | |
|---|---|---|
| 1966 | B.Sc. General Science | University of Alberta, Edmonton |
| 1968 | M.Sc. Geology | University of Alberta, Edmonton |

b) I am a member in good standing of The Association of Professional Engineers and Geoscientists of British Columbia, the Association of Professional Engineers Geologists, and Geophysicists of Alberta and a Licensed Geologist in Washington, USA.

c) I have been continuously employed in mineral exploration on a global basis since 1969 and seasonally since 1963.

d) I visited the property June 27 to July 3, 2008 and also attended to the assay laboratory at Tulameen British Columbia for the duration of sample processing (July 18 to August 25, 2008).

e) I have no interest, either directly or indirectly, in the Liard holdings Corp. property of Kenrich-Eskay Mining Corp.

f) I have read National Instrument 43-101 "*Standards of Disclosure for Mineral Projects*" , (the instrument), Form 43-101F1 "Technical Reports" and the best practice guidelines for estimation of mineral resources and mineral reserves (MRMR) for Industrial Minerals of the CIM, May 30, 2003. Although this Report mainly follows the guidelines it was not written for this purpose. The Report presents procedures and methods and results from a reconnaissance testing program.

g) I confirm that this Report has been prepared in conformity with generally accepted Canadian mining industry practice.

h) I am an independent Qualified Person (QP) as defined in the Instrument and the author of this Report for Liard Holdings Corp. and Kenrich-Eskay Mining Corp.

i) At the date of this Report I am unaware of any material fact or material change with respect to the subject matter of this Report not reflected in this Report, the omission to disclose which would make this Report misleading.

j) I consent to the use of this Report in its entirety for filing with Canadian Securities Commissions or in a Prospectus of Statement of Material Facts for the purpose of a private or public financing, or for other such suitable purpose. The use of summaries or extracts is permitted provided their meaning is not altered by omissions, changes or context or in any other way.

Dated this 28th day of August 2008 in Edmonton, Alberta

Ted H. F. Reimchen, P.Geol.

*R. Jones & Associates*
1282 High Street, White Rock, BC Canada V4B 3N5
Tel: (604)536-7798 Fax: (604)536-0186 Mobile: (604)818=0704 E-mail: rvjones@telus.net

RÉSUMÉ

| | |
|---|---|
| **Name:** | Ryan V. Jones. |
| **Date of Birth:** | $10^{th}$ May, 1925. |
| **Place of birth:** | London, England. |
| **Citizenship:** | Canadian. |
| **Education:** | Post Secondary: RNC Dartmouth; RNC Greenwich. |
| **Qualification:** | Hydrographer. |
| **Occupation:** | Self employed. Mine mill & wash plant design. Consultant in gravity concentration technology, related exploration and remedial metal recovery activities. Authorized Knelson Concentrator technician. |

| | |
|---|---|
| 1941 – 1946 | Royal Navy. |
| 1947 - | Emigrated to Canada. |
| 1947 – 1950 | R.C.M.P. (Reg. No. 15666) Discharge purchased. |
| 1950 – 1960 | Various real estate and insurance activities. |
| 1960 – 1970 | Medicine Hat Brick & Tile Ltd. Clay products mining and manufacturing. |
| 1970 – 1974 | Worked with and studied under the late Dr. Mal Robinson, P. Geol. Commenced studying gravity concentration methods in the mining industry. Designed and built a mobile 100 TPH centrifugal barrel concentrating plant. |
| 1974 – 1988 | Operated placer mines in Yukon, Paradise Hill, Hunker Ck; Manson Creek, BC;<br>Feather Ck. Nr. Atlin, BC. During this period several wash plants were designed for other mining operators using centrifugal barrel concentrator technology. Also purchased and operated the first 12" Knelson Concentrator on Feather Ck.<br>and formed R. Jones & Assoc. to provide a consulting service to both hard rock and placer operators in Canada, the Americas and West Africa. |
| 1988– 1990 | Assisted Byron Knelson in the rapid development of Knelson Concentrators. |
| 1990 – Date | Represented Knelson Concentrators in various locations and presented technical papers at mining conventions in England, USA, Peru and Chile, etc. Earlier on in this period Jones-Kopp & Associates was formed to look after an expanding consulting service in the S.W. United States. An office was located in Nevada City, California and the organization operated successfully until 2000 under the direction of David Kopp, P. Eng. |

Ryan Jones has been closely associated with Pegasus Earth Sensing Corp. and Ted Reimchen, P. Geol. for the past 28 years.

# Appendix 1

Stratigraphy of Liard Holding Corp.  Hyland Property

## Stratigraphy of Liard Holdings Test Pits

### Sample Locations and Assay

▼ symbol for water table

| | | | | Raw Wt Sample | Concent. Ratio | Raw Au Weight | $/mt(usd) |
|---|---|---|---|---|---|---|---|
| EA 4 | | 0954323E 66411930N | Jun-29 | | | | |
| | meters | | | | | | |
| | 0 | silt | overbank, sitly clay | | | | |
| | 1- | gravel | cobbles to boulders, to 25cm long, | | | | |
| | | gravel | m-c sands, quartzites, white to grey, | | | | |
| ▼ | 3.3 | gravel | cobbles to boulders, to 25cm long, | | | | |
| | | | | | | | |
| | | | | | | | |
| EA 5 | | 09544317E 6640610N | Jun-29 | SEE PLATE 8b | | | |
| | meters | | | | | | |
| | 0 | silt | overbank deposit with organices, 30% clay size | | | | |
| | 0.5- | sand | with rare pebbles, f-m sand | | | | |
| | | gravel | pebbles to cobbles | | | | |
| ▼ | 2.2- | gravel | becoming rusty, m-c sand, sub to well rounded, quartzites | | | | |
| | 4 | gravel | cobbles to boulders | | | | |
| | | | | | | | |
| | | | | | | | |
| EA 8 | | 0954476eE 6642556N | Jun-29 | SEE PLATE 3 | | | |
| | meters | | | | | | |
| | 0- 1.5 | sand | overbank deposit, silty in places, light brown | | | | |
| | | sand | grey, silty, pea size pebbles | | | | |
| | 1.6 | gravel | sandy, coarse sand, pebbles to cobbles to 30cm, horizontally bedded | | | | |
| | | gravel | | | | | |
| | 3 | gravel | cobbles to boulders, sub to well rounded, rusty colors | | | | |
| | | gravel | boulders to 1m in long diameter, average size is 30cm\ | | | | |
| | 6 | gravel | cobbles to boulders, sub to well rounded, rusty colors | | | | |
| | | | loose, horizontally bedded | | | | |

