2012 Technical Exploration Report For The Gus Property
Nelson M.D., B.C.

Title Page

BC Geological Survey
Assessment Report
33328

Property Name	Gus
Mining Division	Nelson
Location	Latitude 49 02 54, Longitude 117 14 33
NTS Map Sheet	82 F/3, BCGS 82F004
Claim Owner	M. A. Kaufman, FMC 113753
Operators	M. A. Kaufman, Jack Denny, Robert Denny
Author of report	M. A. Kaufman
Report Year	2011
Claims worked on	504800, 504804
General Work Categories	Geological, Geochemical
Work Reported	soils geochemical Survey, production of new digital geologic maps

Pertinent related Assessment Reports: 27915, 27526, 27249, 26981, 26674, 26408, 25704, 25090, 24748, 24199, 23711, 23438, 11452 and 10842.

Table of Contents

Gus Claim Group, Nelson Mining Division
British Columbia

Introduction/History

The Gus Claim Group, which occupies 6.35 sq. km. in the Kootenay Arc region, is situated approximately 7.5 km NE of the Canada - U.S.A. Nelway border crossing. The west margin of the claims is along the west shore of Rosebud Lake. On Jan. 25, 2005 the old claim group comprised of mineral claims Gus 1 - 16 was converted to Mineral Claim Tenure # 504800. At this time a new claim, Gus 1 (Tenure # 504804) contiguous with 504800 on its west margin, was acquired. Situated within Tenure #504800 are three old mines (Lone Silver, Davne and Lucky Strike), which have produced small amounts of very high grade silver-gold ore.

Access is by the Rosebud Lake Road, and then by a rough logging road starting just north of Rosebud Lake and going SE to the Lone Silver Mine, and then ENE to the Davne Mine. Beyond the Davne Mine area the road is overgrown, so that the Lucky Strike Mine can now only be reached by walking. One must have a key to access the logging road beyond a locked gate at the north end of Rosebud Lake. Otherwise, access is by walking only, or by the rough BC Hydro power line road south of Rosebud Lake.

I have been actively exploring this area since the late 1980s, when as a contractor I induced Lacana (later Corona) to acquire the ground. Lacana (Corona) carried out extensive soils and rock geochemical surveys. This work discovered four anomalous areas which I have designated as the Lucky Strike Gold Anomaly, the East Gold Anomaly, the Saddle Area, and the West Geochemical Anomaly. In 1992 Orvana Minerals Corp. optioned the claims from Corona, and drilled one hole to test one locality on the East Gold Anomaly. This hole cut widely scattered anomalous gold intercepts found in altered silty limestone of the Nelway formation. Orvana relinquished its option as the hole did not come up with economic mineralization. After Corona merged with Homestake, Homestake dropped the claims sight unseen. In 1994 I acquired some of the ground by staking, and subsequently expanded the holdings over several years. My work since 1994 has involved following up and extending the previous exploration by

geological, geochemical and geophysical work, testing through deep overburden by Pionjar core drilling and excavator digging, and core drilling. After the 2005 core drilling, no work was recorded on the Gus Claims until 2011, when a limited soils geochemical sampling survey was conducted on the north part of the claim area, where no previous work had been done. The 2012 work has consisted of further soils geochemical testing in the northern area to follow up the 2011 survey. A more comprehensive report on the Gus Property, all of which is not included in this report, was provided in my 2011 Assessment Report.

Summary Geology

Three potentially important structural trends are evident. First there is the ENE striking Black Bluff thrust(?) fault and related imbricate fault/fracture zones. Then there are northerly trending, steep "transverse" faults thought to cut the thrust. And then there are vertically dipping WNW trending fracture zones seen cutting upper plate formations of the thrust in what is called the East Gold Anomaly area, and at the Davne and Lucky Strike mines.

Considering physiography, there are gentle upland areas on the north and south parts of the claim area separated by a broad ENE trending shallow valley, which appears to follow the trend of the thrust faults which have been mapped in this area. A narrow NNE trending swampy depression cutting the southern upland, which occupies a portion of the East Gold Anomaly, is thought to be influenced by "transverse" faulting. The upland areas are characterized by limited outcrop covered by relatively shallow overburden, while the valley and depression areas are covered by deep glacial overburden (say 10 metres or more). In the central part of the claim block, within the southern upland, there is an extensive deep overburden covered topographic saddle designated as "Saddle Area", situated between two ENE trending ridges. GSC Map 1145A suggests that the Styx Creek transverse fault projects through this saddle. The claim area is underlain by Lower Cambrian Laib Formation phyllites, Middle Cambrian Nelway Formation silty limestones, and Middle Ordovician Active Formation argillites, limestones and phyllites. Approximately .8 km SE from the Saddle area, the GSC has mapped a small Tertiary "Coryell" monzonite plug. Very

small exposures of what may be monzonitic dikes/sills are found on the hill west of the swamp area, and similar dikes and sills(?) are found in drill cores. As well, very minor float of similar monzonitic? rock is seen at one location just east of the Lone Silver workings. The property is situated just northwest of the axis and nose of the major, SW plunging Sheep Creek anticline, but the anticline is disturbed in the claim area by the very complex faulting. Moreover, the sedimentary section is overturned, probably related to thrust faulting. A package consisting of older Laib sediments underlain by younger Nelway sediments overlies still younger Active Formation sediments. The contact between the Nelway limey sediments and the underlying Active Formation argillite-phyllite marks the trace of the thrust, but the thrust zone appears to be imbricate and complex. There is some controversy about the true nature of the Black Bluff fault, as it appears to be steeply dipping in places. I favour the idea that it is a thrust, mainly because of the overturned sedimentary section in the fault area. Possibly, there has been post-fault structural deformation.

MIneral Deposits and Geochemical Anomalies

Minor production of very high grade gold-silver ores has been taken from shallow workings of three old mines situated on the property, the Lone Silver, Davne and Lucky Strike. The mines as well as geochemically anomalous zones are found along a 1.8 km ENE trend which appears to roughly follow the strike of the Black Bluff thrust fault.

Lone Silver Mine

The most productive of the mines was the Lone Silver, which has been credited in smelter records from 1909-1916 and 1936-1941with 174 tonnes of 15.3 grams/T Au and 3,977 grams/T Ag. Additionally, Assessment Report 10842 reports 44 tons in 1963 grading 1 opt Au and 173 opt Ag. As well, this 1982 report provides a description of some of the workings which were opened at that time. Since my association with the property none of the workings have been accessible. There are two modes of mineralization at Lone Silver, both, as described in Rept.10842, associated with chaotic zones of faulting and shearing following the Black Bluff Fault trend. Upper plate Nelway limestones have been altered to a peculiar dolomite breccia, which hosted what I call upper plate ore. These were shoots of very high

grade Ag -Au ore contained in what appeared to be tetrahedrite-galena-sphalerite ore found within the breccia. The second described ore type was found in faults and shears within lower plate Active Formation argillites. This reportedly was a pyrite-sphalerite-galena-chalcopyrite ore with some associated quartz, which was also valuable for gold-silver.

