ASSESSMENT REPORT
ON PHSYICAL WORK
on the
ALICE-KELLY CREEK PLACER CLAIMS
(562217; 582318; 582452)
Omineca Mining Division, British Columbia, Canada

NTS 93N/12
Latitude: 55°38'44"N
Longitude: 125°34'33"W
Owner: Christopher O. Naas
Operator: Christopher O. Naas

by
Christopher O. Naas, *P.Geo.*

December 30, 2011

SUMMARY

The Alice-Kelly Creek claims are located approximately 50 km southwest of Germansen Landing in the Omineca Mining Division of central British Columbia, Canada.

At the time of work, the property consisted of 3 MTO cell claims totaling 127.79 ha, 100% owned by Christopher O. Naas.

Field work was carried out between October 12 and 15, 2011. A total of one pit tested the near surface potential at Kelly Creek at the 2009 pit 1 location. Excavated material was run through a trommel with minus 6 mm material run through a series of sluices. The concentrate was then panned for gold identification.

Due to a mechanical breakdown with the mini-excavator and heavy snow fall, only 0.15 cubic metres of material could be processed from one excavated pit. Washing this material did produce one gold piece of 3 mm in size, one of 2 mm in size, two of 1 mm in size and fines.

Completion of this test pit and further investigations in this area is recommended.

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1.0 INTRODUCTION

This report details the results of the physical work program conducted on the Alice-Kelly Creek placer claims in October 2011.

1.1 LOCATION AND ACCESS

The Alice-Kelly Creek claims are centred at latitude 55° 38'44" N and longitude 125° 34' 33" W, approximately 50 km west of Germansen Landing (Figure 1). They are located in the Omineca Mining Division of north-central British Columbia, Canada.

Access to the claims is by paved highway to Fort St. James and northwest 45 km along the paved Tachie Hwy to the start of the well-maintained Leo Creek Forest Service Road ("FSR"). Turning northwest on the Leo Creek FSR, at 63 km is the start of the well-maintained Driftwood FSR. At 54.4 km along the Driftwood FSR, turn right (east) on the Fall-Tsayta FSR, a somewhat maintained gravel road. At 25.7 km along the Fall-Tsayta FSR is the junction with the Fall-Dream FSR, a poorly maintained gravel road (4WD recommended). Turning left (north) on the Fall-Dream FSR at 17.2 km (across the Kenny Creek bridge and past the first left hand turn off), is the Humphrey FSR (second left-hand turn-off). This road is in poor condition. Heading west 6.3 km, is the junction of the main access road to the work area along Kelly Creek. There are no visible signs for the Fall-Dream and Humphrey FS roads in the field.

1.2 TITLE

At the time of work, the Alice-Kelly Creek Placer Claims consisted of 3 MTO cells totaling 200.83 hectares. In October 2011, one placer claim (tenure number 582318) was reduced from 164.32 hectares to 91.28 hectares, resulting in 127.79 hectares for the total size of the Alice-Kelly claim group (Figure 2).

Alice-Kelly Creek claims are 100% owned by Christopher O. Naas. Claim details are listed in Table 1.

Table 1: Claim Status, *Alice-Kelly Creek Claims (as of December 30, 2011)*

Tenure Number	Claim Name	Area (ha)	Owner (100%)	Good To Date
562217	Silver	18.26	C.O. Naas	2017/nov/03
582318	Alice-Kelly	91.28	C.O. Naas	2017/nov/03
582452	Kelly	18.25	C.O. Naas	2017/nov/03