| | | | | | Raw Wt | Concent. | Raw Au | $/mt(usd) |
|---|---|---|---|---|---|---|---|---|
| EA 9 | | 09546257E 66444417N | Jun-29 | | | | | |
| | meters | | | SEE PLATE 14 | kg | Ratio | mg | |
| | 0 - 0.5 | silt | overbank deposit, organics | | | | | |
| | 0.5 - 1.0 | gravel | white quartzite, pebbles to cobbles, m sand | | | | | |
| | | sand | cross beds of sand | | | | | |
| | 3 | gravel | m-c sand,pebbles to cobbles, sub to well rounded, | | | | | |
| ▼ | 4 | gravel | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| EA 10 | | 09546498E 6644434N | Jun-29 | | | | | |
| | meters | | | | | | | |
| | 0 | silt | overbank, 20% clay size, organics | | | | | |
| | 0.5- | gravel | sandy, horizontally bedded, current to south | | | | | |
| | | gravel | rusty color | | | | | |
| | 2.0- | gravel | grey, m-c sand, pebbles to bldr to 1m long diameter | | | | | |
| | | gravel | 90% white to grey quartzite, med sand | | | | | |
| | | sand | cross beds dipping 085. | | | | | |
| ▼ | 3m | gravel | end of test pit | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| TP 1 | | 9544325E 6646623N | Jun-29 | SEE PLATE 8c | | | | |
| | meters | | | | | | | |
| | 0-0.2 | mulch | forest cover, Ah, sticks, no Fe stains | | | | | |
| | | gravel | boulders to 1.3m long diameter, loose matrix | | | | | |
| | 2.5 | sand | m-c, up to 60% by volume, deltaic foresets | | 190.5 | 5.25 | <.01 | trace |
| 1 | | gravel | becomes coarser with depth, | | | | | |
| | | gravel | cobbles to boulders | | | | | |
| ▼ | 4 | silt | overbank deposit variable to 0.5m thick, <40% clay size, grey | | | | | |
| | 4.8 | gravel | cobbles to boulders, grey, coarse sand | | | | | |
| | 5.5 | gravel | | | | | | |
| | | | | | | | | |

*Calculations based on US$900/oztroy=$28.94/g; Miners Gold=850Fine=$24.64/g; Weigh Limit 0.01g,*
*gold is irregular in shape, bright with high aspect ratio where particle thickness appears <10% of the greatest dimension. .*

| | | | | | | Raw Wt | Concent. | Raw Au | $/mt(usd) |
|---|---|---|---|---|---|---|---|---|---|
| TP 2 | | 50m west of TP 1 | | Jun-29 | | | | | |
| | meters | | | | | kg | Ratio | gm | |
| | 0-0.2 | mulch | | | | | | | |
| 2a | | gravel | pebbles to boulders, brown, 60% sand by volume | | | 245 | 4.08 | <.01 | trace |
| | 2 | gravel | gravels become coarser with 30% sand by volume, | | | | | | |
| 2b | | gravel | loose, sub to well rounded | | | 175.5 | 5.70 | <.01 | trace |
| ▼ | 3.5 | silt | rusty, hardpan, overbank silty clay, no pebbles | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| TP 3 | | North B | 09545183E 6641184N | Jun-29 | 570m asl | | | | |
| | meters | | | | | | | | |
| | 0-0.4 | mulch | silty | | | | | | |
| 3a | | gravel | pebbles to boulders to 20 cm in long diameter\ | | | 139.7 | 7.16 | <.01 | trace |
| 3b | 1.5 | sand | coarse, sub to well rounded, rare pebbles | | | | | | |
| ▼ | 2 | gravel | pebbles to boulders to 30 cm in long diameter\ | | | 141.9 | 7.05 | <.01 | trace |
| 3c | | gravel | pebble to boulders to 80cm in long diameter, | | | | | | |
| | 5 | gravel | pebble to boulders to 80cm, sub rounded, c- sand | | | 145.6 | 6.87 | <.01 | trace |
| | | | sub rounded, coarse sand | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| TP 4 | | | 08545059E 6641180N | Jun-29 | 571m asl | | | | |
| | meters | | | | | | | | |
| | 0.0.3 | mulch | with spruce, poplar, pine, willow and birch up to 6m high | | | | | | |
| 4a | | gravel | sand and gravel, evenly distributed, pebbles, rare cobbles, | | | 222.7 | 4.49 | <0.01 | trace |
| 4b | | gravel | gravel, less sand | | | 134.3 | 7.45 | <0.01 | trace |
| | 2.5 | gravel | m-c sand, grey quartzites, loose, pebbles to cobbles | | | | | | |
| ▼ | 3.5 | gravel | cobbles to boulders, dense, compacted, | | | | | | |
| 4c | | gravel | grey to white quartzites, 50% clasts by volume | | | 143.3 | 6.98 | <0.01 | trace |
| | 5.5 | gravel | cobbles to boulders, m-c sands, | | | | | | |
| | | sand | m sand layers 10cm thick | | | | | | |

*Calculations based on US$900/oztroy=$28.94/g; Miners Gold=850Fine=$24.64/g; Weigh Limit 0.01g,*

*gold is irregular in shape, bright with high aspect ratio where particle thickness appears <10% of the greatest dimension. .*