Most interesting to me is that the dolomitic breccia here bears some resemblance to the productive breccias found in the Carlin, Nevada District, and the fact that these breccias appear to be quite extensive. My sampling suggests that there is at least weakly anomalous silver, lead and/or zinc throughout this unit sometimes accompanied by highly anomalous tungsten, even in rock containing no visible mineralization. The dolomitic breccia is seen mainly at adit portals for a distance of over 100 metres throughout the workings area, and at the east end of the workings there is an outcrop of this rock type. The breccia, both in dumps and outcrop, appears leached and oxidized, possibly diminishing silver values. In addition, I have found in dump material another possible mode of mineralization in apparently barren graphitic rock, which is weakly to strongly anomalous in silver, and/or lead and/or zinc. Some of this rock exhibits a sheen probably indicative of invisible, abundant fine sulfides. I am not certain exactly what this graphitic material represents. It could be in discrete beds, or, more likely, highly sheared carbon-rich zones.

Previous testing of the Lone Silver Mine dumps since I have been involved with the property has consisted of grab sampling of obvious mineralized rock from the dump surfaces by Orvana-Corona and a few others that have visited the property, to a point where it is now difficult to find such samples.. During 2010 I took two indiscriminate composite samples mainly of fine-grained muck from the two largest easternmost dumps by mattock hand digging a number of pits from each dump. The two composite samples, which show little indication of obvious mineralization, assayed respectively; from the westernmost of these dumps, 21 ppm silver, and from the easternmost +50 ppm (1.5 opt) silver. As these samples were taken from the toe areas of the dumps, it is assumed that they represent rock from the farthest extent of the southeasterly trending, flat adit from which the dumps are derived. A workings map provided in Assessment Report #10842 shows an east-west oriented cross cut at the end of the adit, where a shear zone was mapped. This very likely is where the mineralized

muck must originate from, and could represent imbricate faulting related to the Black Bluff Fault. This muck probably contains very fine, unrecognizeable disseminated galena, sphalerite and tetrahedrite. Though the dumps are not extensive, it is possible that they could contain material worth exploiting if other ore sources are found.

It is probable that both the breccia unit and the underlying shear zone type mineralization in the Active Formation could be far more extensive than what can be seen, as the trend of the Black Bluff Fault is hidden under overburden both to the NE and SW of the mine area, and it is thought to dip south under a steep hillside. Moreover, the workings were mostly horizontal adits driven into surface showings. It is doubtful that much attention was paid to structural geology, but folding of the dolomitic beds is suggested in the few government reports describing the workings.

Davne and Lucky Strike Mines

Both the Davne (production of 3.6 tonnes of 94.3 grams/T Au and 1,474 grams/T Ag) and Lucky Strike Mines (production of 55 tonnes averaging 44.2 grams/T Au and 1,166 grams/T Ag) are on WNW striking, steep dipping narrow fissure vein zones cutting “upper plate” formations, respectively Nelway silty lime and Laib phyllite. There appears to be some possible metals dispersion away from the Lucky Strike mined shoot as indicated by a weak bulbous shaped gold soils anomaly in the area. Within this anomalous area there is abundant float of bull quartz and calcite thought to be an alteration feature. Moreover, a sample of mineralized Laib Formation phyllite wall rock taken from the south wall of the workings in 2007 assayed 30 ppm Au and +100 ppm Ag. Though the two mines are .5 km apart, they appear to be controlled by the same general structural zone. Between the two mines is the NE trending swampy depression described above.

East Gold Anomaly

The East Gold Anomaly is situated just north of the above cited swampy depression. It is doubtful that this gold anomaly would ever have been

recognized had Corona not carried out a soils survey. On cursory examination there is little evidence of mineralization, but gold assays as high as 11 grams/T have come from grab samples of ordinary appearing limey siltstone. The anomalous gold is accompanied by lead, and sometimes by zinc, silver, copper and weak tungsten. The anomalies are found in an area of outcrop and shallow soil cover extending over a distance of 300 metres in a northeasterly direction. They appear to occur in small, irregular zones with no obvious direction. The stronger zones,which are found at the south end of the area, are bounded by alluvial cover to the west. Outcrops within the East Gold Anomaly show steep E dipping NNE striking bedding intersected by steep dipping WNW fracturing. The predominant rock type is thinly bedded silty limestone often showing subtle remobilized carbonate and fine micaeous minerals. In places, where WNW fracture zones are filled with carbonate minerals with occasional minor quartz, minor tetrahedrite, galena and pyrite is seen, mainly in the carbonate. When one closely examines these areas, there is also subtle evidence of fine limonitic boxworks following the formational bedding.

The northwesterly oriented Orvana - 60 degree angle drill hole, which traversed the outcropping area just south of the anomalous area, cut erratic anomalous gold in four widely spaced zones from 143 feet to 451 feet down the hole depth. The best assay was 2.1 grams/T over one metre, but the anomalous zones are up to six metres thick. It should be stated that Orvana assayed only the most obvious mineralization, and much of the core was never assayed. The alteration seen throughout the hole was interesting. Disseminated pyrite appears to be ubiquitous. Also there is widespread remobilized carbonate, and most interesting, is the presence of dike/sill swarms of altered monzonite(?) in the lower part of the hole, generally pyritized, and often coincident with gold anomalous zones. Examination of outcrop over the drill hole shows no evidence of mineralization, not even obvious Fe/Ox. Two excavator pits dug through the overburden west of the outcrop area encountered respectively some silicified float which carried above background gold, and a jasperoidal vein which contained weakly anomalous lead. A third pit uncovered phyllite with no mineralization.

Saddle Area Geochemical Anomaly

Though this area, which is covered by deep glacial overburden, has not been systematically sampled, It is crossed by two old Lacana soils lines, and has been explored by several excavator pits, one shallow "Pionjar" soils hole, and one diamond drill hole which failed to reach bedrock. Sample analyses from surface, pit bottoms and drill holes indicate frequent elevated to anomalous gold values, as well as silver and other elements. This area will be described in more detail under the section describing targets.

West Geochemical Anomaly

The West Geochemical Anomaly consists of an ENE trending zone at least 450 metres long, located about 200 metres SW of the Lone Silver Mine workings. The soils here are anomalous in Pb, Ag and Zn with some sporadic Au. It is situated on a steep hillside flattening to the north as it reaches the broad valley, which dominates the north-central part of the claim area. Soils on the steeper slopes are probably shallow, but, as the slope becomes gentle to the north we are likely dealing with deep glacial overburden. Accordingly, it is possible that the north margin of the anomaly might be more apparent than real. One very small outcrop is seen at the east end of the anomalous area, and some float and outcrop are found at its west extremity. The outcrops and float are in all cases dolomitized or marbleized Nelway limestone. The source of the anomaly is not certain. Possibly it could be mineralized fractures related to the Black Bluff Fault, or it could be dolomitic breccia similar to the altered rock found at the Lone Silver Mine, or some combination of both.