LEGEND

- Highway
- Secondary route
- River
- Waterbody

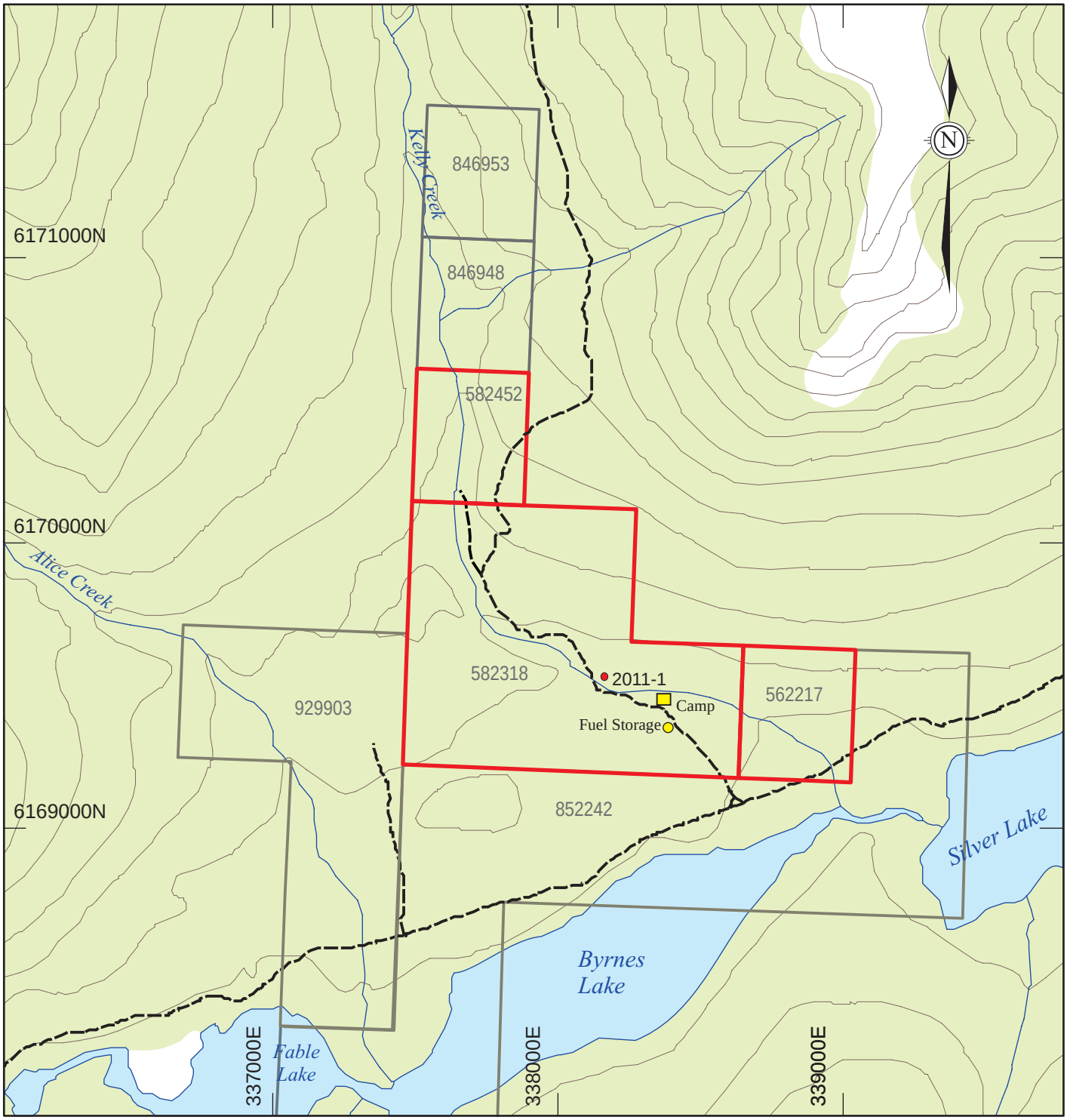
0 200km

BC Albers Projection

LOCATION MAP
Kelly Creek Placer Claims

Kelly Creek Project
Omineca M.D, British Columbia, Canada

Project:		By:	CN
Scale:	1:8,500,000	Drawn:	CN
Figure:	1	Date:	December 2011



Tenures from BC MTO, March 11, 2009
Topographic data © Her Majesty the Queen in Right of Canada, Department of Natural Resources. All rights reserved.

LEGEND

- 582318 — Placer claims with tenure number
- Alice-Kelly Creek Placer Claims (as of December 30, 2011)
- Watercourse
- Contour (50 metre)
- Waterbody
- Existing Access Road
- New Access Trail
- 2011-1 — Pit location with number

0 500m

NAD83, UTM Zone 10 North
NTS 93N

PIT LOCATION MAP
Alice-Kelly Creek Placer Claims

Kelly Creek Project
Omineca M.D., British Columbia, Canada

Project No:		By:	CN
Scale:	1:20,000	Drawn:	CN
Figure:	2	Date:	December 2011

2.0 WORK PROGRAM

Field work was undertaken from October 12 to 15, 2011.

The objective of the program was to identify the extent of the near surface potential within the area that had returned gold during the 2009 work program.

2.1 PIT SAMPLING

Due to mechanical and weather issues, only one pit was excavated and partly processed (2011-1). This pit was located 5 metres south of pit 1 from the 2009 work program.

Access to Pit 1 was gained by existing access roads and trails.

At the start of excavation, soil and organic material was removed from the surface and piled to one side. Material for processing was removed and piled on the opposite side of the pit. Excavation was undertaken by a Candig Mining CD21 mini-excavator. The excavator was moved into position by an ATV.