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| TP 5 | | | 09544940E 6641165N | Jun-30 | 570m asl | **Raw Wt** | **Concent.** | **Raw Au** | **$/mt(usd)** |
| | meters | | | | | **kg** | **Ratio** | **gm** | |
| | 0-0.4 | mulch | | | | | | | |
| 5a | 1 | silt | overbank sandy silt | | | | | | |
| ▼ | 2 | gravel | loose, 70% sand, pebble layers 15cm thick separated | | | 132 | 7.58 | <0.01 | trace |
| 5b | | gravel | by medium sand layers 10cm thick | | | 130.2 | 7.68 | <0.01 | trace |
| 5c | 3 | gravel | up to 75% sand | | | 162.8 | 6.14 | <0.01 | trace |
| | 4-4.5 | silt | overbank silt, sandy, similar to hardpan | | **SEE PLATE 11c** | | | | |
| | | gravel | fine, m-c sand | | | | | | |
| | 5 | gravel | cobbles to boulders | | | | | | |
| | | | | | | | | | |
| TP 6 | | | 09544671E 6641144N | Jun-30 | 576m asl | | | | |
| | meters | | | | | | | | |
| | 0 - 0.3 | mulch | | | | | | | |
| | -0.7 | silt | overbank deposit, sandy, fine gravel layers | | | | | | |
| 6a | 1 | gravel | medium to coarse sand, cobbles to boulders, to 30cm, rusty | | | 161 | 6.21 | <0.01 | trace |
| ▼ | 2 | gravel | cobbles to boulders to 60cm in long diameter | | | | | | |
| 6b | 2.5 | gravel | fine, sandy, dominantly granite, volcanics, arkose, quartzite | | | 122.9 | 8.14 | <0.01 | trace |
| 6c | | gravel | tabular pebbles | | | 171 | 5.85 | 0.008 | $1.15 |
| | 4 | silt | hardpan, similar to till but not. | | | | | | |
| 6d | 4.5 | gravel | sitly and clayey? Grading downward into fine gravel | | | 174.6 | 5.73 | <0.01 | trace |
| | | | | | | | | | |
| TP 7 | | | 9544527E 6641132N | Jun-30 | 584m asl | **SEE PLATE 3** | | | |
| | meters | | | | | | | | |
| | 0-0.3 | mulch | | | | | | | |
| | 1.5 | silts | overbank deposit, with boulders to 40cm in long diameter, | | | | | | |
| ▼ | 2 | gravel | frozen, black organic stains on boulders | | | | | | |
| 7a | 3 | gravel | fining downward, fine to medium sand | | | 165.1 | 6.06 | <0.01 | trace |
| | | gravel | silt sticking to boulders | | | | | | |
| 7b | 4 | gravel | silty gravel, sub to well rounded, | | | 197.3 | 5.07 | <0.01 | trace |
| | 5.5 | silts | hardpan, pebbles embedded into clay | | | | | | |
| | 6 | gravel | pebbles to boulders to 30cm in long diameter, medium sand | | | | | | |
| | | | | | | | | | |
| *Calculations based on US$900/oztroy=$28.94/g; Miners Gold=850Fine=$24.64/g; Weigh Limit 0.01g,* | | | | | | | | | |
| *gold is irregular in shape, bright with high aspect ratio where particle thickness appears <10% of the greatest dimension. .* | | | | | | | | | |
| TP 8 | | | 09544350E 6641109N | Jun-30 | 595m asl | **Raw Wt** | **Concent.** | **Raw Au** | **$/mt(usd)** |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | meters | | looks like old drill site, poplar and spruce forest | | | | kg | Ratio | gm | |
| | 0 - 1.2 | silt | overbank deposit, frozen with fine pebbly layers, becomes coarser | | | | **SEE PLATES 11a and 8a** | | | |
| | | gravel | downward with cobbles to 20cm in long diameter, horizontally bedded | | | | | | | |
| 8a | | gravel | tabular boulders to 40cm | | | | 161.5 | 6.19 | <0.01 | trace |
| ▼ | 3.5 | gravel | sandy, steep foreset beds at 25 degrees | | | | | | | |
| | 4.5 - 5.0 | silt | clayey, grey in colour, sticky, plastic | | | | | | | |
| 8b | 6 | gravel | cobbles to 20cm in long diameter, horizontally bedded | | | | 169.6 | 5.90 | <0.01 | trace |
| | | | | | | | | | | |
| | | | | | | | | | | |
| TP 9 | | | 09544318E 6641067N | Jun-30 | 579m asl | spruce, poplar | | | | |
| | meters | | | | | | | | | |
| | 0-0.25 | mulch | | | | | | | | |
| 9a | -1.1 | gravel | sand and gravel, pebbles to cobbles to 20cm long, rounded | | | | 155.1 | 6.45 | <0.01 | trace |
| | | gravel | quartz, quartzite, granite, arkose, argillite, medium to coarse sand | | | | | | | |
| | | gravel | all pebbles are tabular, 3mm mica flakes, | | | | | | | |
| ▼ | 3.5 | gravel | compacted, manganese staining on pebbles, | | | | **SEE PLATE 10b** | | | |
| 9b | 4.5 | gravel | cobbles to boulders to 60cm in long diameter | | | | 161 | 6.21 | <0.01 | trace |
| | 5 | silt | overbank deposit, silty clay | | | | | | | |
| | 6 | gravel | sand and gravel, pebbles to cobbles to 50cm diameter, rounded | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| TP 10 | | | 09540640E 6640639N | 01-Jul | 562m asl | South Bar | | | | |
| | meters | | willows, birch and poplar to 20m | | | | | | | |
| | 0-0.2 | mulch | | | | | | | | |
| 10a | -1 | silt | overbank silts | | | | 163.7 | 6.11 | 0.005 | $0.75 |
| ▼ | 2 | gravel | sandy, pebbles, loose | | | | | | | |
| 10b | 3 | gravel | sandy, pebbles, | | | | 177.4 | 5.64 | <0.01 | trace |
| | 3.5-4.0 | silt | overbank silts | | | | | | | |
| | 4 | sand | medium to coarse sand, pebbles to boulders to 20cm in long diameter | | | | | | | |
| | | | | | | | | | | |