Nearby Mineralized Areas Compared to Gus

A report presented by Suzanne Paradis of the GSC at the 2006 Vancouver Exploration Roundup, cited several mines in the Kootenay Arc area as Irish Type Pb-Zn-Ag strata-bound sulfide bodies. These include the Reeves MacDonald and the Jersey Mines, which are respectively located 7.2 km WSW and 6.4 km NNE from the Lone Silver mine. Though the Jersey Pb-Zn deposit might be classified as Irish type strata-bound mineralization, the immediate area contains other occurrences, including the Emerald skarn

tungsten mine, historically, the second largest tungsten producer in Canada. Underlying the Jersey-Emerald MInes is a quartz stockwork molybdenum occurrence associated with a subjacent granitic intrusion, which has recently been explored by Sultan MInerals Corp. Sultan has also found an apparently stratabound low grade gold occurrence on the property as well as sedex Zn, Ag, Cu, Ba mineralization in Active Formation black argillite. In comparison to nearby areas, the mineralogy at the Gus property differs in that the mineralized zones here contain almost ubiquitous tetrahedrite, and the gold/silver tenor is much higher. Also, there is in places elevated to highly anomalous tungsten associated with the mineralized zones. On the Gus property some similarities can be seen to Carlin type deposits, chiefly decalcification and possible fault-controlled dike/sill swarms in proximity to mineralized zones, as well, as one occurrence of jasperoid cited above. The remobilized carbonate is most pronounced in the geochemically anomalous dolomitized limestone breccia at the Lone Silver mine, which has the potential to form significant strata-bound mineralization. Also, the presence in the farthest east Lone Silver dumps of graphitic(?) rock probably containing invisible fine metal sulfides, is of interest, as it is consistently anomalous in silver, lead and zinc the highest assay at 239 ppm Ag.

Discussion of 2011-2012 Work

During 2011, a reconnaissance soils geochemical survey was conducted on the northern upland part of the property, where Active Formation argillite and limey argillite is thought to be covered by relatively shallow overburden. The survey, which was conducted to roughly cross the stratigraphic strike, followed a north-south, one kilometre long line with samples spaced roughly 100 metres apart. No outcrop was encountered along the survey route, but, in places, rock float was seen, which is probably close to bedrock.

From previous extensive soils surveys conducted on the property, I would consider threshold anomalous values for zinc to be in the range of 250 ppm, and silver to be about .5 ppm. However, previous sampling can best be described as a mixed bag, some of it over the previously described ash layer underlain by deep glacial overburden, and some of it over the southern

upland area, which is underlain by Nelway and Laib Formation sedimentary rocks. Almost none of the old survey work was conducted where the Active Formation underlies shallow overburden.

The 2012 survey, consisting of a one kilometre east-west line near the property's north boundary, and a roughly north-northeasterly line, which follows an old logging trail, was conducted to follow up the 2011 work. Again, samples were spaced roughly 100 metres apart. For sample locations and assay values, please refer to the accompanying 1:5000 scale map, and the compilation Excel File. For detailed assays, refer to the assay certificates.

Combining the 2011 and 2012 surveys, it is evident that a silver anomaly with weaker accompanying zinc occurs for +100 metres at the east end of the 2012 east-west line (samples 11-13). Another silver anomaly with sporadic zinc is noted in the north-central part of the survey area (samples 9, 10, 17 and 18). A strong zinc anomaly with elevated silver occurs in the northwest part of the survey area (samples 20 and 26), and an isolated silver value is noted in sample 30 in the west part of the survey. Moderately anomalous zinc and silver were also found in samples # 28, 29 and 31. In regard to gold, there were several samples containing detectable values, but nothing that I would consider anomalous. Rock sample 34 contained 20 ppb gold, soil sample 16 contained 14 ppb gold, and samples 26 and 35 each contained 10 ppb. Soil sample 29 contained weakly anomalous molybdenum (16 ppm). No other anomalous values were noted.

No outcrop has been thus far encountered within the area surveyed. One can only speculate as to the depth of the overburden, but I would guess that it is probably relatively shallow, compared to the valley area separating the north and south upland areas. But, as our work in the south upland Saddle area has shown, none of our excavator pits reached bedrock. The sampled area is believed to be underlain by Active Formation sediments sandwiched between the Black Bluff Fault to the south and the Argillite Thrust Fault to the north. The trend of the bedding and thrust faults is thought to be northeasterly. I would expect that this area is cut by numerous subsidiary fault/fracture zones related to the Argillite Fault, which should underlie the area at depth, as well as transverse faults cutting the thrusts. I would speculate that the anomalous values might be related to these postulated

structural zones, and/or to possible high background metal content in sections of the Active Formation.

As our work commenced late in the season, and the contractors were tied up with other projects, we were unable to conduct follow-up this season. It is evident that two or three more east west lines should be done to the south of our northerly line, and the northerly line should be extended to the east. Then closer spaced sampling might be warranted in anomalous areas.

M. A. Kaufman, P. Eng.
PO Box 14336
Spokane Valley, WA 99214
USA

Oct. 24, 2012

Statement of Qualifications M. A. Kaufman

I, M. A. Kaufman hereby state that I have worked as a mining geologist and mining engineer for 56 years.

I received an A, B, degree in geology from Dartmouth College in 1955, and an M. S. degree in geology and mining engineering from the University of Minnesota in 1957.

I am currently registered as a Professional Engineer/Geologist in the province of British Columbia.

From the period 1955 - 1965 I worked for the major companies Kennecott Copper Corp., Giant Yellowknife Gold Mines (Falconbridge), Kerr-McGee, and Hunting Survey Corp., Ltd. I then worked independently as a consultant and contractor, mainly for major companies. From 1969 through 1989, I was a principal of the consulting and contracting firm of Perry, Knox, Kaufman, Inc., and its successor, Knox, Kaufman Inc. From 1990 to present I have worked as an independent consultant and prospector.