After reaching the desired depth, the mini-excavator was removed and a 18 inch diameter trommel powered by a 5.5 HP Honda gas motor was setup. The sluice was attached to the bottom of the trommel which processed minus 6 mm material. The sluice consisted of two Keene A52 sluices run in series. Water was pumped from the nearby creek using a Honda water pump with a 2 inch intake.

The excavated pit was used as a settling pond by ensuring the tailings exited the sluice directly into the pit.

The pit size was approximately 2.0 metres wide by 2.3 metres long (at surface) and dug to a depth of 2.14 metres resulting in approximately 6 cubic metres of excavated material. The top 1.52 metres contains unsorted gravel, dark grey to black in colour with boulders to 0.75 metres in diameter. Below 1.52 metres lies a slightly better sorted gravel, light brown in colour with smaller boulders than what lies above. The contact between the two types of gravel is sharp. The light brown lower gravel horizon has a very high clay content.

Upon completion of the pit, the mini-excavator became inoperative due to a mechanical issue with the hydraulics. Therefore, material was moved into the trommel by shovel. Due to weather conditions (heavy snow), only 0.15 cubic metres of the total 6 cubic metres of material could be processed. The lower “brown” gravel was selected for processing.

Final processing involved the panning of the concentrate to a level that allowed for gold identification.

Pit details with results is presented in Table 2. Pit location is presented in Figure 2.

2.2 RECLAMATION

The trommel and sluice setup allowed for reclamation to be undertaken during material washing, as tailings exited the sluice and trommel directly into the pit.

Due to the mechanical failure of the mini-excavator, the majority of the excavated material was not processed so the area remains disturbed and not reclaimed. This material will be processed and the area will be reclaimed during the next field season.

2.3 RESULTS

Pit details with results are presented in Table 2.

Table 2: Pit Details

Pit No	Creek Drainage	Length (m)*	Width (m)*	Depth (m)	Volume (m^3)**	Fine Gold	Gold >2mm
1	Kelly	2.0	2.3	2.14	0.15	Yes	2

* Length and Width measurements taken at surface.

** Entire excavated material was not processed due to mechanical issues.

The largest gold piece was 3mm in size. One piece was 2 mm in size, two pieces 1 mm in size with the remaining being gold fines.

3.0 CONCLUSIONS

At a depth of 1.5 metres, there is a change in gravel types as the top layer of dark grey gravels turns to light brown with a higher clay content. This light brown gravel did returned gold pieces up to 3 mm in size, even though only 0.15 cubic metres of material was processed.

Further testing within this area is warranted. In addition to determining the extent of the gold bearing gravels within the area, the two types of gravel horizons encountered during this program should be tested separately.

Respectfully Submitted,

Christopher O. Naas, P.Geo.
December 30, 2011

4.0 STATEMENT OF QUALIFICATIONS

I, Christopher O. Naas, *P.Geo*., do hereby certify that:

1. I am a member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia (Registration Number 20082);
2. I am a graduate in geology of Dalhousie University (*B.Sc*., 1984); and have practiced in my profession continuously since 1987;
3. Since 1987, I have been involved in mineral exploration for precious and/or base metals in Canada, United States of America, Chile, Venezuela, Ghana, Mali, Nigeria, and Democratic Republic of the Congo (Zaire); for diamonds in Venezuela; and for rare metals in Nigeria. I have also been involved in the determination of base metal and gold resources for properties in Canada and Ghana, respectively, and the valuation of properties in Canada and Equatorial Guinea.
4. I am presently a Consulting Geologist and have been so since November 1987;
5. The opinions and conclusions contained herein are based on a review of previous records and the results of the work program supervised by myself.

Dated at Surrey, BC, Canada, this 30th day of December, 2011.

Christopher O. Naas, *P.Geo.*

5.0 STATEMENT OF COSTS

Personnel

C. Naas	3.75	days @ $750.00	$ 2,812.50
P. Plugoway	4.00	days @ $300.00	$ 1,200.00

Equipment Costs

Truck - DK 3285	4.00	days @ $75.00	$ 300.00
Truck - DB 7115	4.00	days @ $75.00	$ 300.00
Mini Excavator	2.00	days @ $75.00	$ 150.00
ATV	2.00	days @ $40.00	$ 80.00
Trommel/Sluice	1.00	days @ $40.00	$ 40.00

Room & Board

Man-days	8.00	days @ $75.00	$ 600.00

Disbursements

Field Supplies			$ 1,592.71
Fuel			$ 614.51

Reporting

C. Naas	0.50	days @ $750.00	$ 375.00

TOTAL:	**$ 8,064.72**