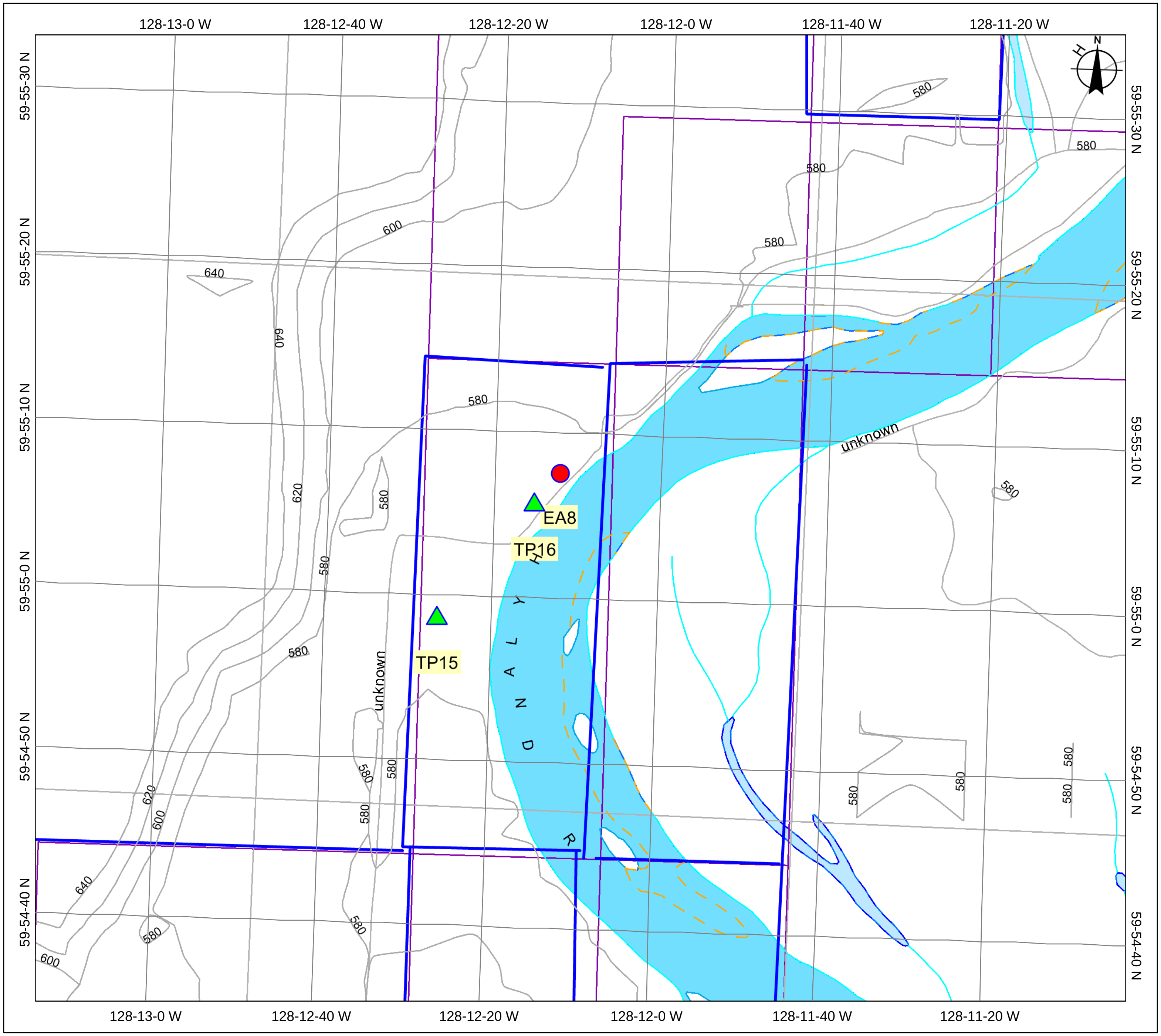
*Calculations based on US$900/oztroy=$28.94/g; Miners Gold=850Fine=$24.64/g; Weigh Limit 0.01g,*
*gold is irregular in shape, bright with high aspect ratio where particle thickness appears <10% of the greatest dimension. .*

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| TP 11 | | | 09544995E 6639749N | | | 01-Jul | 575m asl | | South Bar | **Raw Wt** | **Concent.** | **Raw Au** | **$/mt(usd)** |
| | | | | | | | | | **SEE PLATE 4** | | | | |
| | meters | | Terrace level | | poplar and spruce | | | | | **kg** | **Ratio** | **gm** | |
| | 0-0.15 | mulch | forest soils | | | | | | | | | | |
| 11a | 1.5 | gravel | sands, loose, horizontally bedded | | | | | | | 156 | 6.41 | <0.01 | trace |
| | | gravel | Mn staining on pebbles, tablular pentagonal shape, to 25cm | | | | | | | | | | |
| 11b | 3 | gravel | coarse pebbles to boulder, iron stained | | | | | | | 162.9 | 6.14 | 0.261 | $39.48 |
| | 6 | sand | sand and gravel, more sandy than above | | | | | | | | | | |
| | | gravel | mainly quartzites, arkose, argillite, quartz | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| TP 12 | | | 09544844E 6639741N | | | 01-Jul | 578m asl | | South Bar | **SEE PLATE 5** | | | |
| | meters | | pine trees to 25 yrs old | | | | | | | | | | |
| | 0-0.15 | mulch | forest soils | | | | | | | | | | |
| 12a | 2 | gravel | loose, pebbles to cobbles, medium sand | | | | | | | 152 | 6.58 | 0.005 | $0.81 |
| | | gravel | cobbles to 15cm in long diamter, well rounded | | | | | | | | | | |
| | 3 | gravel | horizontally bedded, grading to 60% gravel and 40% sand | | | | | | | 167.9 | 5.96 | 0.659 | $96.71 |
| 12b | 4 | gravel | boulders to 30cm in long diameter | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| TP 13 | | | 09544399E 6639704N | | | 01-Jul | 585m asl | | | **SEE PLATE 6** | | | |
| | meters | | pine trees, poplar and spruce to 25yrs old, 10m high, reindeer moss | | | | | | | | | | |
| | 0-0.2 | mulch | forest Brunisols | | | | | | | 153.3 | 6.52 | <0.01 | trace |
| 13a | 1 | gravel | pea to pebble size, 70% sand | | | | | | | | | | |
| | | gravel | grading to cobble size at 1.5m up to 25cm long diameter, well sorted | | | | | | | | | | |
| 13b | 3 | gravel | more bouldery to 30cm in long diameter, | | | | | | | 162.8 | 6.14 | 0.003 | $0.45 |
| ▼ | 4.5 | gravel | more white quartz with depth | | | | | | | | | | |
| | 5 | silts | overbank silty clay | | | | | | | | | | |
| | | | | | | | | | | | | | |
| *Calculations based on US$900/oztroy=$28.94/g; Miners Gold=850Fine=$24.64/g; Weigh Limit 0.01g,* | | | | | | | | | | | | | |
| *gold is irregular in shape, bright with high aspect ratio where particle thickness appears <10% of the greatest dimension. .* | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| TP 14 | | | 09544312E 6640055N | 02-Jul | 583m asl | | | | |
| | meters | | pine forest from old burn about 35 years ago | | | **Raw Wt** | **Concent.** | **Raw Au** | **$/mt(usd)** |
| | 0-0.2 | mulch | Brunisolic profile | | | **kg** | **Ratio** | **gm** | |
| | 0.8 | aeolian | sand, brown, fine | | | | | | |
| 14a | 2 | gravel | sandy, pebbles to boulder to 10cm in long diameter | | | 124.7 | 8.02 | 0.21 | $41.49 |
| | 2.5 | sandy | fine pea size gravel with cross beds to 30 degrees | | | 161.5 | 6.19 | <0.01 | trace |
| 14b | 3 | gravel | cobbles to boulders to 25cm in long diameter, rounded | | | | | | |
| 14c | | gravel | | | | 173.3 | 5.77 | <0.01 | trace |
| ▼ | 4.5 | gravel | coarse sand with cobbles to boulders | | | | | | |
| | 5.5 | silty | overbank deposit up to 0.8m deep with fine gravel layers | | | | | | |
| | 6 | gravel | fine pea size gravel | | | | | | |
| | | | | | | | | | |
| TR 15 | | | 09544342E 6642293N | 02-Jul | 579m asl | | | | |
| | meters | | end of Autobahn Road near bend in road, spruce to 20m, birch to 10m | | | | | | |
| | 0-0.2 | mulch | silty, sandy, ae, light brown | | | | | | |
| | | gravel | fine, pebbles to 70% by volume | | | | | | |
| | 2 | gravel | iron stained, | | | | | | |
| 15a | 3 | gravel | sandy layers with Mn stains | | | 154.2 | 6.49 | <0.01 | trace |
| ▼ | 4 | gravel | sand layers 10cm thick, boulders to 30cm in long diameter | | | | | | |
| | 5 | gravel | compact with boulders to 80cm in long diameter | | | 169.6 | 5.90 | <0.01 | trace |
| 15b | 6 | gravel | clean gravels, less iron staining, silty matrix, med sand | | | | | | |
| | | | | | | | | | |
| TR 16 | | | 09544634E 6642392N | 02-Jul | 579m asl | | | | |
| | meters | | close to river bank, spruce and pine to 8m | | | **SEE PLATE 13** | | | |
| | 0-0.25 | mulch | | | | | | | |
| 16a | 1.5 | gravel | pebbles to cobbles, m sands, poorly sorted, well graded | | | 156.5 | 6.39 | <0.01 | trace |
| | 2 | gravel | cobbles to 20cm, sub to well rounded | | | | | | |
| | 3 | gravel | coarser with depth to 35cm in long diameter, sand lenses | | | 166.9 | 5.99 | <0.01 | trace |
| 16b | 4 | gravel | | | | | | | |
| ▼ | 5.5 | gravel | boulders, but fining downward, many sand layers | | | 173.7 | 5.76 | 0.009 | $1.28 |
| 16c | 6 | wood | buried log, sitly, overbank deposit | | | | | | |
| | 6.5 | gravel | sandy silt, pebbles to boulders | | | | | | |
| | | | | | | | | | |
| *Calculations based on US$900/oztroy=$28.94/g; Miners Gold=850Fine=$24.64/g; Weigh Limit 0.01g,* | | | | | | | *$24.64* | | |
| *gold is irregular in shape, bright with high aspect ratio where particle thickness appears <10% of the greatest dimension. .* | | | | | | | | | |