M. A. Kaufman

	A	B	C	D	E	F	G	H	I
1	Gus 2012 Compilation of Samples								
2	Soils					Sample Descriptions			
3	Sample #	GPS Zone 11	Elevation	Assays		Sample #	GPS Zone 11	Elevation	Sample Description
4		NAD 83	metres	Ag ppm	Zn ppm		NAD 83	metres	
5									
6	1	480894E, 5433739N	885	0.24	163	1	480894E, 5433739N	885	.5m depth, lt. brown glacial till
7	2	480994E, 5433789N	902	0.38	224	2	480994E, 5433789N	902	" "
8	3	481090E, 5433816N	924	0.31	209	3	481090E, 5433816N	924	.5m depth, brown glacial till
9	4	481161E, 5433858N	945	0.54	241	4	481161E, 5433858N	945	" "
10	5	481175E, 5433948N	962	0.47	216	5	481175E, 5433948N	962	.5m depth, coarser brown glacial till
11	6	481212E, 5434048N	980	0.32	183	6	481212E, 5434048N	980	.5m depth, fn silt and brown glacial till
12	7	481284E, 5434104N	996	0.53	177	7	481284E, 5434104N	996	. 6m depth, fn lt brown silt
13	8	481312E, 5434214N	997	0.44	203	8	481312E, 5434214N	997	.7m depth, fn lt brown silt
14	9	481280E, 5434287N	986	1.94	522	9	481280E, 5434287N	986	.6m depth, fn lt brown-gray silt
15	10	481246E, 5434392N	982	1.12	361	10	481246E, 5434392N	982	.7m depth "
16	11	481793E, 5434428N	973	4.72	575	11	481793E, 5434428N	973	.6m depth "
17	12	481689E, 5434428N	1002	1.73	562	12	481689E, 5434428N	1002	.5m depth, lt brown till , coarser w/
18									sed. Rock pebbles
19	13	481589E, 5434430N	997	1.03	676	13	481589E, 5434430N	997	.6m depth," " "
20	14	481488E, 5434427N	998	0.51	244	14	481488E, 5434427N	998	.6m depth, fn lt brown-gray silt
21	15	481388E, 5434427N	995	0.46	234	15	481388E, 5434427N	995	.7m depth, fn brown silt
22	16	481290E, 5434428N	981	0.68	260	16	481290E, 5434428N	981	.6m depth, coarser lt brown till
23						17	481190E, 5434426N	982	.5m depth, coarser brown till w/tiny
24	17	481190E, 5434426N	982	1.65	435				lt brown pebbles
25	18	481091E, 5434428N	966	2.45	905	18	481091E, 5434428N	966	.5m depth, fn lt brown till w/
26									argillite float in soil
27	19	480988E, 5434427N	938	0.67	431	19	480988E, 5434427N	938	.7m depth, fn lt brown silt
28	20	480892E, 5434428N	910	0.5	1230	20	480892E, 5434428N	910	.5m depth, " "
29	21	480790E, 5434430N	884	0.24	324	21	480790E, 5434430N	884	.5m depth, " "
30									
31	Rock					Rock			
32	12R 01	481152E, 5433834N	931	0.2	79	12R 01	481152E, 5433834N	931	Float; thin layered, gray argilliite
33									w/ thin quartz veinlets following
34									layering, minor pyrite

	A	B	C
1	Gus 2012 expenses		
2			
3	M. A. Kaufman		
4	date	work	
5	27-Jun	travel 1/2day	$400.00
6	28	reonn mapping	$800.00
7	28-Aug	plan geochem	
8		work 1/2day	$400.00
9	06-Oct	data comp/report	$800.00
10	0ct 19	data comp/report	$400.00
11	Sub T		$2,800.00
12			
13			
14	Contractors		
15	Jack Denny	field survey	$751.00
16			
17	ALS	assays	$713.41
18			$38.81
19	Wayne Reich	drafting	$110.50
20	Sub T		$1,613.72
21			
22	Field Expenses		
23			
24	M. A. Kaufman		
25	vehicle		
26	.45/KM	270	$121.50
27			
28	Lodging		$88.14
29	Meals		$12.73
30	Sub T Field exp		$222.37
31			
32			
33	Grand T		$4,636.09

ALS Canada Ltd.
2103 Dollarton Hwy
North Vancouver BC V7H 0A7
Phone: 604 984 0221 Fax: 604 984 0218 www.alsglobal.com

To: M. A. KAUFMAN
PO BOX 14336
SPOKANE VALLEY WA 99214
USA

Finalized Date: 3- OCT- 2012
Account: MAKAUF

CERTIFICATE VA12230610

Project: GUS PROJECT

P.O. No.:

This report is for 1 Rock sample submitted to our lab in Vancouver, BC, Canada on 28- SEP- 2012.

The following have access to data associated with this certificate:

MIKE CATHRO	M.A. KAUFMAN	

SAMPLE PREPARATION

ALS CODE	DESCRIPTION
WEI- 21	Received Sample Weight
LOG- 22	Sample login - Rcd w/o BarCode
CRU- 31	Fine crushing - 70% <2mm
SPL- 21	Split sample - riffle splitter
PUL- 31	Pulverize split to 85% <75 um

ANALYTICAL PROCEDURES

ALS CODE	DESCRIPTION	INSTRUMENT
ME- ICP41	35 Element Aqua Regia ICP- AES	ICP- AES
Au- ICP21	Au 30g FA ICP- AES Finish	ICP- AES

To: M. A. KAUFMAN
ATTN: M.A. KAUFMAN
PO BOX 14336
SPOKANE VALLEY WA 99214
USA

This is the Final Report and supersedes any preliminary report with this certificate number. Results apply to samples as submitted. All pages of this report have been checked and approved for release.

Signature:

Colin Ramshaw, Vancouver Laboratory Manager

ALS Canada Ltd.
2103 Dollarton Hwy
North Vancouver BC V7H 0A7
Phone: 604 984 0221 Fax: 604 984 0218 www.alsglobal.com

To: M. A. KAUFMAN
PO BOX 14336
SPOKANE VALLEY WA 99214
USA

Finalized Date: 3- OCT- 2012
Account: MAKAUF

Project: GUS PROJECT

CERTIFICATE OF ANALYSIS VA12230610

Sample Description	Method	WEI- 21	Au- ICP21	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41
	Analyte	Recvd Wt.	Au	Ag	Al	As	B	Ba	Be	Bi	Ca	Cd	Co	Cr	Cu	Fe
	Units	kg	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	%
	LOR	0.02	0.001	0.2	0.01	2	10	10	0.5	2	0.01	0.5	1	1	1	0.01
GUSI2R01		0.86	0.007	0.2	0.31	<2	<10	190	<0.5	<2	12.3	0.8	4	4	45	0.76

ALS Canada Ltd.
2103 Dollarton Hwy
North Vancouver BC V7H 0A7
Phone: 604 984 0221 Fax: 604 984 0218 www.alsglobal.com

To: M. A. KAUFMAN
PO BOX 14336
SPOKANE VALLEY WA 99214
USA

Finalized Date: 3- OCT- 2012
Account: MAKAUF

Project: GUS PROJECT

CERTIFICATE OF ANALYSIS VA12230610

Sample Description	Method	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41
	Analyte	Ga	Hg	K	La	Mg	Mn	Mo	Na	Ni	P	Pb	S	Sb	Sc	Sr
	Units	ppm	ppm	%	ppm	%	ppm	ppm	%	ppm	ppm	ppm	%	ppm	ppm	ppm
	LOR	10	1	0.01	10	0.01	5	1	0.01	1	10	2	0.01	2	1	1
GUSI2R01		<10	<1	0.17	10	0.18	139	2	<0.01	19	510	6	0.03	3	1	324

ALS Canada Ltd.
2103 Dollarton Hwy
North Vancouver BC V7H 0A7
Phone: 604 984 0221 Fax: 604 984 0218 www.alsglobal.com

To: M. A. KAUFMAN
PO BOX 14336
SPOKANE VALLEY WA 99214
USA

Finalized Date: 3- OCT- 2012
Account: MAKAUF

Project: GUS PROJECT

CERTIFICATE OF ANALYSIS VA12230610

Sample Description	Method	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41	ME- ICP41
	Analyte	Th	Ti	Tl	U	V	W	Zn
	Units	ppm	%	ppm	ppm	ppm	ppm	ppm
	LOR	20	0.01	10	10	1	10	2
GUSI2R01		<20	0.01	<10	<10	49	<10	79

ALS Canada Ltd.
2103 Dollarton Hwy
North Vancouver BC V7H 0A7
Phone: 604 984 0221 Fax: 604 984 0218 www.alsglobal.com

To: M. A. KAUFMAN
PO BOX 14336
SPOKANE VALLEY WA 99214
USA

Finalized Date: 4- OCT- 2012
Account: MAKAUF

CERTIFICATE VA12230155

Project: GUS PROJECT

P.O. No.:

This report is for 21 Soil samples submitted to our lab in Vancouver, BC, Canada on 28- SEP- 2012.