# Appendix 2

Location of Test Pits and Stratigraphy Pits;      Hyland Property




British Columbia

# Camper Terrace, July 2008

*Legend*

**(1:20,000) Water - River, Canal, etc. - Colour Themed**

- Canal
- River or Stream - Definite

**(1:20,000) Water - Lake, Reservoir, etc. - Colour Themed**

- Mine - Tailing Pond
- Reservoir - Definite
- Lake - Definite

**Placer Tenures - Outlined**

**Contours (1:20,000)**

**(1:20,000) Water - Rivers, Creeks, Shorelines, etc.**

- Canal
- Dam
- Dam - Beaver
- Ditch
- Falls
- Flume
- Rapids
- River or Stream - Definite
- River or Stream - Dry
- River or Stream - Indefinite
- River or Stream - Left Bank
- River or Stream - Right Bank
- Dam - section Base

0 150 300 m.

**Scale: 1:10,448**

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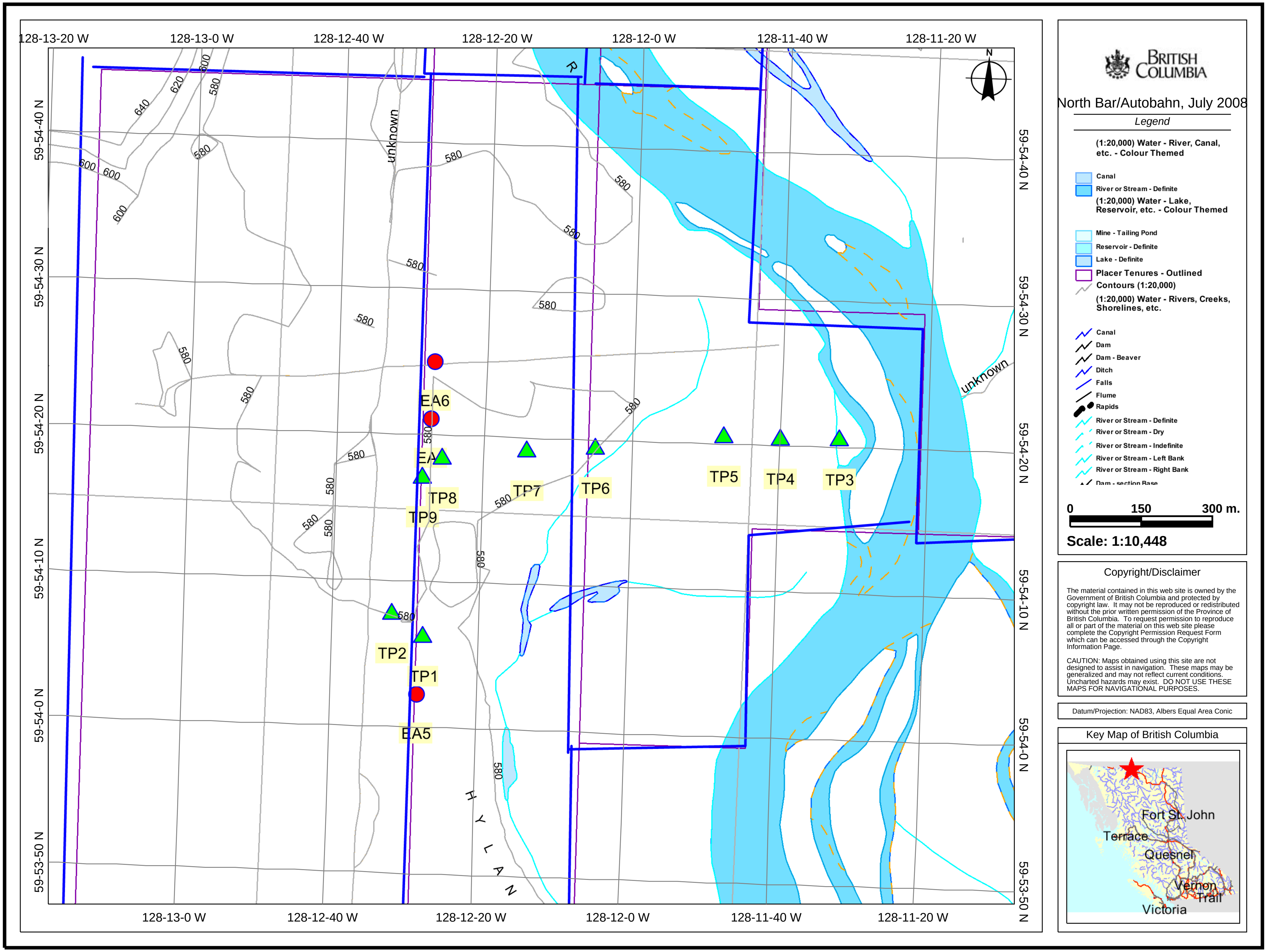
Datum/Projection: NAD83, Albers Equal Area Conic