The following have access to data associated with this certificate:

MIKE CATHRO	M.A. KAUFMAN	

SAMPLE PREPARATION

ALS CODE	DESCRIPTION
WEI- 21	Received Sample Weight
LOG- 22	Sample login - Rcd w/o BarCode
SCR- 41	Screen to - 180um and save both

ANALYTICAL PROCEDURES

ALS CODE	DESCRIPTION	INSTRUMENT
Au- TL42	Trace Level Au - 15 g AR	ICP- MS
ME- MS41	51 anal. aqua regia ICPMS	

To: M. A. KAUFMAN
ATTN: M.A. KAUFMAN
PO BOX 14336
SPOKANE VALLEY WA 99214
USA

This is the Final Report and supersedes any preliminary report with this certificate number. Results apply to samples as submitted. All pages of this report have been checked and approved for release.

***** See Appendix Page for comments regarding this certificate *****

Signature:

Colin Ramshaw, Vancouver Laboratory Manager

ALS Canada Ltd.
2103 Dollarton Hwy
North Vancouver BC V7H 0A7
Phone: 604 984 0221 Fax: 604 984 0218 www.alsglobal.com

To: M. A. KAUFMAN
PO BOX 14336
SPOKANE VALLEY WA 99214
USA

Finalized Date: 4- OCT- 2012
Account: MAKAUF

Project: GUS PROJECT

CERTIFICATE OF ANALYSIS VA12230155

Sample Description	Method Analyte Units LOR	WEI- 21 Recvd Wt. kg 0.02	Au- TL42 Au ppm 0.001	ME- MS41 Ag ppm 0.01	ME- MS41 Al % 0.01	ME- MS41 As ppm 0.1	ME- MS41 Au ppm 0.2	ME- MS41 B ppm 10	ME- MS41 Ba ppm 10	ME- MS41 Be ppm 0.05	ME- MS41 Bi ppm 0.01	ME- MS41 Ca % 0.01	ME- MS41 Cd ppm 0.01	ME- MS41 Ce ppm 0.02	ME- MS41 Co ppm 0.1	ME- MS41 Cr ppm 1
GUS 01		0.54	0.001	0.24	3.12	10.2	<0.2	<10	340	0.98	0.60	0.21	0.60	46.0	13.0	39
GUS 02		0.64	0.001	0.38	2.60	8.7	<0.2	<10	350	0.91	0.53	0.37	1.80	41.5	11.9	31
GUS 03		0.60	0.002	0.31	2.40	11.2	<0.2	<10	450	0.87	0.61	0.40	2.03	41.2	12.9	34
GUS 04		0.48	0.001	0.54	1.60	6.5	<0.2	<10	280	0.58	0.38	0.28	1.95	33.5	8.9	26
GUS 05		0.50	0.001	0.47	2.27	5.9	<0.2	<10	210	0.77	0.36	0.43	1.51	34.1	8.8	25
GUS 06		0.50	0.002	0.32	2.24	9.5	<0.2	<10	270	0.72	0.36	0.20	1.01	36.2	8.8	22
GUS 07		0.48	0.002	0.53	2.37	6.0	<0.2	<10	220	0.80	0.31	0.21	0.84	36.3	8.7	20
GUS 08		0.52	0.002	0.44	2.24	7.8	<0.2	<10	210	0.73	0.32	0.25	1.61	34.8	8.3	20
GUS 09		0.44	0.002	1.94	2.35	6.8	<0.2	<10	300	0.75	0.30	0.19	7.67	30.8	7.5	17
GUS 10		0.50	0.002	1.12	2.07	8.1	<0.2	<10	250	0.68	0.23	0.13	2.81	31.0	7.9	14
GUS 11		0.62	0.002	4.72	1.85	8.2	<0.2	<10	230	0.52	0.24	0.10	4.00	35.4	6.7	14
GUS 12		0.58	0.001	1.73	1.49	9.4	<0.2	<10	360	0.48	0.23	0.17	6.76	27.7	7.1	15
GUS 13		0.52	0.001	1.03	1.91	12.0	<0.2	<10	270	0.65	0.30	0.15	5.67	32.9	8.8	17
GUS 14		0.46	0.001	0.51	1.84	5.7	<0.2	<10	270	0.65	0.27	0.19	2.01	33.8	8.0	18
GUS 15		0.48	0.001	0.46	1.61	5.7	<0.2	<10	210	0.54	0.24	0.17	1.70	30.8	7.1	17
GUS 16		0.52	0.014	0.68	2.00	5.4	<0.2	<10	240	0.69	0.28	0.17	2.43	33.2	8.0	18
GUS 17		0.54	0.002	1.65	2.04	6.5	<0.2	<10	230	0.69	0.37	0.15	5.21	33.4	7.8	17
GUS 18		0.38	0.002	2.45	2.23	7.4	<0.2	<10	210	0.79	0.25	0.18	5.43	33.0	7.8	16
GUS 19		0.54	0.003	0.67	2.21	5.4	<0.2	<10	240	0.74	0.23	0.19	5.14	34.8	8.6	20
GUS 20		0.44	0.003	0.50	2.00	4.5	<0.2	<10	170	0.66	0.23	0.23	8.04	32.2	7.7	18
GUS 21		0.54	0.002	0.24	2.12	4.9	<0.2	<10	210	0.70	0.27	0.26	1.31	33.2	8.7	20

***** See Appendix Page for comments regarding this certificate *****

ALS Canada Ltd.
2103 Dollarton Hwy
North Vancouver BC V7H 0A7
Phone: 604 984 0221 Fax: 604 984 0218 www.alsglobal.com

To: M. A. KAUFMAN
PO BOX 14336
SPOKANE VALLEY WA 99214
USA

Finalized Date: 4- OCT- 2012
Account: MAKAUF

Project: GUS PROJECT

CERTIFICATE OF ANALYSIS VA12230155

Sample Description	Method	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41
	Analyte	Cs	Cu	Fe	Ga	Ge	Hf	Hg	In	K	La	Li	Mg	Mn	Mo	Na
	Units	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	%	ppm	ppm	%
	LOR	0.05	0.2	0.01	0.05	0.05	0.02	0.01	0.005	0.01	0.2	0.1	0.01	5	0.05	0.01
GUS 01		3.91	23.6	2.81	9.32	0.11	0.15	0.02	0.030	0.32	18.4	29.8	0.56	385	1.34	0.02
GUS 02		3.31	21.3	2.51	8.18	0.11	0.09	0.02	0.029	0.30	17.2	21.5	0.48	591	1.69	0.01
GUS 03		3.36	21.8	2.57	7.60	0.11	0.08	0.03	0.045	0.34	18.6	19.2	0.50	979	1.59	0.01
GUS 04		2.36	14.3	2.01	5.33	0.07	0.03	0.02	0.024	0.21	15.2	14.0	0.40	429	1.94	0.01
GUS 05		1.77	21.0	2.08	6.31	0.09	0.19	0.03	0.027	0.14	15.5	67.2	0.38	445	1.27	0.02
GUS 06		2.06	19.0	2.07	6.87	0.08	0.13	0.03	0.025	0.15	14.0	17.0	0.35	293	1.49	0.01
GUS 07		1.92	29.2	2.01	7.04	0.09	0.26	0.03	0.024	0.15	17.2	17.3	0.35	240	1.87	0.02
GUS 08		1.96	24.0	1.92	6.44	0.09	0.24	0.03	0.027	0.15	14.6	16.7	0.33	218	1.67	0.02
GUS 09		2.64	22.1	1.93	7.08	0.08	0.33	0.05	0.028	0.09	12.0	17.5	0.36	227	1.80	0.02
GUS 10		1.93	26.3	1.81	5.83	0.08	0.27	0.05	0.024	0.10	11.7	16.3	0.39	197	4.00	0.01
GUS 11		1.54	35.4	1.79	5.33	0.07	0.22	0.04	0.022	0.06	15.8	15.2	0.28	141	5.52	0.01
GUS 12		1.61	38.3	1.75	4.55	0.07	0.15	0.04	0.029	0.07	12.1	13.0	0.28	243	7.18	0.01
GUS 13		2.34	42.3	1.98	5.72	0.08	0.26	0.04	0.031	0.09	13.7	19.1	0.40	191	4.36	0.01
GUS 14		1.80	22.3	1.82	5.71	0.09	0.23	0.03	0.021	0.11	15.1	16.2	0.32	176	1.72	0.01
GUS 15		1.49	19.7	1.71	4.93	0.07	0.15	0.03	0.021	0.10	13.2	16.3	0.30	231	1.31	0.01
GUS 16		1.68	20.9	1.90	5.79	0.08	0.30	0.04	0.022	0.10	14.4	17.0	0.36	162	1.94	0.01
GUS 17		2.35	25.3	1.78	5.94	0.09	0.26	0.04	0.023	0.13	14.0	17.9	0.39	218	3.23	0.01
GUS 18		2.91	15.0	1.89	6.99	0.08	0.22	0.04	0.029	0.10	9.6	21.8	0.47	157	2.79	0.01
GUS 19		2.48	20.0	2.09	6.57	0.10	0.32	0.04	0.022	0.11	13.9	29.0	0.41	273	1.57	0.02
GUS 20		6.09	11.2	1.95	5.96	0.09	0.21	0.02	0.025	0.12	11.4	23.4	0.38	196	2.08	0.02
GUS 21		2.04	14.3	2.15	6.39	0.08	0.11	0.02	0.024	0.12	12.1	23.9	0.41	384	1.21	0.02

***** See Appendix Page for comments regarding this certificate *****

ALS Canada Ltd.
2103 Dollarton Hwy
North Vancouver BC V7H 0A7
Phone: 604 984 0221 Fax: 604 984 0218 www.alsglobal.com

To: M. A. KAUFMAN
PO BOX 14336
SPOKANE VALLEY WA 99214
USA

Finalized Date: 4- OCT- 2012
Account: MAKAUF

Project: GUS PROJECT

CERTIFICATE OF ANALYSIS VA12230155

Sample Description	Method	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41
	Analyte	Nb	Ni	P	Pb	Rb	Re	S	Sb	Sc	Se	Sn	Sr	Ta	Te	Th
	Units	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
	LOR	0.05	0.2	10	0.2	0.1	0.001	0.01	0.05	0.1	0.2	0.2	0.2	0.01	0.01	0.2
GUS 01		2.94	42.6	1170	15.7	34.7	<0.001	0.01	0.76	4.7	0.6	0.8	18.5	<0.01	0.03	6.1
GUS 02		2.66	40.8	2200	17.8	30.7	<0.001	0.01	0.93	3.8	0.6	0.8	22.4	<0.01	0.03	4.3
GUS 03		2.86	42.0	2120	26.9	34.1	<0.001	0.02	0.86	3.9	0.6	0.9	27.6	<0.01	0.04	4.4
GUS 04		1.88	36.9	1650	16.0	22.9	<0.001	0.01	0.98	2.7	0.4	0.5	22.3	<0.01	0.02	3.8
GUS 05		1.95	33.3	490	16.3	17.9	<0.001	0.01	0.78	3.7	0.6	0.9	29.3	<0.01	0.03	4.3
GUS 06		1.94	31.0	1980	16.5	19.2	<0.001	0.01	0.72	3.4	0.5	0.6	17.4	0.01	0.03	4.7
GUS 07		1.78	27.8	1180	15.1	18.3	<0.001	0.01	0.71	4.5	0.6	0.9	18.9	0.02	0.05	4.8
GUS 08		2.11	30.1	1500	14.5	20.0	<0.001	0.01	0.80	3.8	0.6	0.6	20.9	0.02	0.04	4.8
GUS 09		1.91	39.1	2130	14.2	22.4	<0.001	0.01	0.92	4.0	0.6	0.7	19.0	0.03	0.03	4.7
GUS 10		1.53	42.1	1360	13.2	28.2	<0.001	0.01	1.14	3.2	0.6	0.5	15.8	0.02	0.04	4.3
GUS 11		1.52	51.0	1420	12.3	14.7	<0.001	0.01	2.28	3.1	1.2	0.6	13.3	0.03	0.04	4.7
GUS 12		1.31	50.0	2420	15.3	16.9	<0.001	0.01	2.54	2.6	0.8	0.5	20.7	0.01	0.04	4.2
GUS 13		1.72	62.3	1700	17.0	29.1	<0.001	0.01	1.63	3.2	0.8	0.6	15.7	0.02	0.04	5.5
GUS 14		1.32	30.8	1350	11.4	28.6	<0.001	0.01	0.70	3.4	0.5	0.6	20.3	0.02	0.03	4.8
GUS 15		1.51	26.2	1460	11.6	26.4	<0.001	0.01	0.67	2.9	0.4	0.5	21.7	0.01	0.03	4.3
GUS 16		1.14	25.8	980	12.2	33.7	<0.001	<0.01	0.66	3.8	0.5	0.6	16.6	0.02	0.04	4.8
GUS 17		1.51	45.2	1600	20.2	31.0	<0.001	0.01	1.39	3.3	0.7	0.6	16.0	0.02	0.04	5.1
GUS 18		2.13	64.0	940	15.7	31.2	<0.001	0.01	1.80	2.7	0.7	0.7	17.7	0.02	0.04	3.6
GUS 19		1.53	49.0	1180	11.8	45.9	<0.001	<0.01	0.58	4.0	0.5	0.6	19.6	0.02	0.04	5.0
GUS 20		2.00	83.3	680	12.7	75.7	<0.001	0.01	0.86	2.9	0.7	0.6	20.4	<0.01	0.03	4.1
GUS 21		2.03	33.1	1700	12.8	40.5	<0.001	0.01	0.39	3.3	0.5	0.6	20.8	0.01	0.02	4.2