## Key Map of British Columbia



British Columbia
North Bar/Autobahn, July 2008
Legend
(1:20,000) Water - River, Canal, etc. - Colour Themed
Canal
River or Stream - Definite
(1:20,000) Water - Lake, Reservoir, etc. - Colour Themed
Mine - Tailing Pond
Reservoir - Definite
Lake - Definite
Placer Tenures - Outlined
Contours (1:20,000)
(1:20,000) Water - Rivers, Creeks, Shorelines, etc.
Canal
Dam
Dam - Beaver
Ditch
Falls
Flume
Rapids
River or Stream - Definite
River or Stream - Dry
River or Stream - Indefinite
River or Stream - Left Bank
River or Stream - Right Bank
0
150
300 m.
Scale: 1:10,448
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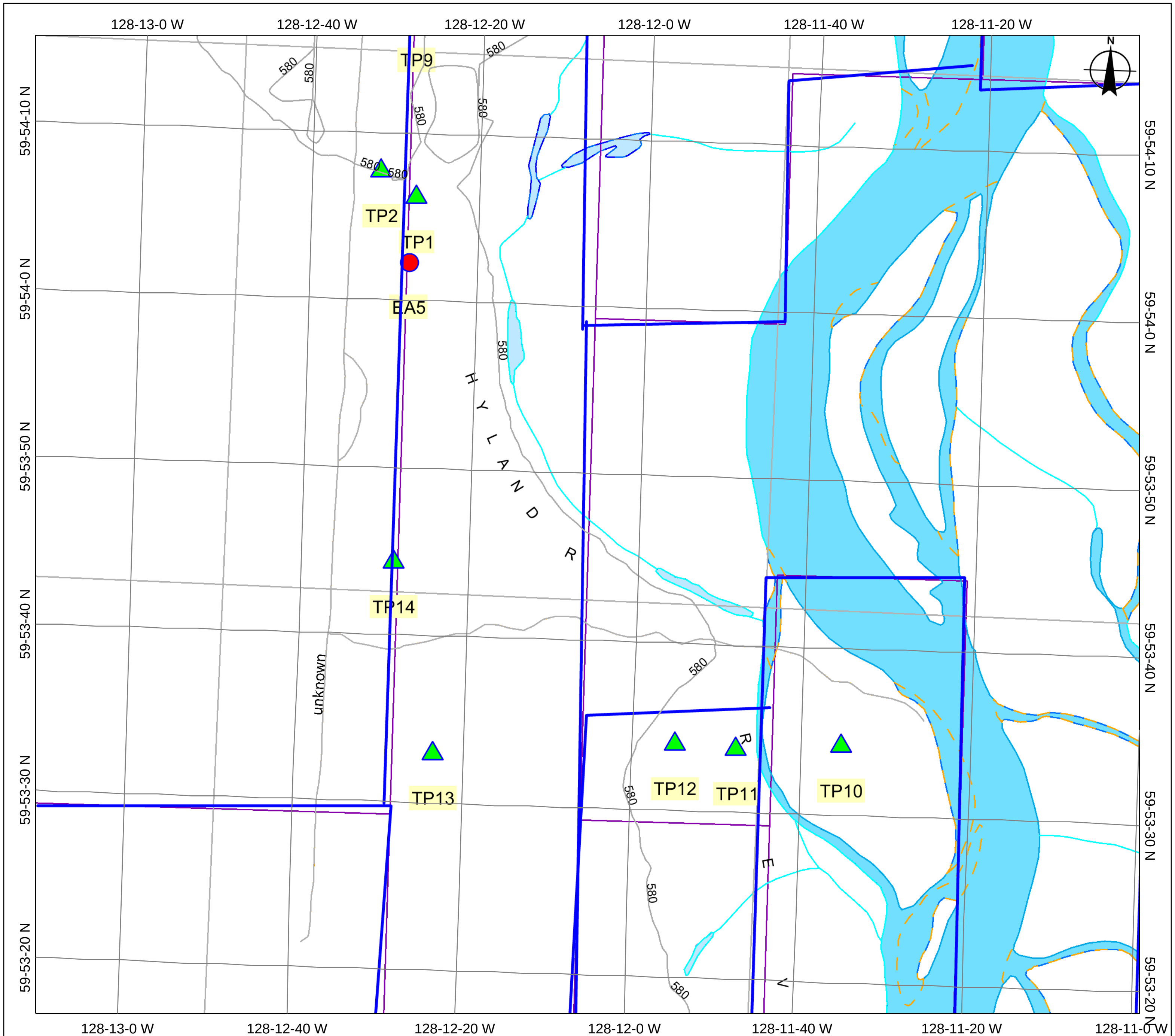
Datum/Projection: NAD83, Albers Equal Area Conic
Key Map of British Columbia
Fort St. John
Terrace
Quesnel
Vernon
Trail
Victoria
128-13-20 W
128-13-0 W
128-12-40 W
128-12-20 W
128-12-0 W
128-11-40 W
128-11-20 W
59-54-40 N
59-54-30 N
59-54-20 N
59-54-10 N
59-54-0 N
59-53-50 N
N
EA6
EA5
TP1
TP2
TP3
TP4
TP5
TP6
TP7
TP8
TP9
unknown
580
600
620
640
HYLAN