***** See Appendix Page for comments regarding this certificate *****

ALS Canada Ltd.
2103 Dollarton Hwy
North Vancouver BC V7H 0A7
Phone: 604 984 0221 Fax: 604 984 0218 www.alsglobal.com

To: M. A. KAUFMAN
PO BOX 14336
SPOKANE VALLEY WA 99214
USA

Finalized Date: 4- OCT- 2012
Account: MAKAUF

Project: GUS PROJECT

CERTIFICATE OF ANALYSIS VA12230155

Sample Description	Method	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41	ME- MS41
	Analyte	Ti	Tl	U	V	W	Y	Zn	Zr
	Units	%	ppm	ppm	ppm	ppm	ppm	ppm	ppm
	LOR	0.005	0.02	0.05	1	0.05	0.05	2	0.5
GUS 01		0.135	0.29	1.60	46	0.53	7.37	163	8.3
GUS 02		0.107	0.25	0.93	39	0.57	6.42	224	4.2
GUS 03		0.106	0.24	0.80	39	0.59	6.64	209	3.4
GUS 04		0.073	0.19	0.69	34	0.47	4.02	241	1.2
GUS 05		0.090	0.16	0.88	35	0.44	7.95	216	7.7
GUS 06		0.089	0.16	1.11	38	0.48	6.13	183	7.6
GUS 07		0.100	0.20	1.53	38	0.54	11.55	177	16.4
GUS 08		0.094	0.19	1.43	37	0.64	8.64	203	14.8
GUS 09		0.106	0.20	1.00	44	0.52	7.23	522	22.6
GUS 10		0.087	0.22	1.01	42	0.48	6.37	361	17.1
GUS 11		0.080	0.20	1.49	37	0.31	7.86	575	13.5
GUS 12		0.068	0.26	1.43	43	0.53	5.92	562	9.8
GUS 13		0.079	0.23	1.86	47	0.61	6.73	676	15.1
GUS 14		0.085	0.17	1.02	38	0.46	6.97	244	14.9
GUS 15		0.077	0.16	0.91	37	0.56	5.45	234	8.7
GUS 16		0.089	0.17	1.29	44	0.49	7.81	260	18.7
GUS 17		0.090	0.26	1.05	46	0.68	7.48	435	17.0
GUS 18		0.103	0.20	0.63	58	0.44	4.03	905	11.6
GUS 19		0.098	0.18	1.82	41	0.57	8.11	431	20.1
GUS 20		0.093	0.15	1.01	42	0.90	4.45	1260	10.5
GUS 21		0.093	0.16	1.25	37	0.38	5.19	324	5.5

***** See Appendix Page for comments regarding this certificate *****

ALS Canada Ltd.
2103 Dollarton Hwy
North Vancouver BC V7H 0A7
Phone: 604 984 0221 Fax: 604 984 0218 www.alsglobal.com

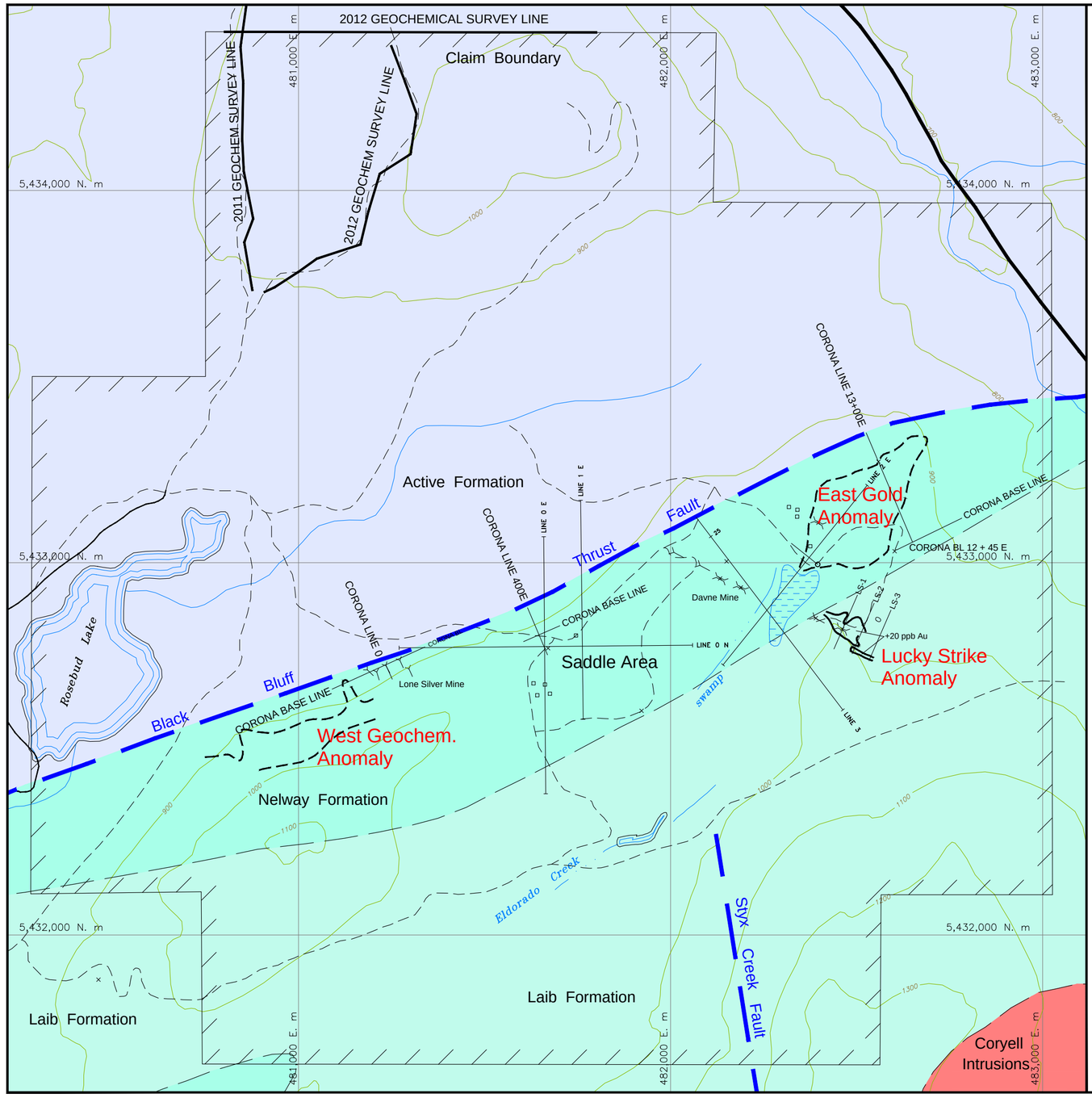
To: M. A. KAUFMAN
PO BOX 14336
SPOKANE VALLEY WA 99214
USA

Page: Appendix 1
Total # Appendix Pages: 1
Finalized Date: 4- OCT- 2012
Account: MAKAUF

Project: GUS PROJECT

CERTIFICATE OF ANALYSIS VA12230155

Method	CERTIFICATE COMMENTS
ME- MS41	Gold determinations by this method are semi- quantitative due to the small sample weight used (0.5g).