BRITISH COLUMBIA

## South Bar/Autobahn, July 2008

*Legend*

**(1:20,000) Water - River, Canal, etc. - Colour Themed**

- Canal
- River or Stream - Definite

**(1:20,000) Water - Lake, Reservoir, etc. - Colour Themed**

- Mine - Tailing Pond
- Reservoir - Definite
- Lake - Definite

**Placer Tenures - Outlined**

**Contours (1:20,000)**

**(1:20,000) Water - Rivers, Creeks, Shorelines, etc.**

- Canal
- Dam
- Dam - Beaver
- Ditch
- Falls
- Flume
- Rapids
- River or Stream - Definite
- River or Stream - Dry
- River or Stream - Indefinite
- River or Stream - Left Bank
- River or Stream - Right Bank
- Dam - section Base

**0 150 300 m.**

**Scale: 1:10,448**

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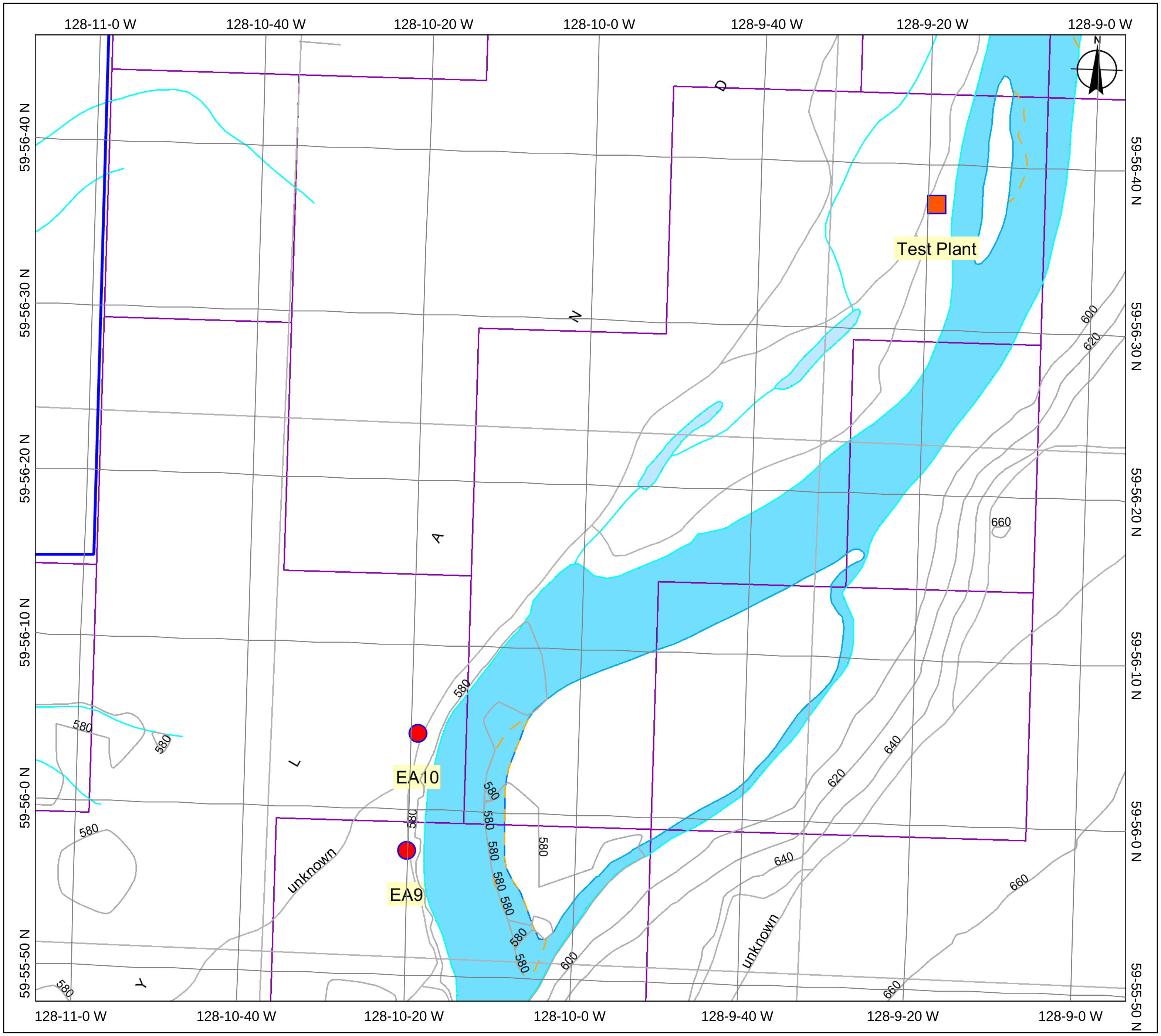
Datum/Projection: NAD83, Albers Equal Area Conic

### Key Map of British Columbia




BRITISH COLUMBIA

## Test Plant Terrace, July 2008

*Legend*

(1:20,000) Water - River, Canal, etc. - Colour Themed
- Canal
- River or Stream - Definite

(1:20,000) Water - Lake, Reservoir, etc. - Colour Themed
- Mine - Tailing Pond
- Reservoir - Definite
- Lake - Definite

Placer Tenures - Outlined

Contours (1:20,000)

(1:20,000) Water - Rivers, Creeks, Shorelines, etc.
- Canal
- Dam
- Dam - Beaver
- Ditch
- Falls
- Flume
- Rapids
- River or Stream - Definite
- River or Stream - Dry
- River or Stream - Indefinite
- River or Stream - Left Bank
- River or Stream - Right Bank
- Dam - section Base

0 150 300 m.

**Scale: 1:10,448**



Datum/Projection: NAD83, Albers Equal Area Conic

Key Map of British Columbia

# Appendix 3

Plates

Plate 1a

View of Hyland River looking downstream from test plant at the "Hank Horn/McGuire log cabin.

Plate 1b

Hank Horn/McQuire Log Cabin, Test Plant Site for June/July 2008


"North Bar" of Hyland River
Plate 2a


West end of 'North Bar'
Plate 2b

Test Pit 7: west end of 'North Bar' at Elev: 584m.