EXPLANATION

- Tertiary: Coryell alkaline intrusions
- Cretaceous: Nelson granitic imtrusions
- Lower and middle Ordovician: Active Formation, argillite and limestone
- Middle Cambrian: Nelway Formation, limestone and calcareous argillite
- Lower Cambrian: Laib Formation, phyllite and argillite
- Lower Cambrian: Reno and Quartzite Range Formations, predominantly quartzite and argillite
- Contact
- Thrust fault
- Excavator prospect pits

Meters

0 250 500

1 : 10,000

UTM Zone 11, NAD 83

M. A. Kaufman

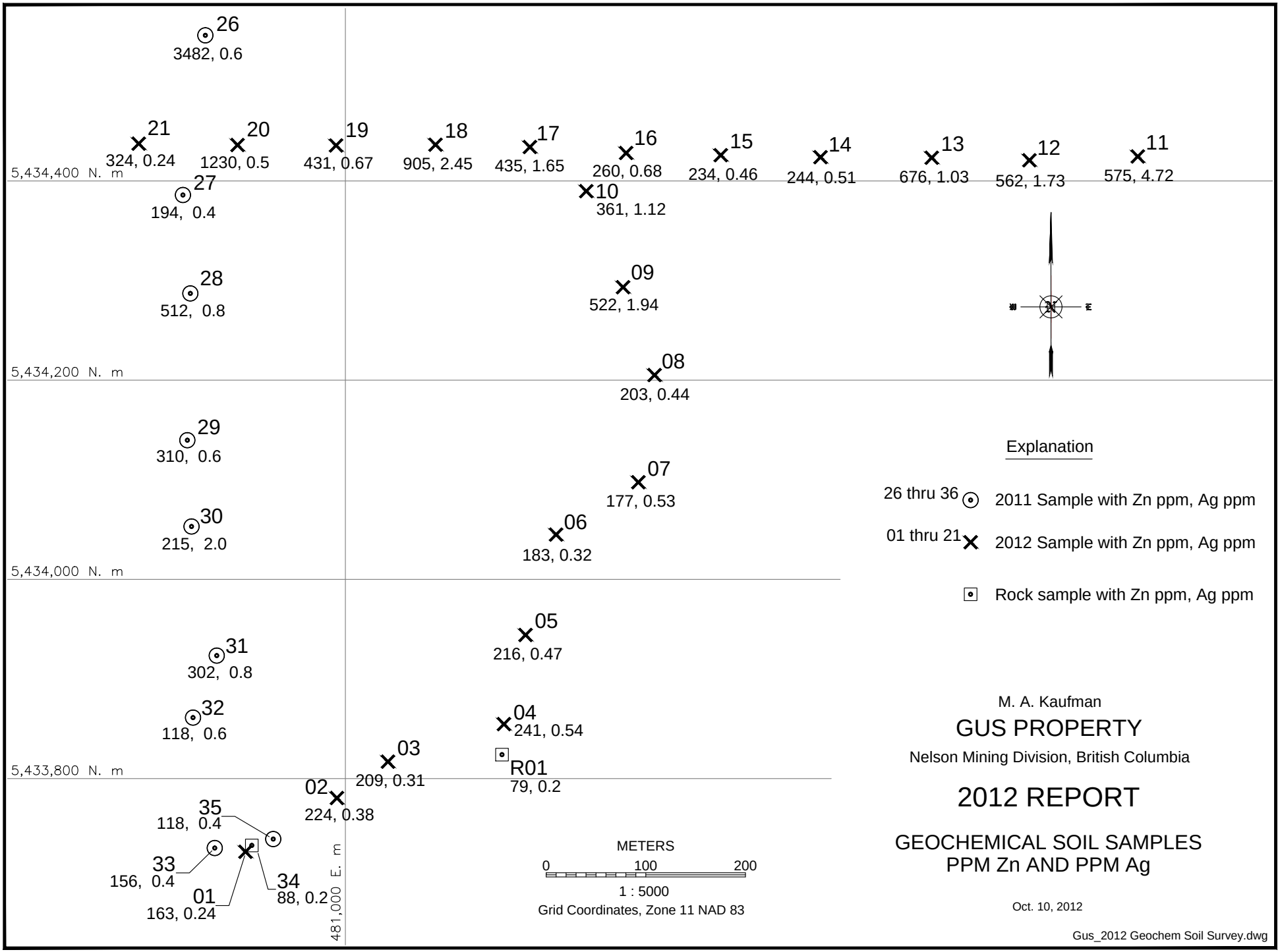
GUS PROPERTY

Nelson Mining Division, British Columbia

2012 REPORT

SOILS GEOCHEMICAL SURVEYS
2011 AND 2012

Oct. 10, 2012


26
3482, 0.6
21
324, 0.24
20
1230, 0.5
19
431, 0.67
18
905, 2.45
17
435, 1.65
16
260, 0.68
15
234, 0.46
14
244, 0.51
13
676, 1.03
12
562, 1.73
11
575, 4.72
5,434,400 N. m
27
194, 0.4
10
361, 1.12
28
512, 0.8
09
522, 1.94
5,434,200 N. m
08
203, 0.44
29
310, 0.6
07
177, 0.53
30
215, 2.0
06
183, 0.32
5,434,000 N. m
05
216, 0.47
31
302, 0.8
32
118, 0.6
04
241, 0.54
03
209, 0.31
R01
79, 0.2
5,433,800 N. m
02
224, 0.38
35
118, 0.4
33
156, 0.4
34
88, 0.2
01
163, 0.24
481,000 E. m
METERS
0
100
200
1 : 5000
Grid Coordinates, Zone 11 NAD 83
Explanation
26 thru 36
2011 Sample with Zn ppm, Ag ppm
01 thru 21
2012 Sample with Zn ppm, Ag ppm
Rock sample with Zn ppm, Ag ppm
M. A. Kaufman
GUS PROPERTY
Nelson Mining Division, British Columbia
2012 REPORT
GEOCHEMICAL SOIL SAMPLES
PPM Zn AND PPM Ag
Oct. 10, 2012
Gus_2012 Geochem Soil Survey.dwg