Plate 3a

Test Pit 7: frozen ground, gravels lie immediately below organic mulch

Plate 3b

Close up of cobble surrounded by 'overbank' silty clay in TP 7

Plate 3c

Test Pit 7: pile of gravel on right is 7a taken from 1-2m, middle pile is 7b taken from 2-3m and left pile from 4 - 5.5m below the surface

Plate 3d


Test Pit 11 on edge of high terrace on road to 'South Bar', Sample 11a is from 1 to 2m below the top; 11b is from 3 to 5m (base of white poplar) is beginning of 11b. Note loose horizontally bedded sand and gravel.
11b
Plate 4

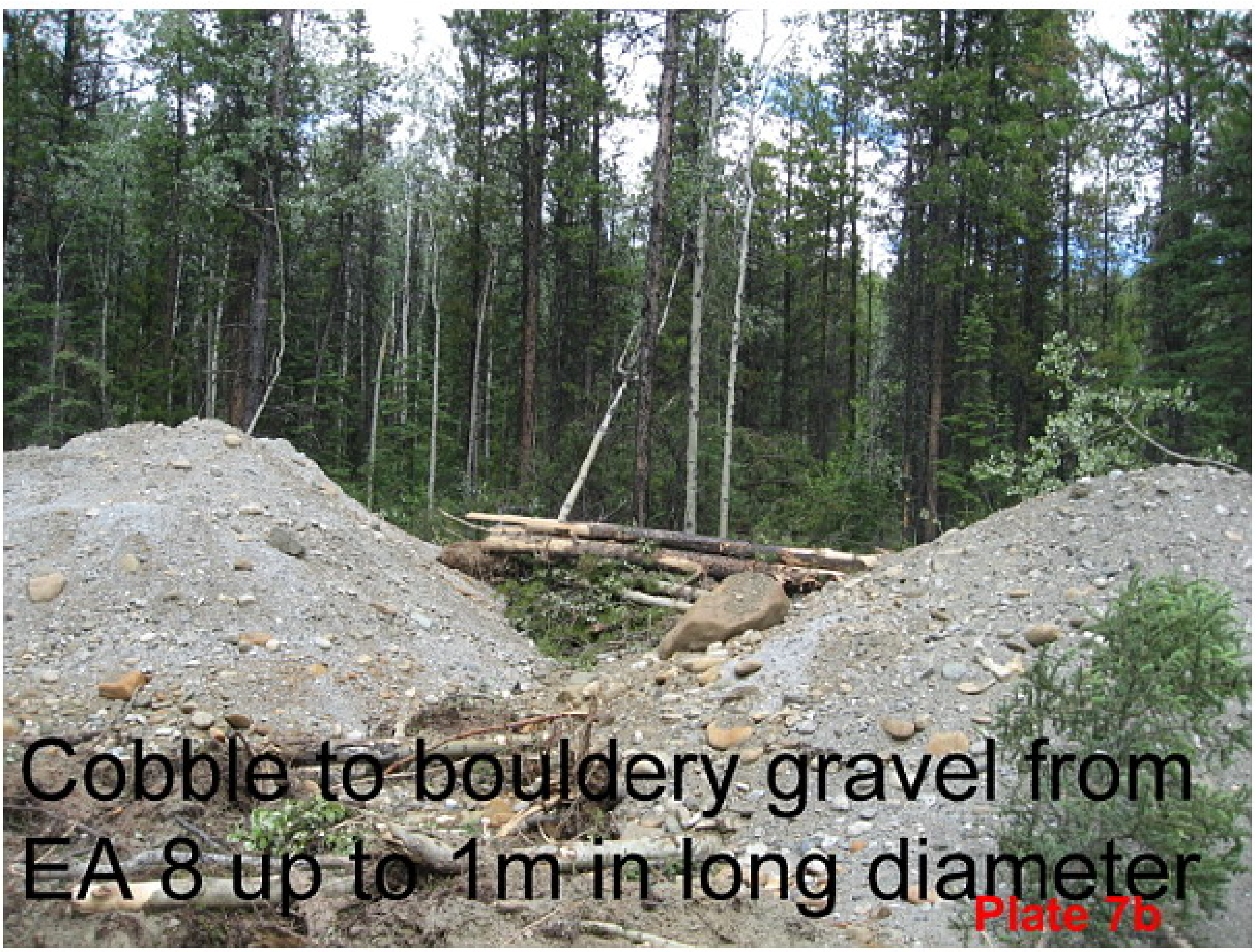

Test Pit 12; loose gravel of upper terrace; 12a from surface to 2m, and 12b is from 3 to 5m below the surface.
12b
Plate 5


Mixed pine and poplar forest
near TP13.
Plate 6a


Samples from TP 13. Cone of gravel on right
is from 0.2 to 1m; middle pile is from 3 to 5m below
the surface.
Plate 6b

EA 8 showing loose terrace gravels 11m above Highland River.

Plate 7a



Cobble to bouldery gravel from EA 8 up to 1m in long diameter

Plate 7b

Terrace near TP8 showing mixed poplar forest

Plate 8a

Spruce forest at EA 5

Plate 8b

Mixed spruce, poplar, pine and birch forest at Test Pit 1 on 'autobahn'

Plate 8c

Plate 8d

Plate 10a  Gentle dipping beds of sand


Plate 10b  Manganese staining on cobbles


Test Pit 8, with 4.5m of quartzite
rich gravel overlying 0.5m of
grey silty clay 'overbank'
and gravel underneath
Plate 11a


Note clay content of
overbank deposit.
Plate 11b


Plate 11c
Overbank layer0.5m thick in Test Pit 5

7.5" Knelson test plant.

Plate 12a

Recording weights of each pail of sample

Plate 12b

## Work Reported by Edward Asp Sr.

## For Liard Holdings Co.

## June and July 2008

June 26th to July 3rd 2008:

| | |
|---|---|
| Edward Asp Sr. Prospector with a Pickup truck, 1 ATV, a Chainsaw and a River boat 9 days at $500.00/a day | $4'500.00 |
| June 25th to July 5th 2008: | |
| Fred McMillan,Gary McMillan,Gordon Scott,Ken McMillan | |
| 4 men doing labour work-11 days at $200.00/a day | $8'800.00 |
| Equipment Rented: | |
| 1-330 Excavator Caterpillar with a 30 day lease from Eh Cho Dene | |
| Contracting from Fort Nelson B.C. mobilization and insurance included | $15'000.00 |
| 1- D6 Caterpillar Dozer rented for 30 days mobilization included | $ 5'500.00 |
| **Sub-Total Labor and Mechanical** | **$33'800.00** |

June 26th to July 4th 2008:

| | | |
|---|---|---|
| Ted Reimchen, P.Geol | 9 days @ 600.00/day | $5,400.00 |
| Ryan Jones | 9 days @ 500.00/day | $4,500.00 |

| | |
|---|---|
| July 4th to August 28th 2008<br>Report Preparation 31 hours @ $125.00<br>Sample Preparation and analysis | $3,875.00 |
| **Sub-Total** | **$13,775.00** |
| Lodging 27 man days hotel and food @$150 per day | **$4,050.00** |
| Travel and Mobilization Vancouver to Watson Lake return | **$5,000.00** |
| **GRAND TOTAL** | **$56,625.00** |